

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

**February 28, 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 Craig Higgins, Vice Chair.

**Members Present:**

Craig Higgins  
Robert Marshall  
Michael O'Donnell  
Malinda Peeples  
Victor Raymos

**Members Absent:**

Jay Kalter  
Linda DeGrande

**BCC Liaison:** Commissioner Jeb Smith

**Guests Present:**

Travis Barton – Habitat for Humanity  
Bill Lazar – St. Johns Housing Partnership  
Harry Maxwell – Halo Properties/Maxwell Manor  
Rebecca Lavie – Assistant SJC Attorney  
Seth O'Connell - CPA, Accountant to the HFA, W. H. O'Connell & Assoc.  
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 Victor Raymos. **Motion passed unanimously.**

**Public Comments:** Harry Maxwell said he received a letter from Seth O'Connell regarding a \$110,000 land loan the HFA made to Halo Properties, as well as the \$37,500 note which, according to Mr. O'Connell, Halo Properties was to repay the HFA approximately 13 years ago, and has been repeatedly extended or renewed since that time. Mr. O'Connell was inquiring about the collectability of these loans and Mr. Maxwell claimed these are "no recourse" loans and he said he was under the impression he would be able to come to the HFA and ask forgiveness on them, if necessary. Mr. Maxwell went on to claim that apartment complexes

Whispering Woods and Whispering Pines have both been forgiven their SHIP loans in the past. Mr. O'Connell said he does not believe these are SHIP loans and that they were paid straight from HFA funds to Mr. Maxwell. Mr. Maxwell did not agree and Mr. O'Connell said he would pull the mortgage documents from his files and forward copies to Mr. Maxwell to review. Mr. Cone said if he had to speculate, he would say that Mr. Maxwell's funding came as a combination of SHIP funds and HFA money. Mr. O'Connell said his primary concern is the note for \$37,500 that was made more than 13 years ago and how Mr. Maxwell intends to pay this. In addition, Mr. O'Connell said the auditors pointed out to him this loan should have been accruing 3% interest, which would total approximately \$13,000 over the 13 year period since the loan was made. Mr. Maxwell said he is ultimately asking the HFA for forgiveness of the \$37,500 note as he rents to low and very low income persons and after he has paid Florida Housing, which is the first mortgage holder and the HFA, for the \$110,000 land loan, there is very little money left over. Mr. Cone said the mortgage documents will be forwarded to the County's legal department for further review and the matter will be discussed at the next HFA meeting. Ms. Lavie requested she be provided with the minutes of the HFA meetings when the loans were approved.

### **Approval of Minutes:**

**Motion** made by Victor Raymos to approve the minutes of the January 24, 2019, meeting; motion seconded by Robert Marshall. **Motion passed unanimously.**

### **Financial Report:**

- **Financials – January, 2019:** Mr. O'Connell stated only two checks were written totaling approximately \$3,800 and they were payments to his firm, W.H. O'Connell & Associates and to Jean Mangu at Edwards Cohen, for their work on the CWHIP project. Mr. O'Connell reviewed financials and stated there is approximately \$280,000 in assets, approximately \$8,000 in cash, nearly \$6,000 owed to the HFA and approximately \$17,000 in payables, the bulk of which is owed to Mr. O'Connell and to Jean Mangu.

Mr. O'Connell said the audit should be completed soon and he will bring the finished report to the HFA when it is available.

**New Business:** None

### **Old Business:**

- **HFA Lots – Disposition Process:** Robert Marshall explained that he, Linda DeGrande, Jay Kalter and Malinda Peeples met to discuss the surplus lots on February 14, 2019. Mr. Marshall said they would like to suggest the HFA put the two highest appraised lots up for sale on the multi-listing service (MLS) and he said Linda DeGrande has offered to do that for the HFA and take no commission. Mr. Marshall said they determined that lot #12 and lot #19 have the highest appraised values and they also have adjacent surplus lots that might be offered to any parties that express interest in the primary lots. Mr. Marshall said a builder might be interested in this type of package deal. Mr. Marshall said the County's pricing on some of the other properties was somewhat perplexing and he referenced a highly-valued, oddly shaped lot off of Four Mile Road, as an example.

Rebecca Lavie said she looked into the legality of selling the surplus properties through the MLS and she said she is comfortable that it is a legally acceptable way of

proceeding. Ms. Lavie did say, however, that based upon the procurement policy adopted by the HFA in 2008, the real estate broker that lists the property must be selected through one of the methods listed therein. Ms. Lavie said a competitive, sealed bid process would probably be the most straight-forward way of handling it. Mr. Marshall said Ms. DeGrande has offered to forgo her commission and Mr. Raymos said the agent that brings the buyer will be the only individual that receives a commission in this case, which is typically anywhere from 1-3%. Ms. Lavie said the Commission on Ethics has reviewed similar situations and found that even if there is no commission, the fact that there is a fiduciary relationship involved makes it prohibitive of the conflict of interest rules. Ms. Lavie said she must speak to Ms. DeGrande about the matter but even the submission of a sealed bid by Ms. DeGrande might be straying close to the legal line in this matter. Mr. Marshall asked what criteria is used to make a selection under the sealed bid process and Ms. Lavie said the procurement policy states the award will be made to the lowest responsible bidder. Ms. Lavie said if Ms. DeGrande plans to submit a bid, she cannot participate in the bid specifications or the determination of the lowest and best bidder and she must recuse herself from any voting. Ms. Lavie said Ms. DeGrande may also have to file a statement with the Clerk of Court but she will look into that further. Mr. Marshall asked Mr. Raymos if there might be another way to post a multiple listing. Mr. Raymos said the County may be able to do a one-time listing on MLS for \$160.00 per property but he would need to look into this, as he does not believe the County is a member of the Board of Realtors Association. Craig Higgins asked if any other HFAs in Florida have dealt with a similar situation and, if so, how they handled it. Bill Lazar mentioned Duval County sold approximately 400 properties within the last year or two and Joe Cone said he would look into it. Rebecca Lavie said she would also inquire to see if the County has a licensed realtor in its employ.

**Motion** made by Robert Marshall to offer for sale lot 12 on block 91 and lot 19 on block 72, with method of offering for sale to be determined; motion seconded by Victor Raymos. **Motion passed unanimously.**

**Own a Home Opportunity Program:** Joe Cone said he has spoken with Tim Wranovix at Raymond James and Mr. Wranovix is planning a seminar for realtors and lenders and he is working with Mr. Raymos to set this up. Mr. Cone said he is also discussing the possibility of the HFA participating in another program with Raymond James and when he has more details, he will bring that information to the HFA.

**Meeting was adjourned** at 3:48 p.m.

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

Respectfully submitted,

---

Secretary