

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

**February 23, 2023
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 3:03 p.m. by Michael O'Donnell, Chair.

Members Present:

Robert Marshall
Carolina Morrow
Malinda Peeples
Michael O'Donnell
Erick Saks

Members Absent:

Linda DeGrande
(1 vacancy)

Guests Present:

Commissioner Roy Alaimo
Priscilla Howard – Executive Director to the HFA
Marianne Edmonds – PRAG – via Zoom
Rich Komando, Esq., Bradley, Garrison & Komando, P.A.
Bill Lazar – SJHP
Sarah Taylor, Assistant County Administrator – via Zoom
Roberto Ortiz, Housing & Community Development Manager
Mary Garcia, Social Services Support Staff
Julie Voorhees, Housing & Community Development Support Staff
Emily Magee, Esq, Foley & Lardner LLP (no audio)

Notices regarding the meeting were sent to all members. Quorum was present. No press was in attendance.

Additions/Deletions to Agenda and Approval of Agenda:

Motion made by Board Member Robert Marshall to accept the agenda as presented; motion seconded by Board Member Carolina Morrow. **Motion passed unanimously.**

Public Comment: None.

Financial Report/Review of Bills and Correspondence:

- Ms. Voorhees gave the report in Mr. O'Connell's absence Ms. Voorhees reported 3 checks were presented for signature; one for Mrs. Howard – Executive Director; one for Mr. Komando's legal services; and one for Mr. O'Connell's CPA services.
- The Financial Report is included in the materials handed out before the meeting.
- Mr. O'Donnell asked if the Financial Report included Mrs. Howard' first payment. Ms. Voorhees responded that the first payment would be reflected in the February Financial Report.

- Mr. Ortiz reported Halo Properties is making timely payments.

Approval of Minutes:

Motion made by Board Member Erick Saks to accept January 26,2023 meeting minutes; motion seconded by Board Member Robert Marshall. **Motion passed unanimously.**

County Administrator's Report:

Mr. Ortiz reported that he was contacted by Michael Hartman, Turnstone Development, to inquire about change orders related to Victoria Crossing that were submitted to AmeriNat. Mr. Ortiz asked Mrs. Edmonds if she could find out what was causing the delay in approving the change orders.. Mrs. Edmonds mentioned that sometimes the delay could indicate that there is a problem but she said that she would check with AmeriNat to find out the reason for this delay.

Mr. Ortiz reported that he developed a written report that was handed out to each Board Member. Mr. Ortiz first reported on the phone calls received concerning San Marcos Heights. People are calling complaining about not getting returned calls from the property management company, SPM, and not understanding the process to get approved for an apartment. Mr. Ortiz has contacted SPM and some corrective actions have been put in place. He explained that the people must be educated on how the application process works for Housing Credit properties, i.e.; the eligibility requirements and income qualifications. The main problem was understanding what counts as income, such as recurring payments through PayPal and Venmo. Mr. Ortiz stated that after spending time explaining the process, the complaints and phone calls have stopped. Mr. Ortiz reported that the previous manager at SPM has been replaced by a manager that understands what is required to work with the potential tenants.

Mr. Ortiz reported that Victoria Crossing provided the tenant rejection criteria that is used by Royal American, their property management company. Mr. Ortiz explained that it is important for the Board Members to have this information just in case they get questions.

Mr. Ortiz reported that Victoria Crossing is 81% complete. He will share pictures of the apartments with the Board members when they are available.. The RFP required that tenants be moved in as each building is completed and the Management Company is beginning to call people to complete the approval process.

Mr. Ortiz stated that he will continue to provide the Board with a written report to give an update on the status of Victoria Crossing.

Mrs. Edmonds was recognized by the Chair to report her findings on Mr. Ortiz's question concerning the change orders submitted by Mr. Hartman. Mrs. Edmonds reported there were two change orders approved by AmeriNat totaling \$1,000.00. The request was due to increases in the price of materials. The total amount of the change orders will be covered by their contingency.

Mr. Ortiz continued his report and the Board was given a written report for San Marcos Heights. Mr. Ortiz stated the most important part of the report is the grievance procedure which has three layers. The tenant will have an opportunity to have 3 separate contacts, if needed, to get an issue resolved. Mr. Ortiz reported that he is monitoring the process weekly.

Mr. Ortiz reported that San Marcos Heights is 53% occupied, There are two buildings that are 100% complete. The developer reported that they anticipate being 100% occupied by Mid-April. Mr. Ortiz stated that the other information included in his written report is the number of applications pending and assigned from waiting list. Mr. Ortiz stated that this is information he will continue to report on so that the Board is kept informed.

Mr. Ortiz reported that the occupation of the typical tenants in San Marcos Heights are in the medical field nurse and assistant nurses; as well as the school district. Mr. Ortiz stated that is very gratifying to know that most of the tenants will be working and staying in our County.

Board Member Saks thanked Mr. Ortiz for the report and asked if the developers are accountable to the County in any way outside of making sure the tenants are within the income limits. Mr. Ortiz responded by reminding the Board and staff of the history of the developments and his role in negotiating the contracts and funding using the \$30 million from CDBG-DR. Mr. Ortiz reminded Board members that the developments have a 40 years affordability period. Plus, the County and the HFA are the major investors in these developments. Therefore, if San Marcos Heights continues to have problems, the contract allows the County and HFA to require that the management company be replaced. Mr. Ortiz stated that the County and HFA have a responsibility to make sure the developments and the owners are always serving the tenants respectfully for 40 years. Board Member Saks asked for clarification on who the developers are responsible to. Mr. Ortiz clarified that they are ultimately responsible to the State for the 4% Housing Credit and the Federal Government for the CDBG-DR funds. However, the County has a contractual obligation to make sure that the developments stays in compliance and are serving the citizens of this County well.

Board Chair O'Donnell commented that the news report after the San Marcos Heights ribbon cutting was very negative. The comments were "Well let's see how long the property lasts – because it's affordable". Board Chair O'Donnell said it would be nice to do a follow up one year from now showing that the development was sustainable and continues to look nice. Mr. Ortiz stated that he is working with the County's Public Affairs Department to roll out surveys and positive PR when the developments are 100% occupied. Mr. Ortiz agreed that public perception of what affordable housing is and is not must be changed. Board Member Saks asked for the demographics and occupations of the tenants to be a part of that report to show that this is workforce housing.

Board Chair O'Donnell asked if the Public Affairs Department of the County could make sure the HFA is correctly identified in all future information about the developments. The HFA was incorrectly identified as Florida HFA. Board Chair O'Donnell stated that when we are trying to get everyone to recognize the credibility of this organization and the work we are doing, we need to make sure we are identified correctly. Mr. Ortiz responded that when that error was brought to his attention, he corrected it immediately.

Mrs. Howard also responded to Board member Saks question in regard to who the developers are responsible to. She reminded the Board and the Board of County Commissioners Liaison Roy Alaimo that they signed off on the TEFRA approval for the bonds issued for the developments. The TEFRA approval meant that they agreed that the Bonds would be used solely for the purpose of providing affordable housing. Therefore, they are responsible for knowing that the tenants and condition of the units are in compliance. Mrs. Howard gave an example of what happened in Jacksonville, Fla as the result of poor management and deplorable conditions of units. The Mayor and the Chair of the HFA of Duval County were questioned and asked to get involved in correcting the concerns. Mrs. Howard thanked Mr. Ortiz for keeping the Board informed and for providing the written reports for their binders.

Mr. Ortiz continued his report on the remaining development The Oaks at St. John. His understanding is that the bonds should close in April or May. He thinks their financing issues have been resolved. This development is an acquisition and rehabilitation. Mr. Komando, HFA legal counsel, asked if the financing work group calls are happening weekly. Mr. Ortiz stated that the calls have not been happening. Mr. Komando asked Mrs. Edmonds the status of her involvement with the development team. Mrs. Edmonds reported that she and Bond Counsel have been in communication with them and reminded the Board that the delays are due to some HUD requirements for refinancing the property. Mr. Komando stated his concern is that if there are no weekly calls then it may not be possible for the developer to have a May closing date. Mrs. Edmonds stated she will get a status update and keep Mrs. Howard informed.

Mr. Ortiz gave an update on the County's affordable housing efforts. The County Commission approved an increase in the maximum price for a single family home from \$240,000 to \$260,000. The CRA and their attorney are working to identify which of the 120 lots in West Augustine are suitable for affordable housing because most of the lots are wetlands and there is not sufficient infrastructure. Once the CRA completes their due diligence the County will issue an RFP for a developer. Board Chair O'Donnell asked if this was the same land the County was considering making available under a land lease. Mr. Ortiz replied that is not. Mr. Ortiz also clarified that the 120% income limits are for future developments. Mr. Ortiz reported that Ability Housing is almost ready to begin their 90-unit development in West Augustine. He also reported that Alpha-Omega Miracle Home received money from the State and will start their infrastructure project and then do the vertical construction on one or two of their four buildings. Mr. Ortiz also reported that the County will begin accepting applications in March for their 2024 CDBG allocation.

Mr. Saks asked for an update on the impact fees that would be used to offset some of the housing costs. Mr. Ortiz stated that with the help of Mr. Lazar, St. Johns Housing Partnership, and Habitat for Humanity they

determined that it would be best to indicate an amount up to \$15,000.00 as a credit on the HUD 1 form. Once this strategy is finalized, Mr. Ortiz will take it to the Board of County Commissioners for approval.

New Business:

- **Notice of Allocation Availability** - Mrs. Howard reported that she is working with Mrs. Edmonds to craft a Notice that will go out from the HFA announcing to developers that the HFA is willing to review applications requesting Bond Allocation for a viable development. Mrs. Howard stated that the Notice will clearly state that it is the responsibility of the developer to secure all additional funding that may be needed. Because the HFA shares bond allocation within a Regional Pool with 4 other counties, the application will have to be received in time to review and make a request for the following year's bond allocation. Board Member Marshall asked how the notice will be distributed. Mrs. Howard responded that the Notice will be noticed in the same way that HFA meetings are and will also be forwarded to the Coalition of Affordable Housing Providers and the Sadowski Coalition. Board Member Marshall requested that the Notice be sent to the Northeast Florida Builder Association and the Builders Association of South Florida. Board Member Saks suggested that the Notice also be added to the HFA website after it is updated. Mrs. Howard said she and Mrs. Edmonds and Mr. Komando will work on the language and bring the Notice back to the Board for approval.

Board Chair O'Donnell asked if there is an opportunity to request that the County receive Bond Allocation directly and not be in a Regional Pool. Mr. Komando explained that the bond authority is allocated by the Division of Bond Finance and is based on per capita. Mrs. Edmonds added that the Florida Statute that governs the allocation of bond authority has been in place for over 20 years. It would be very difficult to make any changes to that Statute without opening up the allocation process for all Regional Pools and Florida Housing Finance Corporation.

- **Workshop Proposal – the HFA's Emerging Role** - Mrs. Howard explained to the Board that since she is now sitting as the Executive Director, the County staff will have less and less of a role with the Board. Mrs. Howard stated that she has met with County staff, and they have agreed on what they will continue to do because there are some duties that can only be performed by County employees. Mrs. Howard reported that she has had conversations with the Board's professional team and agreed that a workshop will be scheduled for the Board so that it is very clear on what their roles and responsibilities are as well as their powers as stated in the Florida Statutes and the County Resolution. This will then allow the Board to develop goals based on their powers. Mrs. Howard reported that the Chair suggested that the workshop be held during a regularly scheduled meeting. Mrs. Howard polled the Board and they agreed that the workshop should be held in April or May. Board Member DeGrande was absent. Mrs. Howard will confirm that April or May also works for her.

Board Chair O'Donnell asked for clarification that all future communications will come from Mrs. Howard. Mr. Ortiz confirmed this and further explained that eventually he will be the only member of County Staff attending the HFA meetings. Mrs. Howard stated that an outline for the workshop will be distributed soon for the Board's input.

- **Strategic Plan Discussion** - Mrs. Howard reported that she understands that the Board wants to develop a Strategic Plan. It will be a 3-to-5-year Plan with annualized action items. The plan will take into consideration the priorities given the BCC Liaison Commissioner Alaimo; the Reboot Plan completed by Ms. Susan Leigh, April 21, 2021; Chapter 159, Part IV, Florida Statutes; St. Johns County Ordinance No 80-7; St Johns County Resolution No 82-83; HFA of St Johns County By-laws 7/15/82; and other current polices and guidelines approved by the Board. Mrs. Howard explained that it is important that they create a document with clear mission and vision statements but is also flexible enough to withstand economic and environmental changes that are out of the Board's control. Mrs. Howard reported that she will provide an outline to the Board at a future meeting and stated it will then be necessary to dedicate a meeting to develop the plan.
- **Priorities for BCC Liaison** – Commissioner Alaimo stated that it would be very beneficial for him to have Annual Action Plans to narrow down the focus of what the HFA would like to prioritize and have him relay to the Board of County Commissioners. Commissioner Alaimo expressed that he was honored to be the liaison for the HFA and understands the importance of the HFA's mission. He shared that he had recently spent some time in West Augustine discussing some of their issues.

Commissioner Alaimo emphasized that he wants to be a voice for the HFA and their goals. The Board members thank Commissioner Alaimo for his commitment to these issues.

Board Chair O'Donnell stated that a priority of the Board was to provide the Commissioner with whatever he thinks is needed to have the HFA included in housing discussions and to let people know that the HFA is a resource similar to AHAC and Habitat and other similar organizations. Board Member Marshall stated that the HFA would like to be a part of the County's Affordable Housing Strategic Plan. There was discussion on whether an Affordable Housing Strategic Plan already exists. Mr. Ortiz stated that they are working on one. Board Member Marshall stated that the HFA would be interested in some sort of collaboration and suggested that maybe Mr. Lazar could assist in this effort. Board Member Marshall expressed that the Plan is urgent due to the fast growth of the County and the increasing cost of housing. Commissioner Alaimo asked for the timeline for the AHAC Plan. Mr. Lazar explained that the AHAC does not have a strategic plan but rather an annual report, which includes a list of different strategies to encourage affordable housing and this report is presented to the Board of County Commissioners for approval to send to Florida Housing Coalition. Mr. Ortiz added that it makes sense to first have their consultant do an Affordable Housing Study for St. Johns County and then create a Strategic Plan based on the study. Board Member Saks stated that different counties give their HFA different duties and responsibilities. Board Member Saks expressed that the HFA has the bandwidth to do much more and the members want to do more. Board Chair O'Donnell referred back to the \$260,000 housing cost increase in the workforce housing zoning district overlay that was reported on earlier by Mr. Ortiz as an example of how the AHAC and HFA should have participated in that analysis or the process to come up with that number. Mr. Lazar stated that the County should rely on the AHAC and HFA to assist with identifying the bits and pieces to close the financing gap for what the house cost and what they can afford. This will enable those employees that the County wants to stabilize with housing in this County. Board Member Morrow stated that it would be a great idea for Mrs. Howard to be a part of the meetings with the County's new grants person to see if there are grants the County cannot apply for but perhaps the HFA can. Board Member Marshall suggested that the County get input from Habitat, the Builders Association, the HFA, and people like Mr. Lazar to help develop a plan and identify tools that the County may not be aware of. Mrs. Howard stated that the HFA has given some great suggestions that can be solidified in their Strategic Plan after the Board Workshop. Commissioner Alaimo thanked the Board for the great ideas and great directions.

- **General Discussions**

- ✓ **Sadowski Educations Efforts (SEE)**– Mrs. Howard reported that future Agendas will have a legislative update section. She explained that there is a major affordable housing bill being considered during this Legislative Session - SB 102. The Bill is being monitored by the SEE legislative team and Florida Housing Coalition. Board Member Morrow reported that SEE and the Florida Housing Coalition are hosting a webinar every Friday until the end of the Legislative Session. The first webinar on March 3rd is to discuss SB 102. Board Member Morrow stated that she gains a lot of knowledge when she participates in these free webinars. She believes the information will be something the HFA can use. Mrs. Howard asked the Board to consider contributing to the SEE for their educational and lobbying efforts. This is a commitment that the Board will consider from year to year. Mrs. Howard stated that in her research she found that the lowest contribution is in the range \$2,500. Mr. Komando added that being a part of the SEE has significant value. Mr. Komando stated that the HFA will get weekly updates on what is happening at the Legislature especially as it pertains to Sadowsky Funds. Board Member Saks requested that Mrs. Howard remind SEE that the HFA's fee should be lower because they do not have any access to SHIP dollars. Board Member Morrow asked that we not include the SHIP dollars in this discussion and to keep the focus on whether to contribute up to \$2000 to the Sadowski Education Efforts. Board Chair O'Donnell asked if he could call for a vote to contribute to SEE. Mr. Komando stated that since this was not on the advertised agenda, the Board should not vote today.
- ✓ **Future Meetings** – Ms. Garcia asked that the Board make sure to confirm attendance for upcoming meetings in a timely fashion in considering of Mrs. Howard, who has to travel to the meetings. Ms. Garcia stated that Mrs. Howard will be sending out the email inquiring about attendance, and she asked that Board Members kindly respond as quickly as possible. Mr. Ortiz added that we want to value everyone's time, including the Commission's Liaison. Ms.

Garcia reported that the meetings will be in the same location and at the same time. Mrs. Howard will send out all communications for the Board. Ms. Garcia asked for permission to purchase a digital recorder for Mrs. Howard to record the Minutes. The cost should not exceed \$150.00. Ms. Garcia asked if a vote was needed to make the purchase on the HFA's behalf, with the County to be reimbursed by Mr. O'Connell. Mr. Komando responded that a vote was not needed because this falls well within Mrs. Howard's handling the day-to-day operations of the HFA. Board Chair O'Donnell inquired about an official email address for Mrs. Howard. Mr. Komando stated that this could be a part of the Website discussion. Board member Morrow added that Mrs. Howard should also have business cards. Board Member Morrow volunteered to assist with the Website.

- **April Event** – Introduce Ms. Howard to Community – Board Member Marshall announced that the event is being considered for April 25th at the Hanger One restaurant at the airport. After a lot of discussion, the April 25 date was confirmed. Board Member Marshall stated that the idea behind the event is to bring together the fringe affordable housing groups and the HFA. Mr. Komando asked that we talk about this as a part of the transition so we can hammer out the details.

Old Business:

- **Own a Home Opportunity Program:** Ms. Voorhees asked if the Board was still interested in hearing from Tim Wranovix, Raymond James, on the status of the Program. She mentioned that she did not schedule him for this meeting because a new member will be joining the Board in March and thought it was best to wait. Ms. Voorhees stated that she would contact Mr. Wranovix and see if he can join via Zoom at the March meeting. Ms. Garcia confirmed that the new board member was approved by the BCC but he must complete all required paperwork. Ms. Garcia is sure he would be on board next month.

Board Member Comments:

- Board Member Peoples announced that SEA Community District received a grant for the Culture Center and Community Resource Center. She stated that a Bid will be put out soon for a Contractor. The project is to remodel an old residential home into a community culture center.

Meeting was adjourned at 4:12 p.m.

Next Meeting: The next regular meeting of the HFA will be held on March 23, 2023, in the Kingfisher conference room in the Health & Human Services building, at 200 San Sebastian View, St. Augustine.

Respectfully submitted,

Secretary