

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

**May 27, 2021  
Minutes**

The Housing Finance Authority of St. Johns County met at 3:00 pm in the Kingfisher conference room in the Health & Human Services Building – 200 San Sebastian View, St. Augustine, Florida 32084.

The meeting was called to order at 3:02 p.m. by Michael O'Donnell, Chair.

**Members Present:**

Linda DeGrande  
Andrew Evener  
Craig Higgens  
Robert Marshall  
Michael O'Donnell  
Malinda Peebles

**Members Absent:**

Erick Saks

**BCC Liaison:** Commissioner Jeb S. Smith

**Guests Present:**

Michael Hartman – Turnstone Development (via Zoom)  
Marianne Edmonds, Public Resources Advisory Group (via Zoom)  
Tim Wranovix – Raymond James (via Zoom)  
Rich Komando, Esq. – Bradley, Garrison & Komando  
Henry O'Connell, CPA – W.H. O'Connell and Associates  
Joseph Cone – Assistant Director, Health & Human Services  
Roberto Ortiz – Housing & Community Development Manager  
Michelle Lawlor – Housing Support Staff  
Virginia Campbell – Housing Support Staff  
Mary Garcia – Social Services Support Staff

Notices regarding the meeting were sent to all members. Introductions by HFA members, County staff and guests. Quorum was present. No press was in attendance.

**Additions/Deletions to Agenda and Approval of Agenda:**

There were no changes to the agenda as presented. **Motion** made by Linda DeGrande to accept the agenda; motion seconded by Craig Higgens. **Motion passed unanimously.**

**Public Comment:** None.

**Financial Report/Review of Bills and Correspondence:**

- **April, 2021:** Henry O'Connell reported three invoices were presented for payment this month; \$1,500 to Bradley, Garrison and Komando for monthly legal retainer fee of Mr. Komando; \$224.10 to W.H. O'Connell and Associates, PA, for the CPA services of Henry O'Connell; \$2,000 to Community Concepts Group for the remainder of the consulting fee due Susan Leigh. Mr. O'Connell went on to say he has been contacted by the auditors and they have requested necessary information from him in order to complete the County's audit by the end of June. Mr. O'Connell stated the deposits from Raymond James are still not being re-directed to Ameris Bank, despite his requests. Mr. O'Connell said these deposits continue to go to the HFA's account with Bank of America, so this account cannot yet be closed. Mr. O'Connell stated he would contact

Raymond James again to request they change their deposit information to the HFA's Ameris Bank account.

### **Approval of Minutes:**

**Motion** made by Craig Higgins to accept April meeting minutes; motion seconded by Malinda Peeples.  
**Motion passed unanimously.**

### **Administrators Report:**

Roberto Ortiz stated the San Marcos Heights project developer should receive the "notice to proceed" in the very near future, which he explained is essentially the green light to start construction. Mr. Ortiz said he will notify HFA members of the date of the ground breaking ceremony as soon as it has been set. Mr. Ortiz went on to report the Board of County Commissioners recently voted to approve the TEFRA resolution for the Victoria Crossing project and he also stated the HFA received the necessary allocation for the project from the state. In addition, Mr. Ortiz said he plans to invite Michael Hartman and Darren Smith, San Marcos Heights and Victoria Crossing developers, respectively, to attend monthly HFA meetings. Mr. Ortiz reviewed the trainings from the FL ALHFA that staff sent to members, as well as a PowerPoint by Bradley, Garrison and Komando that addresses the Sunshine Law for board and committee members. Finally, Mr. Ortiz asked if HFA members would like to hold a July meeting, as the FL ALHFA meets this month, albeit virtually. All agreed that a meeting should be held in July, provided quorum is achieved.

### **New Business:**

- **Issuing Tax Exempt Housing Bonds – Starting with the Basics:** Marianne Edmonds provided a hard copy of a PowerPoint presentation titled "Private Activity Bond Allocation in Florida", and she reviewed some key points. Ms. Edmonds explained Housing Finance Authorities have the right to issue tax exempt bonds to support affordable housing and those bonds can be used to finance the acquisition and rehabilitation, or new construction, of affordable multifamily rental housing by a for-profit or non-profit owner. Ms. Edmonds stated bonds may also be used to fund single family mortgages for first time homebuyers, subject to certain other restrictions. Ms. Edmonds explained the issuance of Private Activity Bonds (PABs) requires volume cap and that cap is limited to \$110 per capita and is allocated to the state and made available to issuers subject to state law. Ms. Edmonds explained this allocation is dollar per dollar, so an issuance of \$10 million would require the same amount of allocation. Ms. Edmonds went on to talk about the allocation of Volume Cap for Private Activity Bonds, which is set by state statute, and she said the first \$97,500,000 (adjusted annually) is allocated to the Manufacturing Facility Pool. Ms. Edmonds explained that with interest rates so low, there is no particular advantage for private parties to use tax exempt bonds to build manufacturing facilities so that allocation is set aside. Ms. Edmonds said 5% of volume cap is held in the state pool until May 1<sup>st</sup> and may be used for priority projects as decided by the governor and Department of Economic Development. Ms. Edmonds said that of the remaining volume cap, 25% is allocated to Florida Housing Finance Corporation for multi and single family bonds; 20% to the Florida First Business Allocation Pool, which is for the governor's priority projects; and 50% is allocated among 17 geographical regional pools (10 multi-county, 7 single county) on a per capita basis. Ms. Edmonds went on to explain St. Johns County is in region 4 and based on population the region has an allocation of \$41,279,733 and is available on a first come, first served basis until June 30<sup>th</sup>, which is the deadline for regional pools. Ms. Edmonds stated that between the two recent bond issuances, San Marcos Heights and Victoria Crossing, the St. Johns County HFA used up all but \$8 million of the region 4 allocation prior to the June 30<sup>th</sup> deadline. After this deadline, Ms. Edmonds explained, any allocation not used collapses into the state pool and is available for various projects, as determined by the state, until November 15<sup>th</sup>. Ms. Edmonds said that on November 16<sup>th</sup>, whatever allocation is left is available on a first come, first served basis. Finally, Ms. Edmonds explained the advantage of tax exempt bonds is the availability of tax credit for an equity partner that is brought in to the eligible project by the developer. Ms. Edmonds stated the partner pays equity into that project so that they receive a 4% tax credit later. Ms. Edmonds asked Michael Hartman, developer of the Victoria Crossing project, what his expected tax credit would be and he said it would be approximately \$8,800,000 over a period of 10 years. Ms. Edmond said she would send samples of three or four different financings and the source and breakdown of funding to staff so that they may distribute to HFA members for their edification. Ms. Edmonds asked if the HFA might be interested in learning about the economics of

the San Marcos Heights issuance at their next meeting as an example of bond financing, and members agreed they would. Mr. Ortiz asked if Ms. Edmonds might put together a simple overview stating in layman's terms how bond financing works and what the HFA's role is in the process. Ms. Edmonds agreed she would and she also mentioned a document titled "ABCs of Housing Bonds" and stated she would look into obtaining a copy to pass along to HFA members.

**Old Business:**

- **Own a Home Opportunity Program Update:** Tim Wranovix, Raymond James, was able to join the meeting via Zoom. Mr. Wranovix said there have been 3 mortgages through Academy since last month. Mr. Wranovix also advised that remote lunch and learns have been scheduled for June and he will pass along the dates and times to staff when available. In addition, Mr. Wranovix assured the HFA he will work with Mr. O'Connell and U.S. Bank to ensure that all deposits from the program are routed to the HFA's Ameris Bank account.
- **HFA Lots – Progress Discussion – Corner Lot Development, LLC:** Billy Zeits identified himself as a representative of Corner Lot Development and advised the HFA of the progress of their due diligence and said they would like to have all permits in hand at closing. Mr. Zeits said Corner Lot Development was not formally requesting an extension to their contract at this time but simply advising the HFA this request may be forthcoming. Mr. Zeits assured the HFA that Corner Lot Development is fully committed to this project and he said they have invested approximately \$35,000 in it up to this point. There was some discussion and Joe Cone advised there have been other inquiries about these lots from potential buyers according to Endless Summer Realty. Discussion ensued regarding rising property prices and HFA members asked if their realtor, might attend their June meeting to advise them further about this matter. Staff agreed to invite Brad Layland from Endless Summer Realty.

**Meeting was adjourned at 3:59 p.m.**

**Next Meeting:** The next meeting of the HFA will be held on June 24, 2021, in the Kingfisher conference room, in the Health & Human Services Center, at 200 San Sebastian View, St. Augustine.

Respectfully submitted,

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Secretary