

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

**April 25, 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 3:03pm by Jay Kalter, Chair.

Members Present:

Jay Kalter
Robert Marshall
Michael O'Donnell
Malinda Peeples
Victor Raymos

Members Absent:

Craig Higgins
Linda DeGrande

BCC Liaison: Commissioner Jeb Smith was unable to attend

Guests Present:

Bill Lazar – St. Johns Housing Partnership
Seth O'Connell - CPA, Accountant to the HFA, W. H. O'Connell & Assoc.
Rebecca Lavie – Assistant SJC Attorney
Joseph Cone – 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 Victor Raymos to accept agenda as presented; 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 February 28, 2019 meeting (there was no March meeting); motion seconded by Malinda Peeples. **Motion passed unanimously.**

Financial Report:

Financials – February & March 2019: Seth O’Connell stated disbursements from March 27, 2019 through today were approximately \$4,741.52. Mr. O’Connell said the majority of those disbursements were back payments to W.H. O’Connell & Associates and Edwards Cohen. Mr. O’Connell also mentioned a payment to Bank of America for rental of a safety deposit box. Robert Marshall asked what the contents of the box are and Mr. O’Connell said he isn’t sure, as it predates his time with the HFA. Mr. O’Connell stated he is only aware of the existence of the safe deposit box because he continues to receive yearly invoices for it. Joe Cone said he would contact Jean Mangu to see if she knows what is in the box and where the key for the box is. Mr. O’Connell went on to say there was approximately \$6,400 in the bank at the end of March and the HFA is owed approximately \$4,000. Mr. O’Connell said most of what is due the HFA are missed payments from Halo Properties. Mr. O’Connell said he has sent invoices and reminders to Mr. Maxwell regarding the debt. Mr. O’Connell reviewed the income statement and said it shows approximately \$935 earned in this period, nearly \$1,000 spent, with a remainder of approximately \$67. Mr. O’Connell said the year to date shows approximately \$15,000 has been earned and nearly \$9,000 spent, with a remainder of approximately \$6,000.

Mr. O’Connell referred to the audit report, a copy of which was distributed to the members of the HFA. Mr. O’Connell said the audit received a “clean opinion” and there were no managerial comments, or control deficiencies, and there was nothing negative in the report whatsoever. Finally, Mr. O’Connell stated the report has been filed with the State of Florida, in a timely fashion, as required. **Motion** made by Robert Marshall to accept the Independent Auditors’ Report as submitted; motion seconded by Malinda Peeples. **Motion passed unanimously.**

New Business:

- **Florida ALHFA Conference:** Though he did not suggest the addition of this item to the agenda, Jay Kalter inquired as to whether there is enough money in the budget to allow for any HFA members to attend. Mr. Kalter said the conference will be held in Atlantic Beach, Florida, from July 10 to July 13, 2019. Mr. Kalter was not sure if he would be able to go but felt someone from the HFA should attend. Seth O’Connell was not sure how many people will be able to attend but requested Mr. Kalter check to see how much the registration and hotel room would total, per person. The matter was tabled for discussion at the May meeting.
- **CDBG Application Deadline:** Again, this was not added to the agenda but Mr. Kalter expressed some displeasure that the HFA was not notified of the application deadline for CDBG funds, since there had been discussion regarding the possibility of the HFA submitting an application. Mr. Cone apologized and explained that based on the way the County is structured, there is some difficulty for the Housing department to apply for CDBG funding and, unfortunately, this difficulty bleeds over into Health and Human Services boards and committees. Mr. Cone said the Housing department has managed programs for the HFA in the past and this puts them in a difficult position where this type of funding is concerned. Mr. Cone did apologize for not explaining the issue to the HFA sooner. Bill Lazar said the St. Johns Housing Partnership (SJHP) would be willing to put in an application for CDBG funds for a project the HFA and SJHP might work together on. Mr. Cone said he is not opposed to this but would like a chance to discuss with Rebecca Lavie, County Attorney’s office, before moving forward. Bill Lazar said they might be able to take advantage of Florida Housing’s HOP program, which provides \$25,000 in down payment assistance for builders.

Old Business:

- **Halo Properties Loans Update:** Joe Cone reported he and Julie Voorhees went to see one of Harry Maxwell's properties. Mr. Cone said they were walked through some of the units, met some tenants, and were very impressed with what they saw. Mr. Cone said the apartments were very clean and the properties well maintained. Mr. Cone said he has directed his staff to look into encumbrances on Mr. Maxwell's property but he believes the HFA is probably in 3rd or 4th position. Mr. Cone said Mr. Maxwell also gave him a document that he has not yet read completely but it appears to set some sort of precedent for Mr. Maxwell to ask for alleviation of the loan made to him by the HFA. Mr. Cone said he has requested that Mr. Maxwell make any formal request to the HFA in writing. Mr. Cone said he has asked that staff pull minutes from the HFA meetings when decisions were made regarding the loans and Rebecca Lavie is reviewing them. Jay Kalter asked what the loan amounts were and Mr. O'Connell stated there was one short-term loan, made approximately 12 to 15 years ago, in the amount of \$37,500, that has been extended repeatedly. Ms. Voorhees stated, according to paperwork provided by Jean Mangu, the last extension was granted on this loan in 2014. Mr. O'Connell went on to say the other loan amount was approximately \$110,580, and Mr. Maxwell is currently paying approximately \$900 per month, in interest, on that loan. Robert Marshall asked Mr. O'Connell if this could be turned into a 10 or 15 year note, with little or no interest. Mr. O'Connell said yes, it could, and Ms. Lavie added it could be no longer than 30 years. Mr. Marshall said if Mr. Maxwell were able to raise rents by just \$15 or \$20 per month, per tenant, he would be able to pay the note with the additional income. Mr. O'Connell said he would calculate what the payments would be at 15 years and at 30 years, with 1% interest, and report back to the HFA.

Discussion ensued with regard to the reason Mr. Maxwell had difficulty repaying the short term loan of \$37,500. Bill Lazar provided some background on the problems associated with the project that caused Mr. Maxwell not to get the developer fee he anticipated. Mr. Lazar went on to explain Mr. Maxwell has rented his units, in many cases, for less than what he is required to rent them for. Michael O'Donnell asked that Mr. Cone request Mr. Maxwell provide his audited financials over the past three years and Mr. Cone said he would make that request. Mr. Cone communicated Mr. Maxwell's wish to meet with each of the HFA members, individually, to show them one of this property. Mr. Cone asked HFA members if he could share their contact information with Mr. Maxwell. Mr. Kalter said he would consider touring the property after Mr. Maxwell submits his proposal to the HFA. No HFA members felt it necessary to provide their contact information, at this time.

- **HFA Lots – Disposition Process:** Mr. Cone said he provided HFA members with some information detailing what processes other communities, such as Tampa, FL and Madison, WI, are following in order to sell their surplus properties. Mr. Cone did say that their methods seemed rather out of the scope of what this board has been discussing. Mr. Cone said it was his understanding that this board agreed to proceed with an RFQ, in order to find a realtor to assist with the sale of the surplus properties. Jay Kalter said that, in his opinion, this seems like a long and drawn out process to simply secure a realtor to list the properties on the Multi-Listing Service (MLS). Mr. Marshall said he was under the impression that the decision had been made to move forward with Linda DeGrande listing the property on MLS and taking no commission. Rebecca Lavie reminded Mr. Marshall that since Ms. DeGrande is a member of the HFA, there is a conflict of interest and that this was discussed at the March meeting. Ms. Lavie went on to say there would need to be a sealed bid process and Ms. DeGrande would not be able to assist in creating the specs, or the evaluation, for this RFQ. Joe Cone asked the board to allow him to work with Ms. Lavie to write up something simple, insofar as an RFQ, and bring it back before the HFA for their approval next month. Mr. Kalter asked what the fallback position will be should no response be received to the

RFQ. Mr. Marshall asked Mr. Raymos what it might cost to hire a realtor to simply list the properties on the MLS and Mr. Raymos said it is negotiable. Mr. Raymos said there are limited service companies available for hire, that might place the listing for a flat fee, but he did caution they do not provide all of the services that a typical realty company or realtor does. Ms. Lavie recommended following the procurement policy put in place by the HFA several years ago. Ms. Lavie recommended not listing just the two lots that had been discussed last month but to make the description somewhat broader, so that this whole process does not need to be repeated every time the HFA wishes to sell another lot. Ms. Lavie suggested incorporating the wording "up to " when referring to the number of lots available for sale.

Motion made by Robert Marshall to direct Joe Cone and Housing staff to proceed with the RFQ process to seek the services of a realtor to list County surplus lots; motion seconded by Victor Raymos. **Motion passed unanimously.**

- **HFA Lots– Property Owner Letter:** Joe Cone distributed a letter from a CWHIP client who owns a home right next to one of the County's surplus properties. The client, who resides at 940 Scheidel Way, has expressed interest in the purchase of the County-owned property that is adjacent to her own. Mr. Raymos said there had been some discussion at previous HFA meetings regarding this possible scenario and to engage with a single property owner might be seen as exclusionary of the other adjacent property owners, as well as the general public. Ms. Lavie said that if the property is not particularly desirable, it may be enough to simply offer it to the other adjacent property owners and then choose the best offer from that pool. Malinda Peeples said she feels that if this owner is interested in buying one of the surplus properties, it should be offered to her at the appraised value and she should not have to wait until it is on the MLS. Robert Marshall disagreed and said he believes the HFA should proceed by offering for sale the most desirable properties and letting the market decide their worth. Mr. Marshall said he feels that selling one of the less desirable properties right away might bring down the value of the rest of the properties. Mr. Marshall made the point that the true value of the property won't be known without a paid appraisal or the sale of a similar lot and he said he is uneasy proceeding with selling this property to the detriment of future sales on the remaining lots. After some discussion, it was decided Joe Cone will notify this homeowner that there will be an RFQ and subsequent listing on MLS and she is welcome to make an offer on the property at that time.
- **Own a Home Opportunity Program Update:** Joe Cone said Tim Wranovix advised him that another loan closed recently and Mr. O'Connell will receive the particulars on that loan shortly. Mr. Wranovix also told Mr. Cone that another local loan officer is now offering the "Own a Home" program. Mr. Marshall asked why the loans have slowed down recently and Mr. Cone said Mr. Wranovix is attributing that to a shortage of supply. Mr. Cone said Mr. Wranovix also stated he has emailed Mr. Raymos and Ms. DeGrande to see about setting up a seminar for realtors and lenders.

Meeting was adjourned at 4:10 p.m.

Next Meeting: The next meeting of the HFA will be held on May 23, 2019 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary