

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

**June 24, 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 3:01 p.m. by Michael O'Donnell, Chair.

**Members Present:**

Linda DeGrande  
Andrew Evener  
Craig Higgins  
Robert Marshall  
Michael O'Donnell  
Malinda Peeples  
Erick Saks

**Members Absent:**

None

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

**Guests Present:**

Michael Hartman – Turnstone Development (via Zoom)  
Marianne Edmonds, Public Resources Advisory Group (via Zoom)  
Brad Layland, Endless Summer Realty (via Zoom)  
Jonathan Chapman, Endless Summer Realty (via Zoom)  
Tim Wranovix – Raymond James (via Zoom)  
Rich Komando, Esq. – Bradley, Garrison & Komando  
Roberto Ortiz – Housing & Community Development Manager  
Julie Voorhees – 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. **Motion** made by Linda DeGrande to accept the agenda as presented; motion seconded by Robert Marshall. **Motion passed unanimously.**

**Public Comment:** None.

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

- **May, 2021:** Henry O'Connell was unable to attend this meeting. Financial statements were provided to all HFA members.

**Approval of Minutes:**

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

## **Administrators Report:**

Roberto Ortiz stated the contract has been signed with Witt O'Briens, the vendor that has been selected to administer the rental assistance program, which was funded by the U.S. Treasury in January, 2021. Mr. Ortiz said the County is currently working with the vendor to set up policies, procedures, and guidelines for the program, and he said the application process will be 100% online. Mr. Ortiz said the program is tentatively scheduled to start in early July. Robert Marshall expressed concern for those landlords who have not been paid by tenants, yet are unable to evict them, and he asked if any figures were available to indicate the extent of the issue. Mr. Ortiz said he would inquire with Legal Aid but he also stated it will be difficult to get a full accounting. Mr. Komando agreed and stated many landlords are aware of the moratorium in place and have not filed eviction proceedings yet, but may do so when that moratorium expires at the end of July. Discussion ensued and Linda DeGrande said that as a realtor, she is personally aware of landlords that are having financial difficulties as a result of the loss of rent. Mr. Ortiz went on to say the County is leveraging their annual CDBG allocation to access low cost financing through Section 108, in order to build a community center and library in Hastings. Mr. Ortiz said this is very important for Hastings and the hope is that this will provide a better way of life for residents and encourage further development of the area. Mr. Ortiz also reported Flagler Estates will be receiving approximately \$700,000 in CDBG funding for a new community center and renovations to the park.

Julie Voorhees reported Henry O'Connell has confirmed that the expense to purchase training binders, as requested by the HFA, is an allowable cost. Ms. Voorhees asked for a motion to approve an expenditure of no more than \$100 so that she can move forward with purchasing these binders and filling them with training materials for HFA members. **Motion** made by Robert Marshall to approve an expenditure of no more than \$100 for a purchase of seven binders; motion seconded by Erick Saks. **Motion passed unanimously.**

- **Update – San Marcos Heights and Victoria Crossing:** Darren Smith was unable to attend this meeting. Michael Hartman made a point to thank County staff, in particular Roberto Ortiz, George Johnson, and Bill Freeman, as he said they have been instrumental in helping the Victoria Crossing project move forward. Mr. Hartman said they have engaged a planning cost reviewer, ordered the market study and appraisal, and the credit report. Mr. Hartman went on to say all outside reports have been ordered to prepare for credit underwriting and he said he expects Marianne Edmonds will be able to present that report to the HFA at their August meeting. Mr. Hartman stated Turnstone Development now has a full set of biddable plans, and the general contractor is sending out bid packages to supplement the budget they've already submitted. Mr. Hartman said County staff have approved the PUD amendment and it will go to Planning and Zoning on August 5<sup>th</sup>, and then to the Board of County Commissioners on August 17<sup>th</sup>. Mr. Hartman said CDBG financing is set to close on July 20<sup>th</sup> and the bond financing workgroup is participating in weekly conference calls in order to prepare for a tentative closing date on October 1<sup>st</sup>.

## **New Business:**

- **San Marcos Heights – Groundbreaking Ceremony – June 28<sup>th</sup>:** Mary Garcia advised the groundbreaking would begin at 9am and she explained hard hats and shovels would be provided to HFA members for a photo opportunity. Ms. Garcia said Mr. O'Donnell had agreed to say a few words on behalf of the HFA at the event and Mr. O'Donnell asked Ms. DeGrande if she would prefer to give the speech. Ms. DeGrande declined and said as Chair of the HFA, Mr. O'Donnell should have this honor.
- **HFA Lots – Contract Discussion – Endless Summer Realty:** Brad Layland, broker and owner of Endless Summer Realty, introduced himself and agent Jonathan Chapman. Mr. Layland said the closing for the sixteen lots is scheduled for July 6, 2021 and he does not anticipate any issues.
- **Issuing Tax Exempt Housing Bonds – Financing – Marianne Edmonds:** Ms. Edmonds said a developer she is familiar with contacted her and is planning on submitting a bond application to this HFA. Ms. Edmonds said this is a rehab project in Ponte Vedra and the developer is seeking \$19 million in financing. Michael O'Donnell asked if the HFA can be proactive with regard to bond issuing and Ms. Edmonds said that while this is certainly allowable, the use of the program is quite

complex. Ms. Edmonds stated developers in this business are aware of this financing and will use it as an alternative to financing with Florida Housing Finance Corporation (FHFC). Ms. Edmonds went on to say the amount of tax credit equity is currently up due to recent tax law changes and the tremendous demand for product is driving transactions to Florida HFAs. Ms. Edmonds also cautioned there is a limit on private activity bond allocation and how many bonds can be issued to support affordable housing.

Ms. Edmonds moved on to training and a hard copy of the presentation titled "Multifamily Finance" was provided to HFA members. Ms. Edmonds proceeded to detail the key actions required for bond issuance and stated the first step is for the HFA to adopt an inducement resolution. Ms. Edmonds said this is necessary for tax purposes and starts the clock on when the developer can incur costs reimbursable with tax exempt financing, with some exceptions. Ms. Edmonds stated the next step is the TEFRA hearing, held by the HFA, which is simply an opportunity for the public to comment on the proposed development. Ms. Edmonds said the findings of the TEFRA would then be considered for approval by the Board of County Commissioners. Ms. Edmonds went on to say the HFA has been holding TEFRA hearings as soon as possible following inducement, as it is required in order to apply for Private Activity Bond allocation from the state.

Ms. Edmonds moved on to the credit underwriting process and reminded the HFA she reviewed this report with them last year for the San Marcos Heights development. Ms. Edmonds said that during this process, a third party credit underwriter will review the financial viability of a given project, and she said one of the underwriters used by FHFC prepared the report for the San Marcos Heights project. Ms. Edmonds stated there are three credit underwriters used by FHFC and she said they have been underwriting affordable housing since approximately 1981, making them very attuned to how these projects must be put together. Ms. Edmonds said the underwriter first receives an extensive package from the developer, including everything a bank would ask for regarding a project and sometimes more. Ms. Edmonds said the credit underwriter ensures costs presented are reasonable, and the proposed funding amount is reviewed in order to ensure it is enough, but not so much that it is oversubsidized. Ms. Edmonds went on to say the underwriter ensures the development team has the necessary experience and financial capacity to build the proposed project and that they can operate the property for the duration of the compliance period. In addition, Ms. Edmonds said the developer and contractor fees are reviewed in order to ensure they fall within FHFC's rules, and the rent schedules are scrutinized in order to see that they are reasonable and achievable. Ms. Edmonds went on to say the underwriter looks at the financing commitment, in detail, and reviews the construction loan financing to see that the terms are reasonable and that they can be met. Ms. Edmonds said they ensure construction financing will provide enough money so that the project will come in on time and not be hampered by delays. Ms. Edmonds said permanent financing is evaluated in the same way, as is subordinate debt, if any. Ms. Edmonds stated the credit underwriter not only monitors constructions services, they also do compliance monitoring through reporting showing occupancy and tenant income to make sure affordability requirements are being met. In addition, Ms. Edmonds stated compliance monitoring protects the tax investor because if units are not being rented to qualifying individuals under tax law, the bonds can be taxable.

Bill Lazar asked Ms. Edmonds how targeted rents for a given project are set. Ms. Edmonds stated there are set standards in place and she said if 20% of units are set to be affordable, they must be offered to those with an income of 50% or less of area median income (AMI); if 40% are set aside as affordable, then they can be offered to those with income at 60% AMI. Ms. Edmonds said if one of these two thresholds are not met, then tax exempt bonds cannot be used for the project. Ms. Edmonds also said if there are tax payment assistance credits from HUD, and those vouchers can be attached to a specific unit and if the developer has secured those, then that will encourage the developer to serve a lower income tenant. Ms. Edmonds said these factors impact how an income level is set, and she said while the HFA has not put any constraints in place to date, this is always an option for them. Ms. Edmonds did caution that due diligence should be performed in order to ensure constraints are realistic and allow for profitability.

Ms. Edmonds asked that HFA members review the figures she provided in her presentation that relate to the San Marcos Heights project and she said she would be available to answer any questions at the July meeting. Ms. Edmonds also asked that HFA members let Roberto Ortiz or

Mary Garcia know if there is anything in particular that they would like for her to focus on in these monthly trainings.

**Old Business:**

- **Own a Home Opportunity Program Update:** Tim Wranovix, Raymond James, reported there was one loan representing approximately \$1,000. Mr. Wranovix also stated he and Henry O'Connell have worked together and the direct deposits from this program will be going to the HFA's Ameris bank account.

**Meeting was adjourned** at 4:12 p.m.

**Next Meeting:** The next meeting of the HFA will be held on July 22, 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