

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

**September 27, 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 3:03 pm by Linda DeGrande, Chair.

Members Present:

Linda DeGrande
Craig Higgins
Jay Kalter
Michael O'Donnell
Victor Raymos

Members Absent:

Malinda Peebles
Robert Marshall

BCC Liaison: Commissioner Jeb Smith

Guests Present:

Seth O'Connell - CPA, Accountant to the HFA, W. H. O'Connell & Assoc.
Jean Mangu - Edwards Cohen, Counsel to the HFA
Shawna Novak – Director, HHS
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 Craig Higgins to approve the agenda as presented; motion seconded by Victor Raymos. **Motion passed unanimously.**

Public Comments: None

Approval of Minutes:

Motion made by Victor Raymos to approve the minutes of the August 2, 2018 meeting and the minutes of the August 23, 2018 meeting; motion seconded by Craig Higgins. **Motion passed unanimously.**

Financial Report:

- Financials – August, 2018: Mr. O’Connell stated there was approximately \$4,265 in disbursements and that figure covers everything that is owed, with the exception of what is due Mr. O’Connell and Ms. Mangu. Mr. O’Connell said there was approximately \$7,000 in the bank at the end of August and approximately \$2,000 currently. Mr. O’Connell said the HFA is owed some money, the bulk of which is due to missed payments from Harry Maxwell, though he is currently making payments. Mr. O’Connell said not to be alarmed at the net asset equity loss, which is shown as approximately \$606,000. Mr. O’Connell said once the fee charged between funds, land costs and sunk costs are figured back in, the CWHIP project, in its entirety, actually lost approximately \$504. Mr. O’Connell said the first CWHIP home was started 8 years ago, in 2010, and over that period, he estimated 36 Habitat homes and 61 HFA homes have been built. Mr. O’Connell said, during one of the worst periods in the history of the housing market, the project generated \$11 million worth of revenue and approximately \$9 million was spent on vertical construction.
- Preliminary Amendment for 2017-2018 Budget: Seth O’Connell presented the proposed budget amendment. **Motion** made by Jay Kalter to accept the preliminary amendment for 2017-2018 budget; motion seconded by Craig Higgins. **Motion passed unanimously.**
- Proposed Budget 2018-2019: Seth O’Connell presented the proposed budget. Mr. O’Connell warned the budget has been cut way back because there isn’t much of a revenue stream currently and he said there has been some guesswork involved in the budget and budget amendment. Ms. DeGrande questioned the figure Mr. O’Connell used for the Raymond James program. Mr. O’Connell said he thought it best to be conservative since the monthly dividends have been greatly reduced recently. **Motion** made by Victor Raymos to accept the proposed budget for 2018-2019; motion seconded by Jay Kalter. **Motion passed unanimously.**

Joe Cone inquired about the property at Chapin Street, owned by Harry Maxwell, that was collateral for the loan Mr. Maxwell has had with the HFA for nearly 10 years. Mr. Cone asked that Mr. Maxwell be approached to see what his plans are for that property and Mr. O’Connell said he would take care of that.

New Business:

- New Member Welcome: Mary Garcia advised that the Board of County Commissioners approved the recommendation of Michael O’Donnell by the HFA, as well as the recommendation that Malinda Peoples be allowed to serve another term.
- Election of Officers: After brief discussion, **Motion** made by Linda DeGrande to nominate Jay Kalter for Chair; motion seconded by Craig Higgins. **Motion passed unanimously.** **Motion** made by Linda DeGrande to nominate Craig Higgins for Vice Chair; motion seconded by Jay Kalter. **Motion passed unanimously.** **Motion** made by Jay Kalter to nominate Linda DeGrande for Secretary/Treasurer; motion seconded by Craig Higgins. **Motion passed unanimously.** **Motion** made by Victor Raymos to nominate remaining members for Assistant Secretary; motion seconded by Craig Higgins. **Motion passed unanimously.** Jean Mangu advised those accepting office of Chair and office of Secretary/Treasurer must be available to come to the Health & Human Services Center to sign checks when necessary. In addition, Ms. Mangu

advised she would draft a resolution allowing all officers check signing ability. Seth O'Connell said he would go to the bank and obtain signature cards for this purpose.

- **2019 Meeting Dates of the HFA:** Motion made by Jay Kalter to accept the meeting dates as presented, which include a meeting on the fourth Thursday of each month, with the exception of November and December, when the meeting will be held on the third Thursday of the month and to publish legal notice for meetings every Thursday at 3pm; motion seconded by Victor Raymos. **Motion passed unanimously.**

Old Business:

- **CWHIP Update:** Jean Mangu advised she has received the final, signed release of mortgage from Florida Housing Finance Corporation and this includes all of the remaining lots under the Florida Housing CWHIP mortgage. Ms. Mangu said she sent it to Julie Voorhees to be recorded.
- **CWHIP Remaining Lots:** Maps of the remaining lots were distributed for review. Mr. Kalter suggested seeking permission from the County Commission to put 3 or 4 of the lots up for sale to see what type of interest they elicit. Mr. Kalter said it would be necessary to get a broker's opinion regarding the value of these lots before offering them for sale. Mr. Kalter also said while there is no mechanism to enforce affordable housing, he felt the location and value of these lots should ensure it is self-regulating. Jean Mangu suggested a deed restriction could be used in an effort to ensure affordable housing. There was a brief discussion concerning the difficulty in enforcing any type of affordable housing restriction. Mr. Raymos suggested making these lots available to the St. Johns County Continuum of Care (CoC) pilot program that was proposed to the Board of County Commissioners in August. Mr. Raymos said these lots could be donated to the CoC if the pilot program does indeed move forward. Mr. Kalter said the HFA does not currently have any income so selling some of these lots would enable the HFA to pursue new avenues to promote affordable housing in the community. Mr. Kalter stated he does not believe the location of most of the lots would make them viable sites for the type of program the CoC is proposing. Mr. Kalter expressed concern that simply donating the land to the CoC project, if it is eventually approved, would not bring any income to the HFA. Mr. Raymos said he is considering the community overall and said he feels the HFA should take this opportunity to help with the affordable housing crises. A discussion ensued and Mr. Cone was asked for his opinion. Mr. Cone said he could see both sides of the discussion in that without any funding, the HFA will not be able to continue its mission but its mission to provide affordable housing also fits in perfectly with the proposal by the CoC. Mr. Cone did caution the pilot program the CoC is proposing could take some time to get off the ground so the HFA would have to consider how long it might be willing to wait if it decide to donate the remaining lots. Jean Mangu stated insurance would still need to be paid on these lots and Seth O'Connell suggested the HFA might wish to consider selling a few of the lots in order to pay what is owed and to generate some income. Mr. O'Connell referred to the approximately \$45,000 that was expended on the CWHIP program in 2007/2008 and said the HFA might like to recoup some of that money. Ms. Mangu also mentioned there has been some interest by some of the CWHIP property owners in purchasing the lot or lots that border their land. Ms. Mangu said if the lots are worth \$15,000 or less, and of limited use, they can be offered to adjacent property owners. Mr. Cone said he has been approached by two CWHIP home owners inquiring about purchasing the land adjacent to theirs and he stated he really has not entertained this idea for a number of reasons, not the least of which is all CWHIP home owners were income qualified. Ms. Mangu added all adjacent property

owners must be offered these lots, not just the CWHIP clients. **Motion** made by Victor Raymos to make the surplus County lots available to the Continuum of Care for their affordable housing pilot program; motion not seconded; **motion** failed. Discussion on this matter continued; Linda DeGrande said she would like to know a bit more about the CoC's plan and asked if Jerry Cameron might be able to attend the next HFA meeting and share details with them. Mr. Cone said he would certainly ask Mr. Cameron if he would be willing to do this. Jay Kalter asked what the timeline on the CoC's project would be. Mr. Raymos said he was not sure but he offered there could be a deadline attached to his motion to donate the lots to the CoC's pilot program. Commissioner Jeb Smith said there are some presumptions and assumptions surrounding one of the linchpins of the CoC's pilot program. Commissioner Smith said there are many differing opinions regarding the legality of foregoing impact fees and County staff is looking very carefully at the issue. Commissioner Smith also said there is \$1.6 million earmarked for affordable housing that could be used, for example, to purchase fill dirt for some of the very low-lying surplus lots and he suggested the HFA might consider taking a "watch and wait" posture at this time. Mr. Cone agreed with Commissioner Smith and said he would be attending the first ad-hoc meeting of the CoC's affordable housing subcommittee next week. Mr. Cone said he would be happy to provide a report at the next HFA meeting on what is discussed. **Motion** made by Victor Raymos to set aside County surplus lots for 6 months, for the CoC's pilot project; motion not seconded; **motion** failed. Ms. DeGrande said she does not want to reserve the lots for the CoC in particular at this point, because if there were any interest expressed by small builders for affordable housing, she would like to be able to make the lots available for sale. **Motion** modified by Victor Raymos to simply set lots aside for 6 months for consideration; motion not seconded; **motion** failed. Mr. Kalter said he felt it would be prudent to get the market value on these properties and then consider selling them for less than they are valued. In this way, Mr. Kalter said, the HFA would be able to promote affordable housing by getting something built quickly. Mr. Kalter also proposed setting aside some of the lots for the CoC and selling some in an effort to bring some money into the HFA. Ms. Mangu asked Seth O'Connell if there is enough money for the HFA to continue at this time and Mr. O'Connell said yes and he said there is approximately \$4,000 or \$5,000 in the bank right now.

- **Own a Home Opportunity Program Update:** Mr. O'Connell said Tim Wranovix reported approximately \$154 was brought in from this program for the month of August. Mr. Cone handed out additional business cards for the program. Mr. Cone said he would also get a list of all participating lenders to be distributed at the next HFA meeting.
- **Member Appointments:** Michael O'Donnell's recommendation was approved by the County Commissioners at their September 4, 2018 meeting. Malinda Peeple's request for permission to run again and her recommendation by the HFA were also approved by the County Commissioners at their September 4, 2018 meeting.

Next Meeting: The next meeting of the HFA will be held on October 25, 2018 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary