

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

**November 18, 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
Robert Marshall
Michael O'Donnell
Erick Saks

Members Absent:

Malinda Peebles

Guests Present:

Marianne Edmonds, Public Resources Advisory Group (via Zoom)
Michael Hartman, Turnstone Development (via Zoom)
Rich Komando, Esq., Bradley, Garrison & Komando
Harry Maxwell, Halo Properties
Carolina Morrow, Habitat for Humanity (via Zoom)
Henry O'Connell, CPA, W.H. O'Connell & Associates
Carolina Morrow, Habitat for Humanity (via Zoom)
Tim Wranovix, Raymond James (via Zoom)
Shawna Novak, Director, Health & Human Services (via Zoom)
Joseph Cone, Assistant Director, Health & Human Services
Julie Voorhees, Housing Dept. Support Staff
Mary Garcia, Social Services Dept. 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.

Public Comment: None.

Additions/Deletions to Agenda and Approval of Agenda:

Motion made by Linda Degrande to accept the agenda as presented; motion seconded by Andrew Evener.
Motion passed unanimously.

Financial Report/Review of Bills and Correspondence:

- **October, 2021:** Financial statements through October, 2021 were provided to all HFA members. Mr. O'Connell advised a check payable to Bradley, Garrison and Komando for legal counsel, in the amount of \$1,500.00, was presented for signature on this date. Mr. O'Connell also stated a check payable to W.H. O'Connell and Associates for CPA services, in the amount of \$538.65, was presented for signature on this date.
- **Halo Properties Loan – Harry Maxwell:** Michael O'Donnell explained that the accrued interest in the amount of \$7,187.00 on Mr. Maxwell's loan from the HFA was forgiven in September, 2020, and a decision was made at that time to revisit this issue on a yearly basis should Mr. Maxwell continue to default on monthly payments. Mr. O'Donnell said no payments have been received since

September, 2020, and a decision as to the accrued interest is once again necessary. Mr. Maxwell stated that while he is not asking for full forgiveness of the loan, he is proposing the HFA wait for full payment until such time as the property is sold. Mr. Evener asked why Mr. Maxwell stopped making these interest payments and Mr. Maxwell said attorney's fees due to lawsuits, in conjunction with the very low rents he charged contributed to his inability to maintain these payments. Mr. Cone reminded the HFA that County staff offered to assist Mr. Maxwell in discussions with Florida Housing Finance Corporation (FHFC) regarding increasing rents and Mr. Maxwell refused. Ms. DeGrande asked why he refused and Mr. Maxwell stated his past experience with FHFC was not positive and he was reluctant to approach them again. Mr. Maxwell offered to bring his attorney to the next HFA meeting so that he can provide more information.

Mr. Maxwell distributed photos of his complex and he said some tenants are still experiencing hardship as a result of pandemic. Mr. Komando asked if Mr. Maxwell's tenants applied for the rental assistance offered by the County and Mr. Maxwell said that while many did, some had issues with providing the documents necessary to be approved for these funds. Mr. Maxwell stated he and his wife tried to assist tenants with this process. Mr. Cone offered County resources such as the Housing department's credit counselor who is available by appointment to assist tenants with managing their finances. Mr. Saks asked if most of Mr. Maxwell's tenants are current on their rent and he estimated that 80-85% of them are up to date on payment.

Mr. Maxwell said that while rents to those at 30-60% of the area median income remain primarily between \$700 and \$850 per month for 3 bedroom units, he has started charging slightly higher rents to those at the higher end of that cap, which is allowed by FHFC. Mr. Maxwell said two rather large repairs were necessary recently due to plumbing issues and an auto accident that damaged the front of a unit. Mr. Saks asked if all units are fully occupied and Mr. Maxwell stated two are currently vacant due to evictions. Mr. Cone asked if a waiting list is maintained and Mr. Maxwell stated there is a list in place and all names on that list have already been vetted. Mr. Saks asked how Mr. Maxwell deals with increasing costs considering he cannot increase rents. Mr. Maxwell stated the cap on rent is between \$900 and \$1,000 but he said his tenants would be unable to pay these rents as they are employed primarily in the fast food service industry and the hospitality industry. Discussion ensued and Ms. DeGrande said the HFA has been reluctant to foreclose due to concern about displacing residents. Mr. Komando explained that in the event of foreclosure another contractor would be brought in to manage the property but tenants with valid leases would not be removed from property. Marianne Edmonds suggested Mr. Maxwell provide financial statements to the HFA. Mr. Maxwell claimed he sent these to County staff but they were not received. Mr. O'Donnell asked if Halo Properties is still operating at a loss and Mr. Maxwell said he believes "things are better". Mr. Maxwell provided one copy of December, 2020 financial statements at the meeting and this was passed around and briefly reviewed. Ms. Garcia said she would copy and email these financial statements to HFA members for more in-depth review and Mr. O'Donnell suggested tabling the matter until next month. Mr. Evener offered he would not be willing to forgive accrued interest and he said the minimum obligation of Mr. Maxwell should be the monthly interest payments of approximately \$600.00. Mr. Maxwell said he would be amenable to raising rents slightly, if necessary, though he would prefer not to do so. Mr. O'Donnell asked if Mr. Maxwell is current on his payments to FHFC and Mr. Maxwell confirmed he is making those payments in a timely fashion. Mr. O'Connell said he believe the financial statements provided by Mr. Maxwell were prepared on a financial basis, not a GAAP basis, and while they include an updated amount of what Mr. Maxwell owes, they do not show an updated amount of property worth. Henry O'Connell cautioned the HFA should establish the fair market value versus highest and best use of Mr. Maxwell's properties before making any decision in this matter.

- **Budget Approval:** Mr. O'Connell stated copies of the proposed amended budget for 2020-2021 year and a draft of the preliminary budget for 2021-2022 year were provided to all HFA members in their meeting packets. Ms. DeGrande inquired about travel allowance in the preliminary budget and mentioned the Florida ALHFA meeting is scheduled to be an in-person event in 2022. Mr. O'Connell said that amount can certainly be amended. **Motion** made by Linda DeGrande to accept the amended budget for 2020-2021 year and the preliminary budget for the 2021-2022 year; motion seconded by Erick Saks. **Motion passed unanimously**

Approval of Minutes:

Motion made by Erick Saks to accept September, 2021 meeting minutes (no October meeting); motion seconded by Malinda Peebles. **Motion passed unanimously.**

Administrators Report:

Mr. Ortiz announced the FLALHFA conference will be held from July 6 - 9, 2022 and he promised to provide updates as they are available. Mr. Ortiz also mentioned officer elections will be coming up later in the agenda and he stated anyone elected to position of Chair should know that they may be called upon to provide signatures relating to bond transactions and it may be necessary for this individual to come to HHS location. Mr. Ortiz introduced Michael Hartman from Turnstone Development, and Mr. Hartman reported the tax exempt bond closing for Victoria Crossing occurred on October 21st and he said all permits have been pulled. Mr. Hartman said they began clearing this week and hope to begin vertical building very soon. Mr. O'Donnell asked about a ground breaking ceremony and Mr. Hartman said they would prefer to hold a grand opening ceremony unless the HFA had any objection. This was amenable to County staff and the HFA.

New Business:

- **Bond Application – Dominion, Oaks at St. John:** Marianne Edmonds stated an application has been received from Dominion and she reminded the HFA that a review of the project had been provided in August, 2021. Ms. Edmonds reminded the HFA this is a rehabilitation project that consists of 159 units in Ponte Vedra, 25 of which will be rented to those at 30% of the Area Median Income (AMI) and 134 units that will be rented to those at 60% AMI. Ms. Edmonds stated this has been an affordable project that is reaching the end of its affordability deadline and Dominion is purchasing these units and pledging to maintain the affordability. Ms. Edmonds stated that in terms of timing, the HFA would be asked to vote on inducement resolution, which would indicate interest in the project but not a requirement to move forward with the bond issuance. Ms. Edmonds also stated a TEFRA hearing would need to be held and then the matter would go before the Board of County Commissioners (BCC) for their approval of the TEFRA findings. Ms. Edmonds went on to talk about the Private Activity Bond Allocation and the timing necessary to ensure the Dominion project receives the necessary allocation. Due to the necessity of this item being included on the December 21st BCC meeting, the decision was made to hold next HFA meeting on December 9, 2021, rather than December 16, 2021. This meeting date will be noticed in The Record by virtue of the TEFRA hearing legal notice.
- **Future of the HFA – Marianne Edmonds:** Ms. Edmonds advised it is essential the HFA hires an executive director to handle essential functions the County currently handles if it is to become more independent of the County. Ms. Edmonds stated that while this might not necessarily be a full-time position, most HFAs in the state of Florida have staff independent of the County. Ms. Edmonds went on to say that one of the most important functions of an executive director would be to liaise with county staff. Mr. Komando stated Ms. Edmonds had already made some changes to an independent contract agreement and he said he intends to add several suggestions of his own and then the document will be submitted to the HFA for review. Mr. Cone also suggested Mr. O'Connell should be present when the HFA discusses the long term economic ramifications of hiring independent staff. Ms. Edmonds advised each of the bond issuances will provide annual income for the HFA.
- **Officer Elections:** Robert Marshall stated Mr. O'Donnell has done an excellent job over the past year and handling new matters, such as bond issuances, very well. **Motion** by Robert Marshall to nominate Michael O'Donnell to serve as Chair; Motion seconded by Linda DeGrande; there were no other nominations. **Motion passed unanimously.** **Motion** by Michael O'Donnell to nominate Linda DeGrande to serve as Secretary/Treasurer; Motion seconded by Andrew Evener; there were no other nominations. **Motion passed unanimously.** **Motion** by Linda DeGrande to nominate Robert Marshall to serve as Vice-Chair; Motion seconded by Andrew Evener; there were no other nominations. **Motion passed unanimously.**

- **Vacancy:** Mary Garcia explained Craig Higgens resigned as he moved out of the state. Ms. Garcia said she has asked the BCC office to post this vacancy for 30 days and she will advise once it has been posted on the County website.
- **Meeting Dates:** Mary Garcia provided a list of 2022 meeting dates to HFA members and advised she will send legal advertisement to The Record to be properly noticed if these dates are acceptable. **Motion** by Linda DeGrande to accept these meeting dates for 2022; Motion seconded by Robert Marshall. **Motion passed unanimously.**

Old Business:

- **Own a Home Opportunity Program Update:** Tim Wranovix, Raymond James, reported that though they've been actively marketing, issues such as low inventory and exceptionally high prices continue to plague this program for all Florida counties. Mr. Wranovix stated there were no new loans.

Meeting was adjourned at 4:30 p.m.

Next Meeting: The next meeting of the HFA will be held on December 9, 2022, in the Muscovy conference room, in the Health & Human Services Center, at 200 San Sebastian View, St. Augustine.

Respectfully submitted,

Secretary