

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

**January 24, 2019  
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 3:01pm by Jay Kalter, Chair.

**Members Present:**

Linda DeGrande  
Craig Higgins  
Jay Kalter  
Robert Marshall  
Michael O'Donnell  
Malinda Peebles

**Members Absent:** Victor Raymos

**BCC Liaison:** Commissioner Jeb Smith

**Guests Present:**

Bill Lazar – St. Johns Housing Partnership  
Rebecca Lavie – Assistant SJC Attorney  
Seth O'Connell - CPA, Accountant to the HFA, W. H. O'Connell & Assoc.  
Debbie Taylor- SJC Real Estate  
Jessica Getchius – SJC Real Estate  
Joseph Cone – Housing & Community Services Manager  
Julie Voorhees – HHS, Housing Support Staff  
Michelle Lawlor – 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 Robert Marshall to accept agenda as presented; motion seconded by Craig Higgins. **Motion passed unanimously.**

**Public Comments:** None.

**Approval of Minutes:**

**Motion** made by Linda DeGrande to approve the minutes of the December 20, 2018, meeting; motion seconded by Robert Marshall. **Motion passed unanimously.**

## **Financial Report:**

- **Financials – December, 2018:** Mr. O’Connell stated only two checks were written totaling approximately \$6,900 and they were payments to his firm, W.H. O’Connell & Associates and to Jean Mangu at Edwards Cohen. Mr. O’Connell explained he and Jean Mangu both deferred payment for their work on the CWHIP project until it was completed. Mr. O’Connell said a payment, from Raymond James, in the amount of approximately \$10,000, made these payments for services possible. Mr. O’Connell said he called Tim Wranovix at Raymond James to be sure the payment amount received was correct and Mr. Wranovix explained the money was generated from an old loan that was purchased, which freed the approximately \$10,000 that was then due to the HFA. Mr. O’Connell said the explanation he received from Mr. Wranovix was somewhat convoluted but he made absolutely certain there was no error in the payment to the HFA.

Mr. O’Connell said there is approximately \$5,000 in the bank after these two payments, totaling approximately \$6,900, were made. Mr. Marshall questioned the line item on the balance sheet titled “Allowance for Doubtful Account” and Mr. O’Connell explained this comes from the \$37,500 loan to Halo Properties. Mr. O’Connell explained this was a six-month note that has been extended repeatedly. Mr. O’Connell said the auditors questioned this loan and whether or not the HFA ever expected to collect. Mr. O’Connell said the matter was discussed at an HFA meeting in 2018, and it was determined if the HFA ever decided to foreclose, the borrower has two properties valued at approximately \$20,000 that the HFA could take as part of what is owed. Mr. O’Connell said an allowance was created for the approximately \$13,500 that would still be owed the HFA, and that is the figure represented in the “Doubtful Account”. Mr. O’Connell said he sent a letter to Harry Maxwell, Halo Properties, in November, 2018, to ask what his intentions are insofar as the loan is concerned and he has not yet had a response. Joe Cone asked that Mr. O’Connell please follow up with Mr. Maxwell on this matter and he said that he would send a certified letter and ask that he respond. Rebecca Lavie asked how old the note is and wondered if it might be close to, or exceeding, the statute of limitations. Seth O’Connell said he would have to check his records but it is quite old and may well be close to expiration, as far as statute of limitations are concerned. Mr. O’Connell went on to say there has never been a payment received on this 6 month note. Mr. O’Connell said the HFA has opted to continue to renew the contract every 6 months. Ms. Lavie said she would look into the matter and it is possible that each renewal of the contract could be considered a new event. Seth O’Connell said he would contact Jean Mangu for details to provide to Ms. Lavie.

Mr. O’Connell concluded by discussing the recent fraud evaluation forms sent to HFA members by the auditors. Mr. O’Connell said the form isn’t particularly relevant, based on the HFA’s structure, since there really is no risk of fraud and there are no wrong answers to the questions posted on the evaluation. Mr. O’Connell said he would advise when audit is complete.

**New Business:** None

**Old Business:**

- **HFA Lots – Disposition Process:** Jay Kalter said he would prefer not to put all

properties out to bid since he does not think this will be the most profitable way to go about the process. Mr. Kalter said he would prefer to put just a few properties on the market to begin with, to see what response they elicit. Rebecca Lavie said that while the County uses state statutes when disposing of property, the HFA is not subject to those statutes and they are not bound to them as a hard and fast rule. Ms. Lavie did say these properties should be made available to the general public, no matter what process is decided upon. Debbie Taylor said there will be a process for the HFA to go through to see if the 50 foot lots are buildable or if it will be necessary to sell two lots together. Bill Lazar said most lots in West Augustine are 50 foot lots and Julie Voorhees said the CWHIP homes were built on 50 foot lots. Ms. Taylor said there are also wetland issues on most of the lots and Robert Marshall confirmed the HFA is aware of this and with a significant amount of fill dirt, the properties can be built upon. Mr. Marshall explained this is why those particular properties weren't used for the CWHIP program. Ms. Taylor said the HFA can certainly advertise the lots and decide whether or not to accept the bids they receive and they are not bound to accept any bid they deem too low. Mr. Marshall said he would like to avoid all the cost involved with appraisals. Mr. Cone said he would prefer to more closely follow County policies in the sale of these lots. Mr. Cone explained that with Jean Mangu gone, Rebecca Lavie is stepping in and assisting the HFA, and if the sale process for these lots parallels the County then staff involvement, by Ms. Lavie and others, will be minimized. Mr. Cone also stated it is staff's recommendation that some encumbrance be put on these properties in order to ensure they remain affordable in perpetuity. Robert Marshall said the SHIP affordability limit is close to \$290,000 and Mr. Cone said he would be fine with the SHIP limit being the encumbrance and, while this is his recommendation, he understands the decision is solely that of the HFA. Joy Andrews said she sees both sides of the discussion, since these properties were donated by the County for affordable housing but if the HFA is unable to sell them, they are benefiting no one. Ms. Andrews suggested even if there was no encumbrance on these surplus lots, the HFA would be using the proceeds in order to promote affordable housing. Ms. Andrews asked if there were any deed restrictions on these lots and Ms. Lavie said she would have to check her email communication with Jean Mangu but she is fairly certain there are none. Robert Marshall said he thinks the best process to sell these lots would be to simply list the properties with a realtor. Linda DeGrande agreed and said she thought the simplest process would be to put the properties on the MLS (multi-listing service) and in this way reach approximately 15,000 real estate agents. Ms. DeGrande said she would forgo her commission and she wondered if Julie Voorhees from the Housing department might answer calls that come in as a result of that listing. Mr. Cone did express some concern over the time staff might have to spend fielding telephone calls and he explained the CWHIP program's customers took many staff hours to manage. Ms. Lavie said she did have some initial reservations regarding this realtor-based sale process and she would have to look into it further. Ms. Lavie asked Ms. Taylor about another statute the County follows for the list they maintain of affordable properties and she wondered if that process might be closer to the method the HFA seems to be leaning toward. Ms. Taylor said the properties would still be surplussed and they would still have to go out to bid. Discussion ensued regarding the types of lots available and how best to market them. Mr. Kalter suggested the lots with no access be marketed with one of the adjacent lots as a package deal. Ms. DeGrande stated some of the lots need \$12,000 to \$15,000 worth of fill dirt and, with the cost of the lot, this extra expense would put them over market value. Mr. Kalter suggested saving those properties until the other, more marketable lots are sold and then putting a price on them that takes into consideration the amount of fill dirt needed to make them buildable. Ms. DeGrande expressed some frustration that the process for selling the surplus lots was becoming too complicated

and she said she believes advertising for bid would bring lower offers. Bill Lazar suggested the HFA list with a realtor and agree to a price in advance. Mr. Lazar said an offer would have to come in at, or above, the agreed upon price in order to be brought to staff, thus cutting down staff-hours that might be spent on this method. Mr. Kalter said one or two of the readily buildable lots should be chosen as a test to see what kind of interest they generate. Rebecca Lavie did reiterate that she has some reservations about putting the properties on MLS and said she will have to look into the matter a bit further. Ms. Lavie said any potential buyer will have to be vetted to ensure there is no conflict of interest, as the HFA is a public body and is subject to the state code of ethics. Ms. Lavie said she would be better able to address the matter at the February HFA meeting, once she has had a chance to do some research. Ms. DeGrande asked what a conflict of interest might be in this situation and Ms. Lavie explained it would typically refer to first degree relatives and business associates of HFA members profiting from the purchase of these properties.

Mr. Kalter suggested a subcommittee should meet to discuss which properties to list for sale first and at what price. **Motion** made by Robert Marshall for the subcommittee to meet on February 14<sup>th</sup>, at 3pm, to determine which properties to list for sale and at what price; motion seconded by Linda DeGrande. **Motion passed unanimously.** Ms. Lavie said she would try to attend the subcommittee meeting, as well.

- **Own a Home Opportunity Program Update:** Joe Cone advised he has been discussing the possibility of a new program with Tim Wranovix at Raymond James and he hopes to have some information for the HFA soon. Mr. Cone also said Mr. Wranovix will be contacting Linda DeGrande and/or Victor Raymos, regarding a meeting with realtors to discuss the Own a Home Opportunity Program. Mr. Cone handed out a list of local lenders that participate in the program. Bill Lazar mentioned the HOP down payment assistance program and suggested Mr. Cone reach out to David Westcott to see if some information could be provided to realtors about this program, which should be available spring, 2019.

**Next Meeting:** The next meeting of the HFA will be held on February 28, 2019 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

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Secretary