

**Housing Finance Authority of
St. Johns County, Florida
Regular Meeting**

**May 24, 2018
Minutes**

The Housing Finance Authority of St. Johns County met at 3:00 pm in the Kingfisher Conference Room at the St. Johns County Health and Human Services Building – Housing Department, 200 San Sebastian View, St. Augustine, Florida 32084.

The meeting was called to order at 3:03pm by Jay Kalter, Vice-Chair.

Members Present:

Jay Kalter
Craig Higgins
Victor Raymos
Robert Marshall
Linda DeGrande

Members Absent:

Malinda Peebles

BCC Liaison: Commissioner Jeb Smith

Guests Present:

Debi Redding – Emergency Service and Homeless Coalition of SJC, Inc.
Bill Lazar – St. Johns Housing Partnership
Seth O’Connell - CPA, Accountant to the HFA, W. H. O’Connell & Assoc.
Jean Mangu - Edwards Cohen, Counsel to the HFA
Joseph Cone – HHS, Housing & Community Services Manager
Julie Voorhees – HHS, Housing Support Staff
Mary Garcia – HHS Support Staff

Notices regarding the meeting were sent to all members. No press was in attendance.

Additions/Deletions to Agenda and Approval of Agenda:

Motion made by Victor Raymos to add “950 N. Orange Street Issue”; “Correspondence with Susan Leigh”; and “ABCs of Affordable Housing Program” to the agenda under new business and “Minutes of March 29, 2018 Subcommittee Meeting” to the agenda under Approval of Minutes; motion seconded by Craig Higgins. **Motion passed unanimously.**

Public Comments: None

Approval of Minutes:

Motion made by Victor Raymos to approve the minutes of the April 26, 2018 meeting; motion seconded by Robert Marshall. **Motion passed unanimously.**

Motion made by Victor Raymos to approve the minutes of the March 29, 2018 subcommittee meeting; motion seconded by Craign Higgins. **Motion passed unanimously.**

Financial Report:

- **Financials:** Mr. O'Connell said Habitat has two more draws; one for the bulk of their money and a final, much smaller draw. Mr. O'Connell said there was approximately \$3,700 in the bank at the end of April and he said the approximately \$10,400, that was approved for the January draw was just deposited at the beginning of May. Mr. O'Connell stated the bulk of accounts payable, which is approximately \$6,000, represents what is due him and what is due to Jean Mangu. Mr. O'Connell said the Raymond James program earnings total approximately \$26,000 for the period October 1, 2017 through April 30, 2018 and a total of approximately \$46,000 since the program's inception.

Joe Cone asked Jean Mangu what will be involved in the wrap-up of the CWHIP project. Both Ms. Mangu and Seth O'Connell said it will consist primarily of administrative work. Ms. Mangu said she spoke to Mark Fredericks and he said one of the homes he may have assigned some costs to ended up not being built. Mr. O'Connell said that would be a part of the wrap-up and reconciliation process and he intends to assign one of his interns to these tasks.

New Business:

- **Debi Redding, Emergency Service and Homeless Coalition (ESHC) – DRI Funds:** Joe Cone introduced Ms. Redding and said she would be reporting on what ESHC has done with the DRI funds they were awarded in 2016. Ms. Redding stated ESHC has eighteen homes, on 5 acres of land, and they are for use only by homeless families with minor children. Ms. Redding went on to say ESHC provided transitional housing only, until HUD changed their focus approximately 3 years ago. Ms. Redding said in order to continue to receive funding, ESHC had to begin transitioning to permanent housing. Ms. Redding said ESHC began the permanent housing program with 3 homes and supportive services available nearby. Ms. Redding said the original families are still in place in these homes and about to sign their third 12-month leases.

When ESHC was awarded approximately \$60,000 in DRI funds, Ms. Redding said it allowed them to rehab three properties, which they turned into permanent housing for homeless families with minor children. Ms. Redding handed out packets of "before and after" photos of these homes. Ms. Redding said she did apply for CDBG funds in order to do further rehab on some of their other properties, but because the homes are in the City of St. Augustine, they were not eligible. Ms. Redding said two families are in permanent housing in two of these homes and the third home will be a sober living home, through a partnership between ESHC and Epic Behavioral Healthcare. Ms. Redding said the house parent has already moved in and the homeless men that will be staying in the sober house have already been through detox and they will start moving in this weekend. Ms. Redding said they have installed security cameras in and around the sober living house to ensure the safety of the single mothers and their children, who live in close proximity to the house. Ms. Redding said ESHC hopes to partner with other local agencies to try to close the gaps in St. Johns County services.

Ms. Redding said there is a 20 year lien on the three properties that were rehabbed with DRI funds and the homes must be rented to families with less than 50% AMI. Ms.

Redding said they have spent down all of the DRI funds and this has been tracked accordingly. Ms. Redding asked if there were any questions and Linda DeGrande inquired as to why ESHC was not eligible for CDBG funds. Ms. Redding explained the properties they were applying for are in the City of St. Augustine and the City has the ability to apply for Small City CDBG funds on their own and while the County approved her application, HUD has the ultimate authority. Ms. Redding said ESHC recently purchased an old school that is located in the County and she said she will definitely be applying for CDBG funds next year. Ms. Redding said the building is 6,600 square feet and currently has four apartments. Ms. Redding said they will rehab the property, as there is some fire damage, and they will carve out space for supportive services. Ms. Redding said she is not sure if these units will be rented to homeless individuals or to homeless families. Ms. Redding said she would be happy to take any of the HFA members on a tour of the properties and she provided a brochure on ESHC, which included her contact information.

- **Subcommittee Meeting Report:** Jay Kalter reported he and Linda DeGrande met on May 17, 2018, and they discussed the hiring of a consultant for the HFA and ultimately decided it would be best to wait until after the FLALHFA Conference to pursue this. Mr. Kalter said they also generally discussed their desire to pursue other opportunities for the HFA, as Linda DeGrande did with the Raymond James program, which has been so successful.
- **ABCs of Affordable Housing Event:** Mr. Kalter said he attended an event titled “The ABCs of Affordable Housing” and he said there were three speakers and they discussed matters such as low income tax credit programs, grant programs through community banks and credit unions, as well as the development called Lofts at Lavilla, which is where this event was held. Mr. Kalter said he spoke to the Director of Acquisitions of Vestcor Companies/TVC Development Inc., who built Lofts at Lavilla, and he suggested this gentleman might be an interesting guest speaker for the June HFA meeting. **Motion** made by Victor Raymos to invite a representative from Vestcor Companies/TVC Development to speak at an upcoming HFA meeting; motion seconded by Robert Marshall. **Motion passed unanimously.**
- **Candidates for Housing Finance Authority:** Mary Garcia advised the vacancy has been posted again as there were no new applications during the first posting. Ms. Garcia said a prior candidate was contacted to see if he was still interested in serving but, unfortunately, he was unable to commit at this time. Ms. Garcia also said Malinda Peeples has expressed interest in running again and has submitted her application to the County Commission office. Ms. Garcia said the current deadline for applications is June 18, 2018.
- **950 N. Orange Street Issue:** Joe Cone handed out the site plan and some photos of the property at 950 N. Orange Street and explained the client that lives at this home first called him in late January, 2018. Mr. Cone said she was complaining about water encroaching on her property, even though she was well aware of the wetlands on her property. Cone explained there is a retaining wall on this property that was built by Gemini in order to satisfy the homeowner whose lot borders this property. Mr. Cone said that homeowner complained to the County’s environmental department during construction of 950 N. Orange Street because he believed water would run down and into his property and the County agreed. Mr. Cone said he has been out to see the client at 950 N. Orange Street four times since her first call to him in late January and on one of those visits he met with Road and Bridge for their opinion on what would be

necessary to fix what the homeowner sees as a potential problem. Mr. Cone said Road and Bridge suggested it may be a fairly simple fix that might involve a few railroad ties and/or some berming. Mr. Cone said he had a very hard time getting anyone to even consider working near the wetlands, explored several options and only heard back from one gentleman who did some drawings and pulled aerials on the property and came back with a very high cost for a fix. Mr. Cone offered to pursue other solutions, if the HFA so desired. Robert Marshall said he does not believe the HFA has any obligation to this homeowner and Linda DeGrande agreed. Mr. Marshall said the homeowner was fully aware of the wetlands issue when she bought the home and, further, he said he does not believe that any type of intervention is necessary or that it will help the situation. Mr. Marshall said the wetlands have a cycle and, considering all of the rain our area has had in the last month or so, he does not believe the water level on this lot should be of any concern. Bill Lazar concurred and said it is a very small backyard and he does not believe the homeowner will experience any flooding or erosion, with the exception of a cataclysmic event that could not be avoided no matter what safeguards were put in place. Mr. Marshall asked if this homeowner had been there during hurricane Irma and Mr. Cone responded that she was and he did not receive any complaint regarding rising water at that time. Bill Lazar offered to go to the home and attempt to reassure the homeowner with regard to the situation. Mr. Cone requested a formal recommendation from the HFA relative to this matter. **Motion** made by Robert Marshall recommending no action be taken at the property at 950 N. Orange Street; motion seconded by Linda DeGrande. **Motion passed unanimously.**

- **Correspondence with Susan Leigh:** Joe Cone advised he has been corresponding with Susan Leigh regarding her next visit to present to the HFA about her consulting work. Mr. Cone said she may be able to come to the June or July meeting. Linda DeGrande suggested it might be better if Ms. Leigh comes to the August or September meeting of the HFA, since she is probably very busy preparing for the FLALHFA right now. Mr. Cone said he would discuss this with Ms. Leigh.

Old Business:

- **CWHIP Update:** Julie Voorhees reported the final HFA home closed last week. Ms. Voorhees said she will be submitting a draw to AmeriNat and when it is received, the last Habitat house will close. Ms. Voorhees anticipates the Habitat house will close in July or August and there will be one final draw for Habitat.
- **Own a Home Opportunity Program Update:** Seth O'Connell reported the April income from this program was approximately \$356.00. Linda DeGrande mentioned she recently sold a DR Horton home and the buyer got a VA loan and Ms. DeGrande referred him to the "Own a Home" program. Ms. DeGrande said the loan interest rate with the VA program was 5% and 6.5% with the Own a Home program. Ms. DeGrande said DR Horton offers \$7,500 in closing costs to every one of their buyers and she wondered if they are using that money to pay closing costs and not down payment assistance. Ms. DeGrande said closing costs on this \$188,000 loan were nearly \$15,000. Ms. DeGrande has asked for details, in writing, from DR Horton but she has not received a response as yet. Mr. Cone asked that Ms. DeGrande forward the particulars to him so that he can contact Tim Wranovix, at Raymond James, to discuss.

Seth O'Connell said he had one last matter to address, with regard to the current auditors. Mr. O'Connell said they are asking if there should be an allowance for uncollectability in connection with the Halo Properties loan amount of \$37,500. Mr.

O'Connell explained this would be a paper adjustment that would impact the balance sheet. Jean Mangu said there is a mortgage against 104 Chapin Street securing the loan, which Halo Properties still owns, and the taxes are current. Ms. Mangu said the current value of the Chapin Street property on the tax collector's records is about \$24,000. Mr. O'Connell said he could probably make a case with the auditors to adjust down to \$24,000 from the current loan amount of \$37,500 and requested the HFA recommend this. **Motion** made by Linda DeGrande recommending Seth O'Connell advise auditors to write the Halo Properties \$37,500 loan amount down to \$24,000 on the HFA's books; motion seconded by Robert Marshall. **Motion passed unanimously.**

Linda DeGrande said she would like to have further discussion regarding this outstanding loan and Mr. Marshall concurred.

Meeting was adjourned by Mr. Kalter at 4:25 p.m.

Next Meeting: The next regular monthly meeting of the HFA will be held on June 28, 2018 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary