

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

**June 28, 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 3:04 pm by Jay Kalter, Vice-Chair.

Members Present:

Jay Kalter
Craig Higgins
Victor Raymos
Robert Marshall
Malinda Peeples

Members Absent:

Linda DeGrande

BCC Liaison: Commissioner Jeb Smith

Guests Present:

Kevin Troup – Vestcor Companies/TVC Development, Inc.
Christina Jackson – Betty Griffin House
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
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 Craig Higgins to add “Request by Bill Lazar for Joint Meeting” under new business; and “950 N. Orange Street Update” under old business; motion seconded by Robert Marshall. **Motion passed unanimously.**

Public Comments: None

Approval of Minutes:

Motion made by Victor Raymos to approve the minutes of the May 24, 2018 meeting; motion seconded by Robert Marshall. **Motion passed unanimously.**

Motion made by Robert Marshall to approve the minutes of the May 17, 2018 subcommittee meeting; motion seconded by Craig Higgins. **Motion passed unanimously.**

Financial Report:

- **Financials – May 2018:** Mr. O’Connell referenced the disbursements made today as shown on the financials he handed out, which totaled approximately \$33,000, about \$28,000 of which was for Habitat, for the final CWHIP home. Mr. O’Connell said Habitat will be owed approximately \$1,000 on the next draw which, he said, for all intents and purposes, would complete the CWHIP program. Mr. O’Connell said there were no other checks written this month and the only two remaining payables are to himself and Jean Mangu. Mr. O’Connell cautioned the approximately \$11,000 that is showing as a loss for May and the year-to-date loss of approximately \$132,000 should be considered with certain facts. Mr. O’Connell said the timing of the homes’ construction and the sunk costs must be taken into consideration. Mr. O’Connell said nine homes were completed this fiscal year and after adding back sunk costs, the loss is approximately \$30,000. Mr. O’Connell said he does not expect any surprises connected with the audit but it is still in progress and the delay is due to some significant staff turnover at the auditor’s office.

New Business:

- **Guest Speaker from Vestcor Companies/TVC Development, Inc:** Kevin Troup stated Vestcor has been in business for more than 35 years and they are based in Jacksonville, FL. Mr. Troup said they have developed or acquired more than 15,000 residential units and approximately 7,000 of those units are deemed affordable. Mr. Troup went on to say Vestcor owns and operates 23 residential communities throughout the state of Florida and they are active developers/operators of affordable residential communities. Mr. Troup said they have had the opportunity to work on projects with the Jacksonville HFA and the HFA of Clay County, as well. Mr. Troup said Vestcor does the majority of their work under Florida Housing Finance Corporation’s competitive application process, so they use 9% low income tax credits and 4% low income tax credits combined with local bonds. Only 1,200 affordable units have been funded through a Florida Housing program in St. Johns County, according to Mr. Troup, and the last development was built in 2006. Mr. Troup said Vestcor has spent considerable time looking at opportunities in Collier County, which is very much like St. Johns County in that the impediments have been land prices, as well as the density component, and the financing structures that are in place. Mr. Troup said Collier County recently did a study on how to incentivize affordable housing. Mr. Lazar asked if Mr. Troup might forward that study on to him and to the HFA, and Mr. Troup said he would be happy to.

Mr. Troup said Vestcor typically builds at 70 units or more, which requires approximately 6 acres, and he said finding lots like this, with ancillary approval in place, can be a challenge in St. Johns County. Mr. Troup said he recognizes the St. Johns County HFA is working hard to manipulate the housing stock to fit some affordable housing projects and he hopes that Vestcor might be able to develop some affordable rentals here in the future. Mr. Troup said he would be happy to answer questions and Mr. Lazar asked if a lower score would be given by Florida Housing on an application if the land were farther away from certain amenities. Mr. Troup said unfortunately, that would certainly be the case, and he said for a family demographic it would be necessary to build within $\frac{3}{4}$ of a mile from schools, grocery stores and family medical services. For a senior demographic, Mr. Troup added, it would be necessary to be within that $\frac{3}{4}$ of a mile from pharmacies, grocery stores and medical services and he agreed that within St. Johns County, finding such proximity for affordable land is extremely difficult. Mr. Troup said Florida Housing is rolling out a program this year for median counties that would let local governments select the project they wish to support and that may allow St. Johns

County to get around the proximity problem. Jay Kalter asked how new tax laws have affected building and a discussion ensued regarding reduced pricing of tax credits and the impact in conjunction with rising land prices and higher interest rates. There was also some discussion on the competitiveness of the application process to Florida Housing and Mr. Troup shared that Vestcor has had 19 awards since 2013. Mr. Troup also said there were 178 applications turned in last year and only 8 projects were selected.

- **Recommendation for Open Seats:** Two applications were received to be considered for the two open seats. Mr. Kalter explained one of the openings is Andrew Evener's seat, and that term ends on August 4, 2019 and the other is Malinda Peeples' seat, as her term expired on June 1, 2018. Mr. Kalter indicated the two applications were from Ms. Peeples and Michael O'Donnell. Mr. Raymos asked if Mr. Evener had expressed any interest in returning and finishing out his term, since he recently pulled out of the campaign for County Commissioner. Ms. Garcia and Mr. Cone said they had not had any correspondence from Mr. Evener nor had he submitted an application to the Office of the County Commissioners, which is necessary in order to be considered. Ms. Garcia explained the vacancy posting was closed by the County and therefore Mr. Evener could not be considered at this time. Commissioner Smith said that Mr. Evener had expressed some general interest in returning to the HFA via a text message to him but he did not indicate when he might do this. Mr. Kalter asked Ms. Peeples if she would be interested in serving another four year term and she said that she would. **Motion** made by Craig Higgins to recommend Michael O'Donnell to complete Andrew Evener's term on the HFA and Malinda Peeples to receive exception from the BCC in order to serve another four year term on the HFA; motion seconded by Robert Marshall. **Motion passed unanimously.**
- **Request by Bill Lazar:** Mr. Lazar reported Joe Cone went before the Board of County Commissioners a couple of weeks ago in order to get approval to move forward on the County's inventory of affordable lots. Mr. Lazar said Jerry Cameron also went before the Board with a proposal that included reducing or waiving impact fees. Mr. Lazar, Chair of the Affordable Housing Advisory Committee (AHAC), said he would like the AHAC and the HFA to get together for a meeting to discuss these and other affordable housing initiatives. Joe Cone suggested the meeting be held on July 26, at 3:00 pm, which is the regular meeting date and time of the HFA. The HFA members agreed to the joint meeting. Mr. Lazar agreed to prepare an agenda for this meeting.

Old Business:

- **CWHIP Update:** Joe Cone reported the last Habitat home is scheduled to close on July 27 and the final draw documents are slated to be submitted to Seth O'Connell the week of July 30 so he can prepare the final disbursement request to Florida Housing. Jean Mangu said she had prepared a Final Release of Mortgage to release the remaining lots from the Florida Housing mortgage.
- **950 N. Orange Street Update:** Joe Cone reported he and Bill Lazar went to see Ms. Bauer, the customer at 950 N. Orange Street, to advise her of the HFA's decision to take no action with regard to resolving what she perceives as a problem with water encroaching on her property. Mr. Cone said Ms. Bauer was not satisfied with the HFA's decision and, after Mr. Cone discussed the matter with Jean Mangu, it was decided that Ms. Bauer would be allowed to appeal this decision as a matter of due process. Mr. Cone said he has gotten one verbal estimate and one written estimate and he also

spoke to Wesley Smith about this situation. Mr. Cone said Ms. Bauer is now saying she doesn't believe the home meets land development code, so Mr. Cone sent the original permit to Road and Bridge and asked them to review it again and make sure the construction was in compliance with the land development code. Mr. Cone said he has asked Ms. Bauer to get an estimate in writing since she has mentioned using someone that she is familiar with to do the work. Mr. Cone said the estimates he has received are between \$3,000 and \$7,000. Mr. Cone also said that the homeowner is experiencing some other issues with the neighborhood and she may even wish to sell the home and he said he put her in contact with Florida Housing since it has the lien. Mr. Cone said he would bring this matter back before the HFA when he has more information.

- **Own a Home Opportunity Program Update:** Seth O'Connell reported the May income from the program was approximately \$108. Mr. Cone reported he had a conversation with Tim Wranovix and Sue Denihan regarding the confusion over the interest rate that Linda DeGrande brought up at last month's meeting. Mr. Cone said the consensus seems to be that DR Horton had a great deal of employee turnover and Ms. Denihan and Mr. Wranovix were going to reach out not just to DR Horton but to everyone on the available lenders list to make sure that all employees are aware of how the program operates and that they are communicating that properly to potential customers.

Next Meeting: The next meeting of the HFA will be held on July 26, 2018 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary