

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

**May 23, 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
Victor Raymos

Members Absent:

Malinda Peoples

BCC Liaison: Commissioner Jeb Smith was unable to attend

Guests Present:

Bill Lazar – St. Johns Housing Partnership
Malinda Evers – Habitat for Humanity
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
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:

The following items were added to the “New Business” section of agenda: “HHS Budget Review” and “FPL Discussion”. The following item was added to the “Old Business” section of agenda “Halo Properties – Update”.

Motion made by Craig Higgins to accept agenda with referenced changes; motion seconded by Robert Marshall. **Motion passed unanimously.**

Public Comments: None

Approval of Minutes:

Motion made by Robert Marshall to approve the minutes of the May 23, 2019 meeting; motion seconded by Craig Higgins. **Motion passed unanimously.**

Financial Report – May, 2019:

Seth O'Connell reported only two checks were written, totaling approximately \$4,400, and they represented payment to Mr. O'Connell and to Jean Mangu for their work on the CWHIP project. Mr. O'Connell reported that year-to-date, approximately \$16,000 has been earned and approximately \$11,000 spent. Mr. O'Connell reported approximately \$3,200 over budget, year to date.

New Business:

- **Florida ALHFA Conference:** Mary Garcia stated the registration cost for the conference is \$650 and there are no hotel rooms available at the \$199 special rate. Mr. Kalter said he believes he will be able to attend and he will simply drive to Atlantic Beach each day, rather than stay in a hotel. Seth O'Connell said there are funds available for the registration cost.
- **July HFA Meeting:** Mr. Cone said that though HFA meetings are noticed for every Thursday, there is typically no meeting in July. Mr. Cone asked whether or not the board would like to meet that month. It was decided the meeting will be cancelled provisionally, provided no situation arises that requires the immediate attention of the HFA. **Motion** made by Linda DeGrande to provisionally cancel the July, 2019 meeting of the HFA; motion seconded by Craig Higgins. **Motion passed unanimously**
- **Safe Deposit Box:** Julie Voorhees reported the original contract the HFA has with the Bank of America is dated 1992 and it was last updated in 2005. Ms. Voorhees reported the two signors on the contract are also signors on the safe deposit box agreement. Neither signor is still on the HFA board. Ms. Voorhees also reported the only HFA board member currently authorized by the bank to sign checks is Linda DeGrande. Ms. Voorhees said in order to get into the safety deposit box, in the absence of keys, the bank must arrange for the lock to be drilled at the cost of \$150. Ms. Voorhees said Jean Mangu has said she believes there may be some original notes and mortgages in the box. Ms. Voorhees said the bank will issue two new keys, if the HFA decides to keep this box and, if they decide to discontinue, the \$101 renewal fee paid in April, 2019 will be returned at a prorated rate. Ms. Voorhees stated the board will need to make a motion to have the box drilled and then to grant authorization to at least one board member to be present at the time of drilling and, finally, to grant authorization to a board member to update the account information with the Bank of America at the time of drilling, Mr. Kalter asked if the contents of the box could be kept in County offices and Mr. Cone replied that would be fine, as the County does have files that lock and this would save the HFA money. Seth O'Connell said he was given different instructions by the bank for changing signors on the account. Mr. O'Connell said he has a prepared resolution for the express purpose of changing signors and the bank told him they will need not only the signed resolution but the minutes of the meeting during which the resolution to change or add signors was approved. Joe Cone said it should be a simple process to update the resolution. **Motion** made by Victor Raymos to grant authorization for a board member, yet to be determined, to be present for the drilling of the safety deposit box and grant authorization for the same individual to update the Bank of America account information; motion seconded by Robert Marshall. **Motion passed unanimously.**
- Mr. Marshall volunteered to go to the bank and it was determined that he would bring the contents of the safe deposit box with him to the next HFA meeting. **Motion** made by Linda

DeGrande authorizing a resolution be drafted naming Jay Kalter, Linda DeGrande and Robert Marshall be signors on the account with Bank of America; motion seconded by Robert Marshall. **Motion passed unanimously.**

- **St. Johns Housing Partnership – Bill Lazar: May 7 BCC Meeting/Affordable Housing Discussion Update:** Mr. Lazar reviewed what took place at the May 7th County Commission meeting with regard to the Affordable Housing item on the agenda. Mr. Lazar explained this was a follow up to the affordable housing pilot program proposal that Jerry Cameron and the Continuum of Care made approximately 9 months ago. Mr. Lazar said that on the same date as the May 7 meeting, one of the first bills was sent to Governor DeSantis, which suggested it is ok for counties to waive impact fees and they will not be penalized for it. Mr. Lazar said there were mixed reactions from the Commissioners with regard to waiving impact fees, so it remains to be seen how, and if, this will be incorporated in a plan to encourage affordable housing. Mr. Lazar said there was also discussion surrounding increased accessory dwelling units and the idea that they should not be reserved for family only and he said this would require relatively simple code changes. Mr. Lazar stated the Commissioners voiced their initial support of this proposal. Mr. Lazar also mentioned residential densities and the possibility of adding a zoning classification for workforce housing, which would allow for lower home prices in that zone. Mr. Lazar said there was also discussion regarding the expediting of all permitting and development review for developments designated “affordable”. Mr. Lazar said there has been discussion regarding deferred, or partial payment of impact fees on designated affordable units up to five years. Mr. Lazar said the City of St. Augustine is also currently looking to see what can be changed in their land development regulations in order to encourage affordable or workforce housing. Mr. Lazar said the Chamber of Commerce is also showing their support of workforce housing since businesses and government, such as Fire Rescue, are finding that many of their employees, including first responders, are living outside of the County due to housing costs in St. Johns County. Mr. Lazar said there are primarily three housing categories that are funded; crisis relief, which pays deposits and rents to avoid homelessness and stabilize people; the preservation of existing structures; and the creation of new, affordable housing, which, he said, is where the community is really lacking. Mr. Cone said there was some pro density discussion and he was gratified to hear some of the Commissioners stating PUDs should be built near the epicenter of downtown St. Augustine, near services and transportation. Mr. Cone also said some of the Commissioners expressed concern that in the past, SHIP liens had been taken advantage of, and Mr. Cone commented the County Attorney’s office prefers deed restrictions, since they stay with the property. Mr. Cone assured the HFA his staff, in conjunction with the County Attorney’s office, have been working to clean up the existing SHIP liens. Bill Lazar said he believes developers will be scared off by more stringent deed restrictions and he said the HFA would be an excellent advisory board to the County with regard to the assessment of deed restrictions, how long they should be in place to ensure the property remains affordable, and what is a fair and reasonable period of time. Joe Cone commented that, in his six years in the field, he has only seen one person, out of 300-400 people, turn down assistance or subsidy due to a lien. Jay Kalter expressed concern regarding deed restriction and he said liens can be extinguished fairly easily, while a deed restriction stays with a property and can cause a cloud on a title and, in the future, could possibly cause the opposite effect of what was originally intended. Discussion ensued with regard to what methods are in place to “police” deed restrictions and Mr. Lazar said that really does depend on the property and what is built on it. Mr. Cone said he has been looking into what other counties are doing with regard to deed restrictions and he said he will be reporting back to the County Commission and he will also advise the HFA of his findings.

Ron Gelinis, with BB&T Bank, attended the meeting and said he is aware of two clients, who were part of “affordable housing programs”, that are in currently in foreclosure; one is a CWHIP property and the other was built as part of the Neighborhood Stabilization Program

(NSP). Mr. Gelinas asked what happens to the 2nd mortgage on these homes. Joe Cone said the County has received program income on a NSP foreclosure and he is waiting to hear back from the State for instruction on what to do with those funds, since that program is closed. Mr. Cone said he and Rebecca Lavie will be looking into the CWHIP mortgages and he will report back to the HFA.

Bill Lazar reported Florida Housing Finance will be rolling out their Homeownership Pool Program (HOPP) within the next 30 days or so. Mr. Lazar said this is a down payment assistance program on a new build and he said the amount is \$25,000, and can go up to \$35,000, if the buyer, or their dependent, has a developmental disability. Mr. Lazar said Florida Housing Finance is mandating the homes be built "green certified" and Mr. Lazar said he will plan some "lunch and learns" for builders, once the program is officially rolled out and all details are available.

- **Health & Human Services Budget Hearing:** Joe Cone reported this was the first of three budget hearings and he said he believes the next is in July. Mr. Cone said the Health & Human Services Department has requested an inspector position be added to the Housing department, and this individual will keep an eye on the building process and also provide customer service in the field. Mr. Cone stated a request has also been made to add a Quality Assurance position to the Housing department and this individual will monitor some of the grant programs such as CDBG, SHIP, etc. Mr. Cone said an additional \$25,000 was also requested, to add to the emergency rehab program. Mr. Cone stated these funds will come from the general fund and St. Johns Housing Partnership currently manages those funds under a 3 year, rotating contract. Mr. Cone said these funds will be especially helpful for rehab of mobile homes, as SHIP funds cannot currently be used to rehab them. Mr. Cone said there are a lot of these homes within the County and this will be a great help in ensuring that they are safe.
- **FPL Discussion:** Mr. Cone said Florida Power & Light (FPL) has quite a bit of property within the County and he said he has been in contact with the County's GIS department to request maps showing these properties. Mr. Cone said he plans to reach out to FPL when he is in receipt of these maps, in order to see if FPL might be willing to allow some of this land to be used for affordable housing. Mr. Lazar said the Partnership works with FPL quite a bit and asked that Mr. Cone consult with him once he is ready to contact them. Mr. Kalter provided Mr. Cone with some tips for dealing with FPL on this matter, as well.

Old Business:

- **HFA Lots – Disposition Process:** Mr. Cone asked for the HFA's approval of a draft of an RFQ for the sale of the County's surplus lots. Mr. Kalter remarked the document appears to be more of an RFP and asked if those references within the document might be changed. Rebecca Lavie agreed. Ms. DeGrande expressed her feeling that the RFP is a waste of time and money and that it is unfair to ask a realtor to work at no charge in order to sell the HFA's properties. Ms. DeGrande said the HFA has listed properties for sale on the MLS in the past and that is precedent setting. Ms. Lavie stated she explained the opinions of the Commission on Ethics and explained why Ms. DeGrande was not advised to act in any capacity on behalf of the HFA, even if she accepted no monies. Discussion ensued with regard to the possibility of paying a commission, if necessary, in order to secure a realtor. Mr. Cone said the RFP certainly does not preclude that option. Ultimately, the decision was made to move forward with the RFP process and, if no proposals are received, readdress the situation at that time. Mr. Cone stated the document will be printed in The St. Augustine Record and Rebecca Lavie said she will also have it put on Demand Star. **Motion** made by Linda DeGrande authorizing Mr. Cone to move forward with posting the RFP, (pending changes within document that currently refer to it as an RFQ), seeking proposals from

realtors to assist in the sale of the County's surplus properties; motion seconded by Curtis Craig. **Motion passed unanimously.**

- **Halo Properties Loans Update:** Joe Cone spoke to Harry Maxwell and asked that he provide a copy of his audits to the HFA. Mr. Maxwell said he would be happy to do that but his arrangement with Florida Housing Finance is such that he only submits to audit once every three years. Mr. Cone said he also asked that Mr. Maxwell please put in writing his request to the HFA concerning his loans. Mr. Cone stated Mr. Maxwell expressed he is not quite prepared to do that yet. Mr. O'Connell said he would run an amortization schedule on Mr. Maxwell's loans and apologized for overlooking that last month.
- **Own a Home Opportunity Program Update:** Linda DeGrande said she has not yet received any communication from Tim Wranovix, as was stated on the program update that was handed out at today's meeting. Mr. Cone apologized and said he would follow up with Mr. Wranovix. Ms. DeGrande said she spoke with a senior manager from the Bank of America and provided him information about the "Own a Home" program. In addition, she said she explained the program to three mortgage brokers and encouraged them to use it here in St. Johns County.

Meeting was adjourned at 4:34 p.m.

Next Meeting: The next meeting of the HFA will be held on June 27, 2019 in the Kingfisher Conference Room, at the Health and Human Services Center.

Respectfully submitted,

Secretary