

**Housing Finance Authority
&
Affordable Housing Advisory Committee
of St. Johns County, Florida
Special Meeting**

**July 26, 2018
Minutes**

The Housing Finance Authority and the Affordable Housing Advisory Committee, both 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 3:05 pm by Bill Lazar, Chair of AHAC.

Members Present:

Linda DeGrande - HFA
Craig Higgins – HFA
Robert Marshall – HFA
Malinda Peeples – HFA
Victor Raymos - HFA
Bill Lazar – AHAC
Alex Mansur – AHAC
Karl Vierck - AHAC
Herbie Wiles – AHAC

BCC Liaison: Commissioner Jeb Smith

Guests Present:

Bobbie Jo Manning – City of St. Augustine
Jerry Cameron – SJC Continuum of Care
Frank Kenton – SJC Utility Dept.
Larry Miller – SJC Utility Dept.
Debbie Taylor – SJC Real Estate Department
Sheri Lewis – SJC Real Estate Department
Greg Campbell – SJC Public Works
Joseph Cearley – SJC Growth Management
Malinda Everson – Habitat for Humanity
Jean Mangu - Edwards Cohen, Counsel to the HFA
Shawna Novak – Director, SJC HHS
Joseph Cone – HHS, Housing & Community Services Manager
Julie Voorhees – SJC Housing Support Staff
Michelle Lawlor – SJC 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: None. Accepted as presented.

Public Comments: None

Introductions: Housing Finance Authority and Affordable Housing Advisory Committee members introduced themselves. County staff and guests then introduced themselves.

New Business:

- **Development of Affordable Housing (Rental & Homeownership):** Bill Lazar said he hoped this special meeting might launch a bigger conversation about why there is no one doing affordable housing in St. Johns County. Mr. Lazar said it has been at least 15 years since any major affordable housing development has been built in St. Johns County. Mr. Lazar said anyone in the social service sector can tell you that housing is an issue for every client they work with and the hurricanes made the situation much worse.

Mr. Lazar reviewed the four documents that were handed out to everyone present and explained the first was a portion of AHAC's Triennial report, which details incentives the Committee has suggested the County Commissioners put into place, which they hope will entice developers to build affordable housing. The second and third documents are agenda items for the Board of County Commission meetings that deal with the County's stock of affordable housing properties and a proposal by Joe Cone to offer these properties to the persons or businesses that can present the best plan for affordable homes or rentals. The fourth document is a report by the St. Johns County Continuum of Care Ad Hoc Committee and proposes to the BCC a pilot program consisting of 600 affordable housing units. Mr. Lazar explained Jerry Cameron will be presenting this program before the County Commission on August 7, 2018, and he asked that those present make an effort to attend and support this program. Victor Raymos said the Chamber of Commerce invited Mr. Cameron to present his program to them and they voted to back it fully and plan to put this in writing to the County Commissioners. Mr. Raymos went on to say he is also a member of the Economic Development Committee and the Board of Realtors, and these organizations are also supporting the CoC's pilot program.

Jerry Cameron said the CoC spent a long time looking at the scope of the affordable housing problem in St. Johns County and at a variety of potential solutions. Mr. Cameron said this County has the same problems that many Florida counties do and to an even higher degree since St. Johns County is the fourth fastest growing county in the United States. Mr. Cameron said land values are rapidly going up, contractors are paid at a premium and the private sector has been forced out of the housing market that would be considered affordable. Mr. Cameron said government has been compelled to address this rapid growth, both through regulation and by increasing fees on a broad spectrum, and Mr. Cameron said the unintended consequence has been that fees are equally applied on the lower and upper end of the spectrum. Mr. Cameron said this makes it nearly impossible for the private sector to get a return on their investment when building homes under \$200,000 and rentals under \$1,000 per month. Mr. Cameron said federal, state and county government just does not have the money or the resources to take on this problem and that leaves only the private sector. Mr. Cameron said he has spoken to many builders and they have said they would be willing to come back to St. Johns County and build homes and/or rentals, at affordable prices, if obstacles were removed.

Mr. Cameron said he will be presenting the idea of this pilot program to the County Commissioners at their August 7 meeting. Mr. Cameron said he has worked hard at making this program palatable to the Commissioners by suggested a pilot program so they do not have to sign on to this idea long term. Mr. Cameron said he would suggest two phases of this program and the first would have the Commissioners direct County staff to work with County partners to come up with an ordinance before putting the program into action. Mr. Cameron said there would be no outpouring of money on the County's part and the commitment would be short term. Mr. Cameron said the program could be reviewed in two years and modified.

Linda DeGrande said she just attended the FLALHFA conference and she explained that there was some discussion regarding the Sadowsky Fund. Ms. DeGrande explained the Sadowsky Fund was established in the early 1990's as an affordable housing trust fund. Ms. DeGrande said the money came from an increase in documentary stamps and intangible fees. Ms. DeGrande said nearly \$400 million was paid into this fund in the State of Florida last year and only \$123 million was distributed. Ms. DeGrande said she also learned that Miami/Dade was considering legal action as that county paid in \$33 million to the Sadowsky Fund and only got back \$2 million. Ms. DeGrande said the legislators continue to take money from this fund and she would like to find out how much St. Johns County paid this past year and how much the County got back in SHIP funds. Ms. DeGrande said she would be happy to provide more information regarding the Sadowsky Fund if anyone was interested.

Mr. Lazar asked Joe Cone to talk about the County's surplus properties. Mr. Cone said there are 102 lots, ranging in size from 10 acres down to approximately $\frac{1}{4}$ of an acre. Mr. Cone said some have major infrastructure concerns, such as no access points and lack of utilities, particularly in those properties that are off State Road 207. Mr. Cone said there are probably five or six properties that could be very easily developed. Mr. Cone said he was asked to come up with a process to distribute these properties in a fair and equitable way. Mr. Cone said this process will allow a "for profit" or a "not for profit" developer to submit a proposal to the County that presents the best possible way to create affordable housing in perpetuity. Mr. Cone said many of the properties in some of the denser, urban areas are starting to age out of their affordable housing requirement so he feels it is very important that these properties remain affordable. Mr. Cone said he hopes developers might come up with creative ideas for some of these properties. Mr. Lazar said that he hopes the City of St. Augustine and the County might be able to vet some of these properties and cut down on the time spent gathering information by local builders. Mr. Lazar said if the City and County utility staff could take a look at those lots and advise how far utilities are from each, that would remove another deterrent to local builders. Mr. Lazar said the advice he has received from Joe Cearley in Growth Management regarding potential projects for his agency, St. Johns Housing Partnership, has been extremely helpful. Mr. Cameron said it sounds as though the County already has an informal ombudsman program but it would be more effective to formalize this position and post the contact information on the County website so the public knows exactly who to call in order to get the help that they need. Bill Lazar emphasized the need for consistency and said it is important to have a group of people that will all have the same answer to any particular question. Mr. Lazar said receiving conflicting information from sources within the County can be something that will quickly deter builders from going forward with a project.

Joe Cearley asked about the possibility of building another development like Crawford Park and he asked if SHIP funds could go toward a similar project. Mr. Cearley said the

County's engineering department oversaw that project. Discussion ensued regarding the best areas of St. Johns County for such a development and the obstacles surrounding infrastructure. Mr. Lazar said a portion of the approximately \$800,000 in CDBG funds the County receives each year could pay for engineering and infrastructure. Mr. Lazar said help from County departments, and their advice regarding where best to build, would be invaluable. All involved agreed a project with 20 or 30 homes in one development would certainly be more cost effective than singular projects spread across the County.

Victor Raymos asked if area businesses, particularly those having a hard time retaining employees due to lack of affordable housing, could be offered a tax credit for donating to an affordable housing fund. Mr. Lazar said the St. Augustine Distillery, in conjunction with Habitat for Humanity, gave approximately \$67,000 toward a program like this and he said Baptist South also had a down payment assistance program at one point in time, put in place to try to help retain their nurses by paying \$7,500 toward their down payment costs. Malinda Everson, Habitat for Humanity, said the Community Contribution Tax Credit Program would allow businesses to get full credit for a donation up to half the value of a home and they used to be able to sponsor two houses per year but now businesses can only do one house. Ms. Everson said they are campaigning for a change to the program. Mr. Raymos said educating businesses about these programs would be helpful. Discussion regarding programs and incentives ensued. Bill Lazar said he would like to see a way for impact and utility connection fees to be paid over the span of ten or twenty years and he said this would be a real boon for affordable rentals. Mr. Marshall interjected that from a builder's point of view, he sees an enormous problem with the amount of current regulation and he stated it causes delays and those delays can be costly. Mr. Cameron said the County has addressed a substantial amount of over-regulation where it can and has removed ordinances wherever possible. However, Mr. Cameron did say there is very little that can be done on a local level as far as building code and fire code.

Mr. Lazar concluded the meeting by stating Mr. Cone would send out the complete versions of the documents that were referred to at this meeting to HFA and AHAC members. Mr. Lazar also asked that AHAC and HFA members please send comments and ideas back to Mr. Cone. Mr. Lazar said he would like to see this group meet every quarter, if possible. Mr. Cameron reminded everyone that the CoC has come up with a single-focus idea that is the first meaningful step forward for affordable housing in a decade and a half in St. Johns County. Mr. Cameron encouraged all those present to attend the County Commission meeting on August 7, to show their support.

Next Meeting: The next meeting of the HFA will be held on August 23, 2018 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary