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6 JACKSONVILLE HOUSING AUTHORITY BOARD OF COMMISSIONERS  
7 ACQUISITION COMMITTEE MEETING  
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9  
10 TAKEN: Wednesday, October 25, 2023  
11 TIME: 10:10 a.m. to 11:09 a.m.  
12 PLACE: Jacksonville Housing Authority  
13 1300 North Broad Street  
14 Jacksonville, Florida 32202  
15 Taken by Carol DeBee Martin, court reporter.  
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19  
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1 APPEARANCES:  
2 DWAYNE ALEXANDER, PRESIDENT/CEO  
3 CHAIRWOMAN HEATHER HOROVITZ  
4 COMMISSIONER CHRISTOPHER WALKER  
5 COMMISSIONER HARRIET BROCK  
6 COMMISSIONER ANDRE GREEN  
7 LAWSIKIA HODGES, ESQUIRE (OGC)  
8 KORTE PARDE, ESQUIRE  
9 EVANN MORRIS  
10 ANTONIO PEREZ  
11 LINDA SIMS  
12 DENNIS LOHR, CFO  
13 GREGORY WILLIAMS  
14 MICHAEL EDGAR  
15 COLENE ORSINI  
16 CATHY HUNT  
17 CORDELIA PARKER  
18 TODD AUBUCHON  
19 REYNOLD PETERSON  
20 VANESSA DUNN  
21 BILLY ZEITS  
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1 PROCEEDINGS  
2 October 25, 2023 10:10 a.m.  
3 CHAIRWOMAN HOROVITZ: All right. It is  
4 10:10. This is the acquisition meeting.  
5 It is October 25th. I'd like to call the meeting  
6 to order.  
7 Is there any public comment?  
8 (no response)  
9 CHAIRWOMAN HOROVITZ: All right.  
10 Hearing none, we'll move on to the approval of  
11 last minute's meeting -- last meeting's minutes.  
12 CHAIRMAN WALKER: See, I had the same  
13 problem.  
14 COMMISSIONER BROCK: I make a motion.  
15 COMMISSIONER WALKER: I'll second it.  
16 CHAIRWOMAN HOROVITZ: Were there any comments  
17 on last meeting's minutes?  
18 COMMISSIONER BROCK: No.  
19 CHAIRWOMAN HOROVITZ: All right. Then all in  
20 favor of approving last meeting's minutes?  
21 COMMISSIONER BROCK: Aye.  
22 COMMISSIONER GREEN: Aye.  
23 COMMISSIONER WALKER: Aye.  
24 CHAIRWOMAN HOROVITZ: Great. And I'm  
25 sorry. I forgot the developer in each of these,

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1 and I did review both of these projects.  
2 The Cedar Forest -- is that a JWB project?  
3 CEO: No.  
4 CHAIRWOMAN HOROVITZ: Okay. That's the  
5 Corner Lot project.  
6 CEO: Breeze Homes.  
7 CHAIRWOMAN HOROVITZ: I'm sorry?  
8 CEO: Breeze Homes.  
9 MR. EDGAR: Breeze Homes.  
10 CHAIRWOMAN HOROVITZ: Breeze Homes.  
11 My mistake. Thank you.  
12 And I believe that we're going to move that  
13 project to the full board meeting, and so we'll  
14 move straight to the Caroline Court.  
15 Is there anybody from JWB in the room or on  
16 the line to talk about this project, or,  
17 Mr. Alexander, do you want to present it?  
18 (no response)  
19 CHAIRWOMAN HOROVITZ: I think that's you  
20 presenting it.  
21 (People laughed.)  
22 CEO: So, thank you very much.  
23 I will let Dennis and the Finance Team talk about  
24 this property.  
25 CHAIRWOMAN HOROVITZ: Can we go to the

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<p>1 presentation?</p> <p>2 CFO: Can we go to the presentation?</p> <p>3 CEO: Yes.</p> <p>4 CFO: Good morning, Commissioners.</p> <p>5 We are looking at Caroline Court this morning.</p> <p>6 This property is brought to us by JWB.</p> <p>7 It's -- there are 32 townhome units,</p> <p>8 three bedrooms, two-and-a-half baths each,</p> <p>9 and they have a one-car garage.</p> <p>10 So 32 units total. There are 16 that are</p> <p>11 complete and ready for purchase. The other</p> <p>12 16 will be completed either Quarter 2 or</p> <p>13 Quarter 3 of 2024. They're just getting the</p> <p>14 permits for them.</p> <p>15 The total purchase price is \$8,070,000,</p> <p>16 and the price per unit \$252,000. JHA will</p> <p>17 receive an acquisition fee of \$1900 per unit or</p> <p>18 \$60,800 total.</p> <p>19 It's in the Arlington submarket.</p> <p>20 So this is an area that we have a lot of demand</p> <p>21 in, but we don't have a lot of units in.</p> <p>22 So it's a very high demand area.</p> <p>23 And here are the examples of the pictures of</p> <p>24 some of the units that are already completed --</p> <p>25 very nice units.</p>	<p>1 COMMISSIONER WALKER: I'm just -- yeah.</p> <p>2 Go ahead.</p> <p>3 CHAIRWOMAN HOROVITZ: Commissioner.</p> <p>4 COMMISSIONER GREEN: So, what does that --</p> <p>5 if it's 3700 revenue, are we making a loss on</p> <p>6 the units?</p> <p>7 What are the -- what is the overall income</p> <p>8 for the deal?</p> <p>9 MR. EDGAR: Sure. So what we did was present</p> <p>10 a project model exact as presented by the</p> <p>11 developer. So JWB Real Estate put together</p> <p>12 these projections.</p> <p>13 And the way it was modeled was half of the</p> <p>14 units -- so half of the 32, or 16 units --</p> <p>15 were modeled at a 60-percent AMI. The other</p> <p>16 16 were modeled at market rate.</p> <p>17 That market rate would be -- you know,</p> <p>18 Dennis and I and the team checked the current rate</p> <p>19 within the 32277 ZIP Code, and it was very</p> <p>20 comparable. It's a very conservative estimate.</p> <p>21 So long story short consider the whole</p> <p>22 project at 80-percent AMI on average. So the way</p> <p>23 they modeled it, again, was 80-percent debt</p> <p>24 financing. That acquisition fee will come back to</p> <p>25 the agency up-front.</p>
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<p>1 Basically, JHA is going to purchase completed</p> <p>2 units from JWB, just like the other deal,</p> <p>3 and the 16 units that are currently built already</p> <p>4 have a Certificate of Occupancy.</p> <p>5 I talked to Alex yesterday, and he's ready to</p> <p>6 move people into those units.</p> <p>7 So two tranches. One in Quarter 4 of 2023,</p> <p>8 and one in Quarter 3 of 2024. And then the</p> <p>9 financing breaks down to a debt of 6.6 million</p> <p>10 dollars, an acquisition fee paid to JHA of</p> <p>11 60,000, JHA equity of about 1.6 million,</p> <p>12 and then the total purchase ends up being about</p> <p>13 8.2 million dollars overall.</p> <p>14 Michael, do you want to add anything?</p> <p>15 MR. EDGAR: That's correct. So the standard</p> <p>16 80-percent loan to value, the conservative debt</p> <p>17 financing, which, you know, is kind of proven in</p> <p>18 the market, and our financial advisers like to look</p> <p>19 at that and agree with that, as well.</p> <p>20 And it provides about 1.2 -- 1.12 million in</p> <p>21 cash flow back to the agency over the first ten</p> <p>22 years, which would be about 3700 per unit.</p> <p>23 COMMISSIONER WALKER: Commissioner --</p> <p>24 oh, I'm so sorry.</p> <p>25 CHAIRWOMAN HOROVITZ: No. I'm sorry.</p>	<p>1 That's not included in that piece there.</p> <p>2 It's broken out. So 1.1 is not inclusive of that.</p> <p>3 So it would be additional.</p> <p>4 But, to your point, Commissioner, what we're</p> <p>5 looking to do is 80-percent debt financing --</p> <p>6 1.5-, 1.6 million (inaudible). And then the</p> <p>7 interest rate that is a balance in these two</p> <p>8 models is between 4.75 or 5.2 percent fixed.</p> <p>9 And, likely, it would be interest-only</p> <p>10 financing during this -- this time period,</p> <p>11 and, if it is interest-only financing,</p> <p>12 that would be the cash flow associated with the</p> <p>13 project.</p> <p>14 If we were to amortize the debt or sweep</p> <p>15 more debt back to the project's lenders,</p> <p>16 those numbers would be reduced accordingly</p> <p>17 based upon what we're looking at. But this</p> <p>18 would be an interest-only structure.</p> <p>19 COMMISSIONER GREEN: So, when do we start</p> <p>20 paying principal payments?</p> <p>21 How long is it interest-only?</p> <p>22 MR. EDGAR: It would depend on the term</p> <p>23 in and of itself, but I would say the most likely</p> <p>24 thing we would see is a ten-year term on the debt</p> <p>25 financing.</p>

<p style="text-align: right;">Page 9</p> <p>1 So, effective, you know, that first year,  2 as we're staged up, we're putting individuals in  3 those homes and off our wait list doing a very  4 formal process.  5 And then it could be maybe 12 months hold,  6 but interest-only during that time period.  7 In other words, we would set aside a reserve  8 account to cover any shortfalls that result in  9 your fixed operating costs and/or interest  10 payments to make sure we have that period covered,  11 but it's fully leased in a year. Those 16 units  12 are ready to go now.  13 COMMISSIONER GREEN: And, is he giving this  14 to a market -- market rate?  15 Like the last one he --  16 MR. EDGAR: This is lower.  17 COMMISSIONER GREEN: (inaudible  18 crosstalk).  19 MR. EDGAR: So it's 252 per unit  20 for a three-bedroom, and this is lower than  21 market rate.  22 COMMISSIONER GREEN: Okay.  23 COMMISSIONER WALKER: So that begs the  24 question, why is he selling?  25 COMMISSIONER GREEN: Because he can off</p>	<p style="text-align: right;">Page 11</p> <p>1 Because JHA is getting the management fees of  2 \$26,541. So, when you look at -- you know,  3 when you look at the bottom line of what we're  4 getting of 42- in Year One, which is about a  5 2.6-percent return on the 1.58 in --  6 CHAIRWOMAN HOROVITZ: Uh-huh.  7 COMMISSIONER WALKER: -- it's actually almost  8 double that. It's actually more than double that  9 -- no -- well, 35 percent -- 40 percent more  10 because we also get the property management fee.  11 So, you know, I don't hate the deal.  12 COMMISSIONER GREEN: I mean I like it's not  13 scattered sites. They're all in one. We don't  14 have that ZIP Code.  15 Why does JHA get an acquisition fee?  16 Is this based on conversion and the  17 development fee?  18 MR. EDGAR: It's a standard fee through this  19 deal as being a participant.  20 CFO: A way to enhance the deal for us.  21 COMMISSIONER GREEN: Gotcha. A percentage  22 of the deal?  23 5 percent (inaudible) --  24 COURT REPORTER: Can you talk louder?  25 I'm sorry.</p>
<p style="text-align: right;">Page 10</p> <p>1 16 units at once instead of 16 units individually  2 one at a time.  3 COMMISSIONER WALKER: Fair enough.  4 COMMISSIONER BROCK: Uh-huh.  5 COMMISSIONER WALKER: I have a quick  6 question.  7 So, back to the debt profile, you're assuming  8 interest-only, and I apologize. If it's in here,  9 I didn't see it.  10 What are you assuming for a rate?  11 MR. EDGAR: Between 4.75 and 5.2.  12 If you look at the actual debt payment,  13 that 344,468, and back that out on the actual  14 amount of total debt, it's 5.2 percent of  15 a simple --  16 COMMISSIONER WALKER: Okay. And then more on  17 that. I think this is more of a question I think  18 for this committee, which is it's interesting that  19 this is an IO, interest-only loan, and then we'll  20 have net operating cash flow after debt service,  21 which, in theory, could be used to reduce the  22 loan, if we wanted to --  23 CFO: Yes.  24 COMMISSIONER WALKER: -- which I think should  25 be the right idea.</p>	<p style="text-align: right;">Page 12</p> <p>1 COMMISSIONER GREEN: -- sorry.  2 I was saying, why did JHA get an  3 acquisition fee, and what -- is it a percentage of  4 the deal?  5 Is that what they're writing in?  6 MR. EDGAR: I'd have to look at the exact  7 percentage --  8 COMMISSIONER GREEN: It doesn't --  9 (inaudible crosstalk)  10 MR. EDGAR: -- housing costs -- you can do it  11 two ways. You have the total development costs  12 or purchase price per unit, but it's been a  13 standard feature that we've seen from a lot of our  14 development partners.  15 COMMISSIONER GREEN: Gotcha.  16 CHAIRWOMAN HOROVITZ: So I also --  17 COMMISSIONER GREEN: I was going to say for  18 sure we do this through bonding, not through  19 conventional financing.  20 Because the other JWB homes we --  21 (inaudible crosstalk)  22 MR. EDGAR: We utilized cash, nonfederal  23 funds to purchase -- for the purchase of those  24 50 homes. This would be tax-exempt financing  25 with essential function bond issuance.</p>

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<p>1 Right?</p> <p>2 CHAIRWOMAN HOROVITZ: I also don't hate the</p> <p>3 deal. On paper, I think, with some modifications</p> <p>4 that were more in favor of JHA, it could work.</p> <p>5 I have a couple of questions.</p> <p>6 First, it scored pretty high on location,</p> <p>7 and we did that rubric scoring a long time ago.</p> <p>8 And I don't remember. Like I was just looking at</p> <p>9 it when -- it's right here.</p> <p>10 So it's like 2.5 -- it's in Attachment F</p> <p>11 here --</p> <p>12 COMMISSIONER WALKER: Uh-huh.</p> <p>13 CHAIRWOMAN HOROVITZ: -- on public</p> <p>14 transportation.</p> <p>15 What is that out of?</p> <p>16 It is out of a 5 or a 10?</p> <p>17 MR. EDGAR: It should be at a 10 now.</p> <p>18 So you have -- the definition -- so it's 30 points</p> <p>19 in totality for location. 10 points to a</p> <p>20 high opportunity area, 10 for high quality</p> <p>21 schools, 2 1/2 for public transportation,</p> <p>22 food, health care services and employment</p> <p>23 opportunity respectively.</p> <p>24 CHAIRWOMAN HOROVITZ: So, if it's 10 possible</p> <p>25 for each of the six, the max -- is that right?</p>	<p>1 score card that was like 50.</p> <p>2 COMMISSIONER WALKER: That's what I remember.</p> <p>3 CHAIRWOMAN HOROVITZ: Right.</p> <p>4 And I thought maybe I had the deals confused.</p> <p>5 MR. EDGAR: That is -- that's correct,</p> <p>6 Commissioner.</p> <p>7 CHAIRWOMAN HOROVITZ: Right.</p> <p>8 MR. EDGAR: That would be for a different</p> <p>9 transaction, and we can address it later.</p> <p>10 But that's correct.</p> <p>11 COMMISSIONER WALKER: So, what was the</p> <p>12 internal score card on this?</p> <p>13 Because I don't remember seeing the score</p> <p>14 card on this.</p> <p>15 CHAIRWOMAN HOROVITZ: I agree.</p> <p>16 COMMISSIONER WALKER: What was the internal</p> <p>17 score here?</p> <p>18 And I appreciate that we have them score it.</p> <p>19 I could care less what they score.</p> <p>20 CHAIRWOMAN HOROVITZ: I totally agree.</p> <p>21 I wouldn't give a C school a 6.</p> <p>22 COMMISSIONER WALKER: I wouldn't give</p> <p>23 C schools a 6.</p> <p>24 COMMISSIONER GREEN: Is this in your packet?</p> <p>25 COMMISSIONER WALKER: No. It's -- we have</p>
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<p>1 COMMISSIONER WALKER: No, no, no. It's --</p> <p>2 MR. EDGAR: 2 1/2 --</p> <p>3 COMMISSIONER WALKER: -- yeah.</p> <p>4 MR. EDGAR: -- yes.</p> <p>5 COMMISSIONER WALKER: You see the 2 1/2s</p> <p>6 on the score card?</p> <p>7 MR. EDGAR: (inaudible crosstalk)</p> <p>8 COMMISSIONER WALKER: That's max --</p> <p>9 CHAIRWOMAN HOROVITZ: Yes.</p> <p>10 COMMISSIONER WALKER: -- max score for those.</p> <p>11 I have a question.</p> <p>12 CHAIRWOMAN HOROVITZ: So, did we score this,</p> <p>13 or did they score this?</p> <p>14 MR. EDGAR: We requested the developer send</p> <p>15 a completed score card, and then Dennis and I and</p> <p>16 the team will also score this independently.</p> <p>17 COMMISSIONER WALKER: So, is this our score</p> <p>18 card or their score card?</p> <p>19 MR. EDGAR: I don't know -- this would be</p> <p>20 their score card.</p> <p>21 COMMISSIONER WALKER: Where is our score card?</p> <p>22 CHAIRWOMAN HOROVITZ: Yes.</p> <p>23 MR. EDGAR: It was submitted internally.</p> <p>24 You should have it. The board should have it.</p> <p>25 CHAIRWOMAN HOROVITZ: I remember looking at a</p>	<p>1 the page -- we have their score card.</p> <p>2 CHAIRWOMAN HOROVITZ: Yes. It's in the</p> <p>3 packet. It's like the last page of the whole</p> <p>4 thing.</p> <p>5 COMMISSIONER BROCK: Yeah. We got theirs.</p> <p>6 COMMISSIONER WALKER: We got theirs,</p> <p>7 but I don't see any of our --</p> <p>8 CHAIRWOMAN HOROVITZ: I'd have to log into</p> <p>9 Boardable, which I don't know how to do from this.</p> <p>10 COMMISSIONER WALKER: It's not even there.</p> <p>11 I looked.</p> <p>12 CHAIRWOMAN HOROVITZ: Really?</p> <p>13 COMMISSIONER WALKER: It's not there.</p> <p>14 CHAIRWOMAN HOROVITZ: Yes.</p> <p>15 COMMISSIONER WALKER: We're just going to get</p> <p>16 rid of Boardable. I think I'm the only one that</p> <p>17 uses it.</p> <p>18 CHAIRWOMAN HOROVITZ: I don't find it very</p> <p>19 user-friendly.</p> <p>20 MR. EDGAR: So, Commissioner, we --</p> <p>21 when this was submitted to us, it scored greater</p> <p>22 than 90 percent, and we scored it very similar.</p> <p>23 I think I can speak to that, and then we can get</p> <p>24 you the application for what's in front of you</p> <p>25 now.</p>

<p style="text-align: right;">Page 17</p> <p>1 COMMISSIONER WALKER: So --</p> <p>2 MR. EDGAR: So we'll make sure everyone has a</p> <p>3 copy of that.</p> <p>4 COMMISSIONER WALKER: -- yes.</p> <p>5 Going forward -- great that they submitted</p> <p>6 it.</p> <p>7 CHAIRWOMAN HOROVITZ: Yeah --</p> <p>8 COMMISSIONER WALKER: I want your score card.</p> <p>9 CHAIRWOMAN HOROVITZ: -- I don't need to see</p> <p>10 theirs. I agree. Yes.</p> <p>11 So my part of this is it's the same</p> <p>12 developer, and we haven't finished our other</p> <p>13 acquisitions yet.</p> <p>14 And I want to understand why.</p> <p>15 Where are we at on those acquisitions?</p> <p>16 Like, you know, I think it's great that we</p> <p>17 have this developer. It sounds like, you know,</p> <p>18 JWB and Mr. Sifakis are being good partners.</p> <p>19 But, where are we on the other acquisitions,</p> <p>20 the single-family homes?</p> <p>21 CEO: The ones that we have now --</p> <p>22 the 50 we have?</p> <p>23 We have 33 of them.</p> <p>24 COMMISSIONER WALKER: So, when are we</p> <p>25 thinking we'll finish the rest of those?</p>	<p style="text-align: right;">Page 19</p> <p>1 closed on this. We've had some issues.</p> <p>2 I'm not sure that this is a this year or</p> <p>3 even a next year project for us, and we're --</p> <p>4 I feel like we're getting very close to</p> <p>5 overextending ourselves.</p> <p>6 And I want to see the deals that we've been</p> <p>7 pushing across the line get across the line,</p> <p>8 like Westwood, like Franklin Arms and the other</p> <p>9 deals that we're looking at.</p> <p>10 But I think that could really have a huge</p> <p>11 impact, and I'm not sure that this is the one</p> <p>12 that's worth anymore of our energy.</p> <p>13 COMMISSIONER WALKER: I also think that this</p> <p>14 is -- this is the struggle that I have --</p> <p>15 not with JWB.</p> <p>16 I think this is the struggle I have with</p> <p>17 any deal less than 150 units, or, you know,</p> <p>18 100 units, because the same effort is going to</p> <p>19 go into these 30 units that we're going to have to</p> <p>20 put into -- how big is Westwood? How big is</p> <p>21 Franklin Arms? -- 100, 200 units.</p> <p>22 Like I don't want to say, "We want to go</p> <p>23 big," but, at some point -- and maybe that's</p> <p>24 a discussion like a policy question.</p> <p>25 CHAIRWOMAN HOROVITZ: Uh-huh.</p>
<p style="text-align: right;">Page 18</p> <p>1 CEO: Well, we sort of shifted the energy</p> <p>2 towards -- we've been working on it slowly --</p> <p>3 but we have been shifting our energy to the</p> <p>4 Westwood and Franklin Arms deals.</p> <p>5 COMMISSIONER WALKER: Okay. I think before</p> <p>6 -- this is where I'm at. I don't hate the deal.</p> <p>7 I think it's a pretty good deal.</p> <p>8 I think we need to finish one project with</p> <p>9 the developer before we start getting multiple</p> <p>10 projects with a single developer.</p> <p>11 COMMISSIONER GREEN: Yes.</p> <p>12 COMMISSIONER WALKER: That's kind of where</p> <p>13 I'm falling on this deal.</p> <p>14 CHAIRWOMAN HOROVITZ: That's what I was going</p> <p>15 to say next. I completely agree with that.</p> <p>16 And I also -- I want to remove emotion from</p> <p>17 it. I don't love the feeling of JWB offloading</p> <p>18 properties to the housing authority.</p> <p>19 I know that they're a partner, and they're</p> <p>20 helping us bring units online. But it feels</p> <p>21 like, because we're in a position to purchase</p> <p>22 units, that that's why they're being brought to</p> <p>23 us. And I know that's just a feeling, but I like</p> <p>24 the idea of working with multiple developers.</p> <p>25 To Commissioner Walker's point, we haven't</p>	<p style="text-align: right;">Page 20</p> <p>1 COMMISSIONER WALKER: Like at what point is a</p> <p>2 project just -- it doesn't -- and I guess you</p> <p>3 really can't, because it all depends on the</p> <p>4 underlying project.</p> <p>5 But I don't know. I just feel like we have a</p> <p>6 scattered site portfolio that I'd love to see</p> <p>7 finished. It's our smallest project to date,</p> <p>8 and it's not finished with this developer.</p> <p>9 And I think that -- you know, I think that's</p> <p>10 something we need to consider. Like I said,</p> <p>11 I don't dislike the deal. I just think we need to</p> <p>12 finish what we've got with him and see if he --</p> <p>13 I would actually say, "Hey, listen. If we could</p> <p>14 close on the rest of those single-family homes and</p> <p>15 you want to come back yet this year, we can</p> <p>16 consider it then."</p> <p>17 I'd like to see those single-family homes</p> <p>18 wrapped up.</p> <p>19 CHAIRWOMAN HOROVITZ: Do you want to see</p> <p>20 -- I'm sorry.</p> <p>21 COMMISSIONER WALKER: Go ahead.</p> <p>22 CHAIRWOMAN HOROVITZ: Do you want to see all</p> <p>23 of those homes closed, or do we stop closing those</p> <p>24 homes?</p> <p>25 COMMISSIONER WALKER: And maybe that's the</p>

Page 21	<p>1 question --</p> <p>2 CHAIRWOMAN HOROVITZ: Right.</p> <p>3 COMMISSIONER WALKER: -- which is it sounds</p> <p>4 like we're still in the -- like the methodology</p> <p>5 and where we're not agreeing -- and you guys tell</p> <p>6 me.</p> <p>7 Have we agreed to the sites we're actually</p> <p>8 going to buy, or are we still in that tiptoe</p> <p>9 situation where we're still trying to figure that</p> <p>10 out?</p> <p>11 CEO: No. In terms of JWB, they present us</p> <p>12 with units. You know, they present us with the</p> <p>13 units. We go out and look at them to see if we</p> <p>14 have any issues with them, and then we'll move</p> <p>15 forward with them.</p> <p>16 COMMISSIONER WALKER: And so the ones --</p> <p>17 just being very blunt -- the ones he's presented,</p> <p>18 the ones JWB is presenting to us, we're saying,</p> <p>19 "No thanks," on those?</p> <p>20 CEO: Yes, if we don't like them.</p> <p>21 COMMISSIONER WALKER: Right.</p> <p>22 CEO: That's correct.</p> <p>23 COMMISSIONER WALKER: So -- and maybe that's</p> <p>24 the point, which is, you know, maybe this actually</p> <p>25 is easier, because it's new build construction.</p>	Page 23	<p>1 saying, "We want to modify that original agreement</p> <p>2 and stop looking at homes and looking at a bulk of</p> <p>3 them."</p> <p>4 COMMISSIONER WALKER: I mean, what are your</p> <p>5 thoughts, Dwayne?</p> <p>6 I mean, where are you at on this project?</p> <p>7 You and I haven't connected about this one.</p> <p>8 CEO: I think it's a good project.</p> <p>9 We do have some units that we haven't filled out</p> <p>10 on the first contract. We still have some left</p> <p>11 there.</p> <p>12 I think moving down the road there is going</p> <p>13 to be a possibility, when they present these</p> <p>14 deals to me, I just don't turn around and shoot</p> <p>15 them down.</p> <p>16 COMMISSIONER WALKER: Oh, yeah.</p> <p>17 CEO: I make sure we go through them and let</p> <p>18 the board make the decision on them.</p> <p>19 COMMISSIONER WALKER: Yes. No. You're</p> <p>20 right. I appreciate that.</p> <p>21 CEO: Yes.</p> <p>22 CHAIRWOMAN HOROVITZ: Well, they're not</p> <p>23 here.</p> <p>24 So, why don't we table this for now?</p> <p>25 Do we have to vote on this?</p>
Page 22	<p>1 It's townhomes, and we can take out --</p> <p>2 CHAIRWOMAN HOROVITZ: Some of them are.</p> <p>3 COMMISSIONER BROCK: Yeah, some of them.</p> <p>4 CHAIRWOMAN HOROVITZ: Yes. Some of them are</p> <p>5 already there.</p> <p>6 COMMISSIONER BROCK: Yes.</p> <p>7 COMMISSIONER WALKER: -- right, existing,</p> <p>8 but they're new construction in the sense that</p> <p>9 it's not, you know, 20 years old I guess is the</p> <p>10 point.</p> <p>11 You know, maybe that's a consideration,</p> <p>12 which is, if we're having trouble getting the</p> <p>13 single-family homes finalized -- meaning the site</p> <p>14 selections that we all agreed to and where we're</p> <p>15 at maybe -- to my point earlier, maybe it is</p> <p>16 easier that we take down 16 or 18 at a time kind</p> <p>17 of in bulk. I don't know.</p> <p>18 What are your thoughts?</p> <p>19 CHAIRWOMAN HOROVITZ: It seems like a waste</p> <p>20 of your energy. And, if we would have had both of</p> <p>21 these projects in front of this -- or in front of</p> <p>22 me and the committee and I was deciding between</p> <p>23 these, hands down this would have been what went</p> <p>24 out for me.</p> <p>25 I think it's worth going back to them and</p>	Page 24	<p>1 MS. HODGES: No.</p> <p>2 CHAIRWOMAN HOROVITZ: Okay.</p> <p>3 COMMISSIONER WALKER: And I'm happy to --</p> <p>4 or maybe you can, as well -- or, quite frankly,</p> <p>5 we can notice a meeting and just meet with JWB,</p> <p>6 and say, "You know, hey. Let's just put cards on</p> <p>7 the table where we're coming from and where you're</p> <p>8 at, and is there a world in which we come to an</p> <p>9 agreement of what a new structure might look</p> <p>10 like?"</p> <p>11 CHAIRWOMAN HOROVITZ: I think it's a good</p> <p>12 idea, but I think that maybe Mr. Alexander and</p> <p>13 team does that.</p> <p>14 Because we did notice this meeting --</p> <p>15 COMMISSIONER WALKER: Yes.</p> <p>16 CHAIRWOMAN HOROVITZ: -- and that would have</p> <p>17 been a great opportunity to have that</p> <p>18 conversation.</p> <p>19 COMMISSIONER WALKER: Good point.</p> <p>20 CHAIRWOMAN HOROVITZ: And so, for the sake of</p> <p>21 our time, we'll let Mr. Alexander take that.</p> <p>22 Commissioner Green.</p> <p>23 COMMISSIONER GREEN: Are we obligated to buy</p> <p>24 the rest of those scattered site properties with</p> <p>25 him or contractually obligated?</p>

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<p>1 (inaudible crosstalk)</p> <p>2 MS. HODGES: We can take a look at it.</p> <p>3 CEO: Yes. We can take a look at the</p> <p>4 contract.</p> <p>5 MS. HODGES: Yes. I don't recall,</p> <p>6 Andre, that we would be forced to buy properties</p> <p>7 that are not satisfactory to us.</p> <p>8 COMMISSIONER WALKER: My recollection is --</p> <p>9 COMMISSIONER GREEN: Not buying them,</p> <p>10 if they're not selling, or buying 50 or how many</p> <p>11 houses we said we were going to buy?</p> <p>12 COMMISSIONER WALKER: -- I'm pretty sure the</p> <p>13 way we did it was we authorized Dwayne --</p> <p>14 the board authorized Dwayne up to --</p> <p>15 COMMISSIONER GREEN: Okay.</p> <p>16 COMMISSIONER WALKER: -- buying those</p> <p>17 homes, but we don't have like a Purchase &amp; Sale</p> <p>18 Contract on 50 homes. It's not like --</p> <p>19 CHAIRWOMAN HOROVITZ: That's what I remember,</p> <p>20 as well.</p> <p>21 COMMISSIONER WALKER: -- yes.</p> <p>22 CHAIRWOMAN HOROVITZ: Okay. Thank you.</p> <p>23 Great discussion.</p> <p>24 COMMISSIONER GREEN: One more comment.</p> <p>25 I don't necessarily disagree with scattered sites,</p>	<p>1 differently.</p> <p>2 CHAIRWOMAN HOROVITZ: Uh-huh. It was a great</p> <p>3 learning experience --</p> <p>4 COMMISSIONER WALKER: It was.</p> <p>5 CHAIRWOMAN HOROVITZ: -- or it has been.</p> <p>6 Yes.</p> <p>7 And, also, Commissioner Green, I think that,</p> <p>8 when we're looking at these larger developments,</p> <p>9 we are looking at some mixed income and not just</p> <p>10 public housing, and I think that's something that</p> <p>11 the board agrees we want to do.</p> <p>12 COMMISSIONER BROCK: Exactly. Yeah.</p> <p>13 Thank you for bringing that point up, Ms. Chair.</p> <p>14 CEO: I would add, to these larger deals,</p> <p>15 you can add more affordability in them more so</p> <p>16 than the smaller deals.</p> <p>17 CHAIRWOMAN HOROVITZ: Uh-huh.</p> <p>18 COMMISSIONER BROCK: Yeah.</p> <p>19 CEO: And that's the whole purpose of doing</p> <p>20 the larger deals, because you can add the</p> <p>21 affordability. In the small ones, it's virtually</p> <p>22 impossible to do.</p> <p>23 CHAIRWOMAN HOROVITZ: Uh-huh. All right.</p> <p>24 Well, let's move on then. We'll call it,</p> <p>25 "Closing Comments," but I would like to talk about</p>
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<p>1 because, if you keep buying 100 community sites,</p> <p>2 it's like, you know, another -- quote-unquote --</p> <p>3 "public housing facility."</p> <p>4 So scattered sites aren't terribly bad,</p> <p>5 in my opinion. So I know you don't like the</p> <p>6 smaller -- I know these 16 units all in one</p> <p>7 section is great, but I don't think we should</p> <p>8 shoot down scattered sites or anything like that</p> <p>9 just from the get-go.</p> <p>10 COMMISSIONER WALKER: Yes. Maybe I want to</p> <p>11 -- valid point. Let me clarify what I'm saying.</p> <p>12 I don't actually mind scattered sites,</p> <p>13 as long as we can manage them. I'm saying that</p> <p>14 16 at a time, 10 at a time is not the best use of</p> <p>15 our time.</p> <p>16 Like, if we had a -- like what I'd call</p> <p>17 like, "a build to rent portfolio," of 100</p> <p>18 single-family homes that are quasi scattered,</p> <p>19 that would be -- quite frankly, that'd be really</p> <p>20 interesting to look at.</p> <p>21 But, you know, I think hindsight 20/20,</p> <p>22 you know, that was our first deal I think we ever</p> <p>23 approved to go forward with.</p> <p>24 Hindsight 20/20, I think it's one where like</p> <p>25 I would have looked at the actual process a little</p>	<p>1 the deals that we've been moving forward.</p> <p>2 So we've got Franklin Arms and Westwood that</p> <p>3 I think are our priorities.</p> <p>4 Can we get an update from you or the team?</p> <p>5 CEO: So we just sent -- BMO just completed</p> <p>6 a Purchase &amp; Sale Agreement for Franklin Arms and</p> <p>7 sent it over to their attorney.</p> <p>8 As of yesterday, they haven't sent it back.</p> <p>9 It just went over on Monday -- actually, I believe</p> <p>10 yesterday or Monday I sent it over to them.</p> <p>11 He's still adamant that he wants to close</p> <p>12 this deal. He does not want to move off the</p> <p>13 7.2-. He believes in that 8,000,000, and he's</p> <p>14 going to donate the 750- back to the housing</p> <p>15 authority.</p> <p>16 So --</p> <p>17 CHAIRWOMAN HOROVITZ: So for -- I think,</p> <p>18 Commissioner Green, I don't know if you were here</p> <p>19 in the Finance Committee Meeting.</p> <p>20 So what we learned last week or the week</p> <p>21 before was that the appraisal came back at</p> <p>22 -- was it 2 1/2 million? --</p> <p>23 COMMISSIONER GREEN: Right.</p> <p>24 CEO: Yes, 2.5-.</p> <p>25 CHAIRWOMAN HOROVITZ: -- okay -- which wasn't</p>

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<p>1 a surprise to me, but it does -- because we're not  2 looking at traditional underwriting or financing.  3 But we're pressuring or trying to inspire  4 Mr. Katta to reduce the sale price; is that right?  5 CEO: Yes. Well, he originally was at  6 8-. We got him to 8 -- 7.75-, 7.75-, and now  7 he's down to 7.2-.  8 CHAIRWOMAN HOROVITZ: Okay.  9 CEO: And he has a developer out of Atlanta,  10 as they all do. He has a developer out of  11 Atlanta who is pressuring him for that property.  12 So the best thing to do is 7.2-.  13 He doesn't want to have a discussion at 6.5 or  14 anything along that line.  15 CHAIRWOMAN HOROVITZ: Commissioner.  16 COMMISSIONER WALKER: So I -- this gets  17 into maybe a more esoteric conversation,  18 but I still -- I can't believe I'm going to say  19 this -- I still want to do this deal.  20 CHAIRWOMAN HOROVITZ: Me, too.  21 COMMISSIONER WALKER: I very much want to do  22 this deal even at that number.  23 Right?  24 And here is why.  25 Right?</p>	<p>1 trying to accomplish.  2 Yes. We need to make money, but, if we make  3 1 percent on our money -- if we make no percent  4 on our money for three to five years, I don't  5 care. We've got to get the blight. We've got to  6 get units.  7 So, back to Franklin Arms for a second.  8 I think properly structured -- and, when I say,  9 "properly," I want to be very clear.  10 A structure which may not be traditional  11 but certainly gives us the flexibility over time  12 to get it to where it needs to be -- I think this  13 deal still works, and I think it's a credit to  14 this organization, to you, to the team to figure  15 out a way to get this done.  16 And the stark reality it's 100 units.  17 Right?  18 100 units at 7.2-. That's \$72,000 a unit.  19 I understand -- I think our ModDev Team said,  20 "It's down to the studs."  21 So you're looking at, what, 50,000 a unit in  22 rehab?  23 CEO: I think it was 80-.  24 COMMISSIONER WALKER: 80,000 a unit in rehab?  25 MR. PETERSON: (nodded head affirmatively)</p>
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<p>1 Westwood, in my opinion, is an example of a  2 deal where we're going to generate more positive  3 cash flow.  4 Right?  5 Franklin Arms is a deal where we may not see  6 positive cash flow for two or three years.  7 I'm okay with that --  8 CEO: Right.  9 COMMISSIONER WALKER: -- because part of our  10 job is to revitalize these apartments and get what  11 I call, for lack of a better word, "blight,"  12 out of our communities.  13 CEO: Yes.  14 COMMISSIONER WALKER: And my -- you and I  15 talked about this --  16 CEO: Yes.  17 COMMISSIONER WALKER: -- and I will say it.  18 And every vendor that comes in here I will say it,  19 which is, "If you are looking to work with this  20 agency --" my opinion -- "work with this agency  21 and you are stuck in the ways of, 'Well, you know,  22 you're not making enough money,' or, 'I don't see  23 the ROI on this to you,'" I don't want to hear  24 it.  25 That is almost secondary to what we're</p>	<p>1 COMMISSIONER WALKER: 80-?  2 You're still only -- your basis is still  3 sub 200, and they're effectively brand new units.  4 I mean we're talking -- correct me if I'm wrong --  5 windows, doors, piping, electrical --  6 MR. PETERSON: (nodded head affirmatively)  7 COMMISSIONER WALKER: -- I mean it's still --  8 I mean we're paying 252-. I understand it's brand  9 new product, but this is sub 200 completely brand  10 new up to code I presume.  11 CFO: Absolutely.  12 COMMISSIONER GREEN: Plus they are 1/1s.  13 COMMISSIONER WALKER: They are?  14 But we need 1/1s.  15 COMMISSIONER GREEN: Right. But the 252- --  16 COMMISSIONER WALKER: I understand.  17 Three-bedrooms. Yeah. But I still --  18 you're looking at 160,000 a unit -- 150,000 a  19 unit.  20 I mean show me, in Jacksonville, where any  21 property even -- you know, completely renovated  22 property is trading at 150- a unit, and I will  23 resign from the board and go buy it.  24 Not this one. This is too much work for me.  25 CHAIRWOMAN HOROVITZ: On top of removing</p>



<p style="text-align: right;">Page 33</p> <p>1 blight -- and it's hard to put a value to it.  2 The community and economic impact to this part of  3 town -- you think about the property values around  4 it that are going to increase and just the general  5 improvement to the quality of life to everyone who  6 lives there -- I mean we can't measure that  7 impact.  8 And I think that, you know, it would be great  9 if we could layer that into the capital stack,  10 but we can't.  11 And so, for everything you also said,  12 Commissioner Walker, I think that we continue to  13 move forward with that.  14 So we've got the MOU, and I think the city  15 approved an extension on the 1.5-?  16 CEO: Yes. Well, they did extend the  17 1.5-.  18 CHAIRWOMAN HOROVITZ: Until, when?  19 When does it expire?  20 CEO: I think they have a couple months.  21 I'm not sure.  22 But I would say this, though. He's looking  23 to close this deal rather quickly. That's why  24 we got this -- we got the document over to his  25 attorney.</p>	<p style="text-align: right;">Page 35</p> <p>1 all cash transaction, you get your third-party  2 reports in. You evaluate the third-party reports,  3 and you close.  4 CEO: Right.  5 COMMISSIONER WALKER: You know, with the  6 1.5- coming from Lift Jax, our basis would be  7 5.5-, and then, after you close, we can go through  8 the bond process to get the additional money and  9 reimburse our line of credit.  10 If the deal -- if the Executive Team feels  11 that this deal will stabilize and ultimately  12 improve the community, which is what I'm all for  13 here and this is why we're doing this deal,  14 I would strongly encourage you to proceed with  15 haste.  16 CHAIRWOMAN HOROVITZ: Uh-huh. I agree.  17 Commissioner Brock.  18 COMMISSIONER BROCK: Ms. Chair to  19 Mr. Alexander -- and I know we need units with  20 one-bedrooms.  21 So, when we do this deal here, is it going to  22 be solely for our waiting list, or will it be for  23 just affordable housing, you know, people with  24 affordable income?  25 Or will it be solely for our waiting list?</p>
<p style="text-align: right;">Page 34</p> <p>1 Hopefully -- I was hoping they'd anticipate  2 that we had the board meeting on Monday,  3 because he wants to close.  4 And he says he has someone. I'm not sure if  5 he has someone, but he did come from \$8,000,000  6 down to 7.2-.  7 And, out of that 7.2, we do get the  8 1.5- from the city. So we're not actually coming  9 in at 7.2- out of our pocket. We get some  10 assistance with that grant.  11 So what I'm looking for the board to do is  12 make a decision that, once we work this out with  13 the PSA, we can possibly move forward.  14 COMMISSIONER WALKER: Yeah.  15 Commissioner, if I can.  16 Two things. One, money talks.  17 Right?  18 CEO: Right.  19 COMMISSIONER WALKER: This is also why I  20 think a line of credit is really important.  21 Because we take a line of credit, and we say,  22 "Congratulations. It's not 7.2. It's 7,000,000,  23 and we'll close in 30 days."  24 CEO: Right.  25 COMMISSIONER WALKER: Because it's an</p>	<p style="text-align: right;">Page 36</p> <p>1 CHAIRWOMAN HOROVITZ: You mean naturally  2 affordable versus people on our list?  3 COMMISSIONER BROCK: Yeah.  4 CEO: So we can look at it a couple ways.  5 COMMISSIONER BROCK: Okay.  6 CEO: One of the ways is we could make the  7 whole property 80 percent or less --  8 COMMISSIONER BROCK: Okay.  9 CEO: -- which people from our waiting list  10 can come off our waiting list.  11 There are other opportunities out there.  12 We can possibly use our Faircloth and turn them  13 all into public housing, which CSG seems to like  14 the turn from Faircloth over to RAD.  15 But the problem is you have to really look at  16 that from that perspective when we get to use the  17 Faircloth, but, at the same time, when you use  18 the Faircloth and turn it into public housing,  19 you constantly get capital funds.  20 So you can build up the reserve to convert it  21 over to RAD to get higher rents, but you don't  22 necessarily get any reserves.  23 COMMISSIONER BROCK: Right.  24 CEO: So we have to figure it out moving  25 forward, but either way we have those options.</p>

Page 37	<p>1 So it could be more public housing.</p> <p>2 On our waiting list for public housing,</p> <p>3 one-bedrooms is our largest waiting list in terms</p> <p>4 of sitting here.</p> <p>5 COMMISSIONER WALKER: I want to be --</p> <p>6 I'm going to put this out there. I want to be</p> <p>7 very cognizant of the fact -- appreciating the</p> <p>8 opportunity to go public housing and then convert</p> <p>9 to RAD -- I appreciate that.</p> <p>10 Be cognizant of the fact that, in this</p> <p>11 community --</p> <p>12 CEO: Right --</p> <p>13 COMMISSIONER WALKER: -- I don't --</p> <p>14 where this is located I just want to be</p> <p>15 cognizant of the fact that we may be putting</p> <p>16 public housing units there.</p> <p>17 CEO: -- right.</p> <p>18 COMMISSIONER WALKER: Does that make sense?</p> <p>19 And I'm not saying that's a bad thing.</p> <p>20 It's more a community -- revitalizing the</p> <p>21 community.</p> <p>22 So I think you've got to look carefully at</p> <p>23 that --</p> <p>24 CEO: Yes.</p> <p>25 COMMISSIONER WALKER: -- is my only point.</p>
Page 39	<p>1 COMMISSIONER WALKER: I was going to say</p> <p>2 I can't stress -- like, to me, this deal and</p> <p>3 Westwood are proceed with haste.</p> <p>4 Especially --</p> <p>5 CEO: So the only other thing is that you</p> <p>6 say, "close in 30 days." I don't think he wants</p> <p>7 to wait 30 days. I'm just saying hypothetically.</p> <p>8 You know, because we already went through</p> <p>9 doing our own due diligence on it. Typically,</p> <p>10 you wait the 30 days to do the due diligence.</p> <p>11 So he wants to possibly close as soon as possible.</p> <p>12 COMMISSIONER WALKER: I would -- again,</p> <p>13 personal experience more so than anything else --</p> <p>14 like I've seen cash deals close in 30 days.</p> <p>15 I've never seen a cash deal close in 10 or 15 days</p> <p>16 from PSA execution to actual closing.</p> <p>17 There's just not enough time. You won't get</p> <p>18 your title report in let alone your other stuff.</p> <p>19 So I think he needs to be realistic in that.</p> <p>20 You know, I think last time he was here,</p> <p>21 he was like, "We have to close before the end of</p> <p>22 the year."</p> <p>23 Well, if we close in 30 days, we're closing</p> <p>24 the end of November. We've got 30 days to spare.</p> <p>25 CHAIRWOMAN HOROVITZ: I know there are a lot</p>
Page 38	<p>1 I like the affordable with some market play.</p> <p>2 CHAIRWOMAN HOROVITZ: Yeah. I don't want</p> <p>3 everything 80 AMI and under.</p> <p>4 Did we not discuss that yet?</p> <p>5 COMMISSIONER WALKER: No.</p> <p>6 CHAIRWOMAN HOROVITZ: Okay. In my opinion,</p> <p>7 I think that we should do some 80 AMI and under,</p> <p>8 but we should definitely look at even capping at</p> <p>9 120 AMI --</p> <p>10 COMMISSIONER WALKER: Agreed --</p> <p>11 CHAIRWOMAN HOROVITZ: -- but not all 80.</p> <p>12 COMMISSIONER WALKER: -- yeah. I think a</p> <p>13 cap of 120 makes a lot of sense for this project.</p> <p>14 CHAIRWOMAN HOROVITZ: Yes.</p> <p>15 COMMISSIONER WALKER: And setting aside</p> <p>16 some vouchers, you know, 30 percent, 40 percent --</p> <p>17 CHAIRWOMAN HOROVITZ: Yes.</p> <p>18 COMMISSIONER WALKER: -- that we control via</p> <p>19 --</p> <p>20 CEO: Once we purchase, we can make all of</p> <p>21 those decisions.</p> <p>22 CHAIRWOMAN HOROVITZ: Yes.</p> <p>23 COMMISSIONER WALKER: -- yes.</p> <p>24 But, again, sorry. Go ahead.</p> <p>25 COMMISSIONER BROCK: No, no. Go ahead.</p>
Page 40	<p>1 of nuisance complaints on the property.</p> <p>2 Do we know the value of the liens?</p> <p>3 CEO: Say that, again.</p> <p>4 CHAIRWOMAN HOROVITZ: Are there a lot of</p> <p>5 liens on the property?</p> <p>6 CEO: I think they have all been addressed.</p> <p>7 There were a couple, and I think they were all</p> <p>8 addressed.</p> <p>9 COMMISSIONER WALKER: I also think normally</p> <p>10 --</p> <p>11 CEO: Most of them -- when we first saw the</p> <p>12 report, there were several on there, but most of</p> <p>13 it was taken off.</p> <p>14 COMMISSIONER WALKER: -- I remember when</p> <p>15 I reviewed the report initially on that,</p> <p>16 there were a bunch of liens -- you know,</p> <p>17 condemnation liens, not cleaning up. They had to</p> <p>18 go do cleanup.</p> <p>19 Normally -- and I would assume the city would</p> <p>20 grant us this courtesy, which we should just</p> <p>21 triple check -- normally, if a new buyer comes in,</p> <p>22 if you address those like within the first</p> <p>23 30 days, the city will agree to waive.</p> <p>24 CHAIRWOMAN HOROVITZ: Yes.</p> <p>25 COMMISSIONER WALKER: We need to figure that</p>

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<p>1 out. I agree.</p> <p>2 CHAIRWOMAN HOROVITZ: We've been experiencing</p> <p>3 that a lot in my work, but there's a huge delay.</p> <p>4 And so that's something that we should be looking</p> <p>5 at now, if he's in a hurry to close.</p> <p>6 They will ultimately be forgiven, but we want</p> <p>7 to make sure that we're not taking on the risk.</p> <p>8 And we'll work on that. It could take a few</p> <p>9 weeks.</p> <p>10 COMMISSIONER WALKER: Could we have OGC</p> <p>11 video contact -- maybe Lawsikia or Reece --</p> <p>12 OGC just to have them pull the lien reports and,</p> <p>13 you know, cross-confirm internally that legally we</p> <p>14 can get that done efficiently?</p> <p>15 Because, normally, it goes through OGC.</p> <p>16 MS. HODGES: It's a process, to Heather's</p> <p>17 point. I mean it's set by code.</p> <p>18 COMMISSIONER WALKER: Yes.</p> <p>19 MS. HODGES: But, yes.</p> <p>20 Dwayne, you have access to pull the most</p> <p>21 recent Lien Report.</p> <p>22 Right?</p> <p>23 COMMISSIONER GREEN: I have a few questions.</p> <p>24 That was part of it. So the owner or seller --</p> <p>25 7.2 million -- it appraised at 2.5- --</p>	<p>1 100- or 80,000 work with improvements, what will</p> <p>2 it be worth?</p> <p>3 CEO: Well, it all depends on how much we</p> <p>4 put in there, after we get to stabilization.</p> <p>5 According to the report that we have, it's saying</p> <p>6 10.1-. I think it will be quite a lot more than</p> <p>7 that considering what's going in that specific</p> <p>8 neighborhood.</p> <p>9 CHAIRWOMAN HOROVITZ: Uh-huh.</p> <p>10 COMMISSIONER GREEN: And then 120-percent AMI</p> <p>11 -- that's off of one-bedrooms.</p> <p>12 So, what is that, like \$80,000 income?</p> <p>13 CEO: It could be something like that. Yes.</p> <p>14 CHAIRWOMAN HOROVITZ: It's more than that</p> <p>15 I think.</p> <p>16 COMMISSIONER GREEN: For a family of four --</p> <p>17 that should be a one-bedroom?</p> <p>18 CHAIRWOMAN HOROVITZ: I can look it up.</p> <p>19 CEO: Yes. I can't recall. I know at one</p> <p>20 point it was around -- we looked at it in terms of</p> <p>21 families.</p> <p>22 COMMISSIONER GREEN: Uh-huh.</p> <p>23 CEO: I didn't look at it for an individual</p> <p>24 for that specific community.</p> <p>25 CHAIRWOMAN HOROVITZ: Duval AMI just went</p>
Page 42	Page 44
<p>1 why does the seller feel it's worth 7.2-?</p> <p>2 CEO: The seller had an appraisal done a</p> <p>3 couple of years ago that came back at 7.5.</p> <p>4 And then the appraisal we did originally came</p> <p>5 in at 4.9-, but, "as is," was at 2.5-.</p> <p>6 And, after you do the improvements to get the</p> <p>7 Property Condition Report and put about 4- or</p> <p>8 \$5,000,000 in there, when the property is</p> <p>9 stabilized, it will be worth 10.1 million dollars.</p> <p>10 So that's where his mind is at. You know,</p> <p>11 a year or two ago, he thought he could get</p> <p>12 \$10,000,000. But did have an appraisal for</p> <p>13 7.5- somewhere long that line.</p> <p>14 COMMISSIONER GREEN: Based off income he was</p> <p>15 drawing from the 100 units?</p> <p>16 COURT REPORTER: Can you say that, again?</p> <p>17 I'm sorry. I can't hear you.</p> <p>18 COMMISSIONER GREEN: Based off the income he</p> <p>19 was drawing from the 100 units?</p> <p>20 CEO: I don't think that was even a factor.</p> <p>21 I think it's more so where the property was</p> <p>22 positioned and the forecast of what's going on in</p> <p>23 that specific neighborhood gave him pretty much</p> <p>24 that cost.</p> <p>25 COMMISSIONER GREEN: So, when we do the</p>	<p>1 up this year.</p> <p>2 COMMISSIONER WALKER: Yes. I think it's like</p> <p>3 almost 80, isn't it?</p> <p>4 CHAIRWOMAN HOROVITZ: I think it's closer to</p> <p>5 90.</p> <p>6 COMMISSIONER WALKER: Oh, wow.</p> <p>7 CHAIRWOMAN HOROVITZ: It's noticeably</p> <p>8 higher. It's really high.</p> <p>9 CEO: Two years ago it was at 56. Then it</p> <p>10 went to 63. Then they jumped up to maybe 70.</p> <p>11 COMMISSIONER GREEN: But, is it calculated</p> <p>12 different?</p> <p>13 I mean a one-bedroom is how many people in a</p> <p>14 one-bedroom?</p> <p>15 CEO: One-bedroom?</p> <p>16 One person.</p> <p>17 COMMISSIONER GREEN: So, wouldn't that</p> <p>18 calculation be lower?</p> <p>19 COMMISSIONER WALKER: It will be. It will be</p> <p>20 based on family size. I think the HUD cap is</p> <p>21 one-and-a-half persons per bedroom.</p> <p>22 Correct?</p> <p>23 CEO: Yes.</p> <p>24 MS. DUNN: It's two.</p> <p>25 COMMISSIONER WALKER: It's two people per</p>

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<p>1 bedroom?</p> <p>2 Even that went up.</p> <p>3 COMMISSIONER GREEN: I mean it seems like,</p> <p>4 you know, if the board wants to do the deal,</p> <p>5 it seems like it's good. It's a good opportunity</p> <p>6 in a bad area.</p> <p>7 I just don't like that it appraised</p> <p>8 for 2.5-. He's hard on 7.2-. It just seems</p> <p>9 he's packing his pockets, and we're having to do</p> <p>10 the repairs.</p> <p>11 COMMISSIONER WALKER: Dwayne and I went</p> <p>12 through this, because I had a similar reaction,</p> <p>13 Commissioner Green, which is, "How is the delta?"</p> <p>14 And I think what ultimately the 2.5-</p> <p>15 appraisal was looking at is, in their mind,</p> <p>16 you've got to demolish everything and start from</p> <p>17 scratch.</p> <p>18 So really what they're evaluating is the land</p> <p>19 value, which is about 25,000 a key on the land</p> <p>20 value, which is -- you know, that seems market to</p> <p>21 me -- anywhere between 24 to 40 a key depending on</p> <p>22 location. I think that's what the 2.5- was</p> <p>23 looking at.</p> <p>24 I think the 5.5- ... 5.5-? --</p> <p>25 CEO: 4.9-.</p>	<p>1 COMMISSIONER BROCK: Yes. I just want to</p> <p>2 ask, Ms. Chair -- ask Mr. A a question.</p> <p>3 You're saying that -- because I thought that</p> <p>4 the HUD code had changed as far as the heartbeats</p> <p>5 to the room.</p> <p>6 I thought head of household got its own</p> <p>7 bedroom, and then all other bedrooms are two</p> <p>8 heartbeats to a room.</p> <p>9 Correct me if I'm wrong.</p> <p>10 CEO: Yes. HUD says two heartbeats to --</p> <p>11 our policy -- we changed our policy to --</p> <p>12 COMMISSIONER BROCK: Right.</p> <p>13 CEO: -- the head of household gets</p> <p>14 their own room. Then it goes to two heartbeats</p> <p>15 per room.</p> <p>16 COMMISSIONER BROCK: Oh, okay. So that's</p> <p>17 just -- we changed that --</p> <p>18 CEO: Yes --</p> <p>19 COMMISSIONER BROCK: -- on our code --</p> <p>20 CEO: -- yes --</p> <p>21 COMMISSIONER BROCK: -- not HUD.</p> <p>22 CEO: -- right.</p> <p>23 COMMISSIONER BROCK: HUD's own still say</p> <p>24 two heartbeats to a room?</p> <p>25 CEO: Yes.</p>
Page 46	Page 48
<p>1 COMMISSIONER WALKER: -- 4.9- is much more</p> <p>2 realistic of what we think it's worth based on</p> <p>3 its current condition.</p> <p>4 And, again, I think, you know, reasonable</p> <p>5 minds can differ as to what a project is worth.</p> <p>6 I always take the position a project is worth what</p> <p>7 a willing buyer and willing seller are willing to</p> <p>8 transact for it.</p> <p>9 CHAIRWOMAN HOROVITZ: Uh-huh.</p> <p>10 COMMISSIONER WALKER: You know, I still like</p> <p>11 the basis we'd be in on the deal overall.</p> <p>12 CHAIRWOMAN HOROVITZ: Uh-huh. I don't think</p> <p>13 we've talked about this.</p> <p>14 I'm sorry, Commissioner Brock. Quickly.</p> <p>15 There is an opportunity to develop adjacent</p> <p>16 to the building, because we would own the property</p> <p>17 to your point.</p> <p>18 And, have we estimated how many units we</p> <p>19 could put there?</p> <p>20 CEO: I know -- when we looked at it,</p> <p>21 I know we could probably put at least a minimum of</p> <p>22 maybe another 50.</p> <p>23 CHAIRWOMAN HOROVITZ: Yes. That's a great</p> <p>24 opportunity.</p> <p>25 Commissioner Brock.</p>	<p>1 COMMISSIONER BROCK: Okay. Gotcha.</p> <p>2 Thank you.</p> <p>3 CHAIRWOMAN HOROVITZ: Anymore discussion on</p> <p>4 Franklin Arms?</p> <p>5 I think that we're going to move forward</p> <p>6 with everything that we need. We'll just ...</p> <p>7 Commissioners?</p> <p>8 COMMISSIONER WALKER: Yes. Again, I would</p> <p>9 just say I've been on numerous -- you know,</p> <p>10 Dwayne has updated me on numerous calls,</p> <p>11 and I think -- I know our advisers aren't here.</p> <p>12 I wish they were here.</p> <p>13 I understand that this housing authority</p> <p>14 hasn't done structures like this before and hasn't</p> <p>15 been as aggressive like this before.</p> <p>16 I just want to keep going back to this,</p> <p>17 Dwayne.</p> <p>18 The board makes the decisions --</p> <p>19 CEO: Yes --</p> <p>20 COMMISSIONER WALKER: -- and we are telling</p> <p>21 folks to execute. If you aren't getting that,</p> <p>22 you need to let us know.</p> <p>23 CEO: -- yes.</p> <p>24 COMMISSIONER WALKER: My fear -- I think we</p> <p>25 have addressed some of it, but, based on the</p>

<p style="text-align: right;">Page 49</p> <p>1 conversations you and I have had, I fear that that 2 has not been -- they're listening, but they're not 3 hearing. 4 CEO: Thank you for that, Commissioner. 5 And, to that extent, I've been driving that 6 home, because we're going through this 7 due diligence process right now for Westwood. 8 And I don't want to get tied up into all of 9 the discussion about finance outside of us getting 10 through the due diligence process. I think 11 the due diligence process has gone smoothly. 12 We inspected the units. We got surveys back. 13 We went through the whole entire process. 14 I want to stay on queue with getting us to the 15 point of closing. 16 Some of the discussions -- when I had 17 discussions with CSG, some of the concerns were 18 with the acquisition fee -- I mean the development 19 fee. 20 And I'd say, "This can't be a deal-breaker. 21 The board sets the tone on how much we were 22 paying. We can discuss that later, but we have to 23 get through the due diligence process." 24 COMMISSIONER WALKER: Well, even that, 25 though -- right -- and this is where I get</p>	<p style="text-align: right;">Page 51</p> <p>1 business points that aren't to be -- like we 2 approved the underwriting. 3 We said, "We understand." 4 We sat here in a meeting with them and 5 negotiated what we said their fee should be. 6 I don't appreciate that. I just don't appreciate 7 that. 8 CHAIRWOMAN HOROVITZ: To your point, 9 Commissioner Walker -- and I agree, that the 10 emails are helpful. And, for the rest of the 11 board, these are like the memos and just the 12 comments from CSG. 13 I think that maybe they forget sometimes that 14 we're not just a public company. 15 Right? 16 We are kind of like a nonprofit even though 17 we're not a nonprofit. We're in the business of 18 community development. 19 So we want the guidance in what's the best 20 interest for our, you know, financial safe and 21 soundness as an organization, but we will still 22 -- we may still make a decision that is irrational 23 according to a financial adviser -- 24 COMMISSIONER WALKER: Franklin Arms is going 25 to be completely irrational. Let's just be very</p>
<p style="text-align: right;">Page 50</p> <p>1 frustrated based on the emails that, you know, 2 you've forwarded to me to let me know what's going 3 on. 4 Clearly, there's precedent in how we're doing 5 these deals. 6 CEO: Right. 7 COMMISSIONER WALKER: Houston Housing 8 Authority, you know, Goldman -- they sent over two 9 things that Goldman did with other public housing 10 authorities. 11 And the fact is that it sounds like we have 12 advisers who are saying, "Well, we don't think you 13 should do this type of deal, because, you know, 14 we think it's too much risk." 15 Right? 16 And what we're saying is, "We've reviewed the 17 underwriting. I think the board, at this point, 18 understands we need to look at the final 19 documents. We need to see what they say." 20 CEO: Right. 21 COMMISSIONER WALKER: "But like document the 22 deal that we've done, and let it come to the board 23 for final ratification." 24 Like I don't want -- I feel like, on those 25 emails, Dwayne, they're negotiating and discussing</p>	<p style="text-align: right;">Page 52</p> <p>1 clear. 2 CHAIRWOMAN HOROVITZ: -- because that's what 3 we're here to do. 4 COMMISSIONER WALKER: Correct. 5 CEO: I appreciate that. 6 COMMISSIONER BROCK: Okay. Ms. Chair, 7 I think you made a great point a few minutes ago. 8 CHAIRWOMAN HOROVITZ: All of my points are 9 great, Commissioner. 10 (People laughed.) 11 COMMISSIONER BROCK: Yes. But I'm saying -- 12 no. I'm talking about the one about the liens. 13 CHAIRWOMAN HOROVITZ: Okay. 14 COMMISSIONER BROCK: And, yes. It's true. 15 All of your points are great. 16 CHAIRWOMAN HOROVITZ: Thank you. Thank you. 17 COMMISSIONER BROCK: But I just want to -- 18 I agree with you, and I hope that Mr. Alexander 19 can get that information for us before we, 20 you know, stamp the deal so that we'll know what 21 we're up against when it comes to those. 22 Thank you so much. 23 CHAIRWOMAN HOROVITZ: And, Commissioner 24 Green, on a one-person family, 80 AMI is 49.6, 25 and the AMI in Duval is 93.3.</p>

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<p>1 COMMISSIONER WALKER: Holy mother of pearl.  2 CEO: 93.3?  3 COMMISSIONER GREEN: Yes.  4 COMMISSIONER WALKER: Is that HUD Novogradac?  5 CHAIRWOMAN HOROVITZ: I love Novogradac.  6 COMMISSIONER WALKER: I love Novogradac.  7 CHAIRWOMAN HOROVITZ: A family of four --  8 80 is 78.  9 CEO: And 120 is 93 at 80?  10 CHAIRWOMAN HOROVITZ: At 80, it's 49.6 for  11 one person. I need to figure out 120.  12 COMMISSIONER WALKER: But a four-person  13 AMI metro area is 90.  14 CHAIRWOMAN HOROVITZ: Yes -- 93.3.  15 COMMISSIONER GREEN: So, for the one-bedroom,  16 you're allowed three people, one adult and two  17 kids in a one bedroom?  18 CEO: What?  19 Say it, again.  20 COMMISSIONER GREEN: You said, "1.5."  21 So, how many people can fit in a one-bedroom?  22 COMMISSIONER WALKER: I think the HUD  23 standard -- you can go up to two --  24 MS. DUNN: Two --  25 CEO: Heartbeats.</p>	<p>1 documents went back and forth.  2 COMMISSIONER WALKER: When does our due  3 diligence period end?  4 CEO: November the 11th.  5 COMMISSIONER WALKER: I mean we should be  6 going to market to see what the pricing is on the  7 bonds like soon so we know --  8 CEO: Yes. Well, again, I explained to them  9 all that we need to have everything done by  10 Monday, which was Monday for the board meeting.  11 So that, instead of waiting until the last minute  12 ...  13 So, hopefully, everything will be situated  14 by Monday.  15 COMMISSIONER WALKER: Yes.  16 CEO: That was the goal.  17 COMMISSIONER WALKER: Because my concern is  18 having done these types of deals, you know,  19 it's going to take them, you know, 10 to 12 days  20 to go out and soft market the bonds to see what a  21 bond buyer's interest is going to be.  22 I mean, if the bond buyer's interest is,  23 "You know, we want to buy the bonds, but at  24 13 percent," we've got a problem.  25 CHAIRWOMAN HOROVITZ: Uh-huh.</p>
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<p>1 COMMISSIONER WALKER: -- two heartbeats per  2 bedroom.  3 MS. DUNN: -- so, ideally, a couple,  4 a husband and a wife.  5 COMMISSIONER GREEN: Gotcha.  6 COMMISSIONER BROCK: Right.  7 CHAIRWOMAN HOROVITZ: But we don't have an  8 opinion on that.  9 COMMISSIONER WALKER: We have no opinion,  10 no opinion whatsoever.  11 MS. DUNN: No.  12 COMMISSIONER WALKER: We don't care.  13 CHAIRWOMAN HOROVITZ: All right. Is there  14 any discussion around Westwood, or is that moving  15 along?  16 CEO: I think it's moving along very well.  17 CHAIRWOMAN HOROVITZ: Great.  18 COMMISSIONER WALKER: Where are we on  19 the financing?  20 That makes me a little paranoid.  21 CEO: I think we're getting there.  22 I think we're getting there. We're still  23 trying to work the things out with BMO and  24 Piper Sandler.  25 I think they're starting to -- I think the</p>	<p>1 COMMISSIONER WALKER: So I think you need to  2 tell Piper and the team whatever they need to do  3 to get out into the markets -- like we've got to  4 know.  5 Like I don't know how we approve a deal past  6 diligence if we don't have even a margin of  7 an indication of what the financing is going to  8 look like.  9 Today is what, the --  10 COMMISSIONER BROCK: 25th.  11 COMMISSIONER WALKER: -- yes. They should be  12 out to market Monday.  13 COMMISSIONER GREEN: So, through the Chair  14 -- so, if we purchase this deal, Franklin Arms,  15 what type of purchasing power do we have moving  16 forward with other deals?  17 CEO: What do you mean, what our credit  18 rating would be?  19 COMMISSIONER GREEN: Or the amount of money  20 we'd still have available to keep purchasing bond  21 capacity.  22 If we do this, are we limited to purchasing  23 other deals in the future, like the next year or  24 the year after?  25 CEO: No. So we have the capacity to --</p>


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<p>1 -- we can go up to about \$150,000,000 without it 2 impacting our credit score. 3 In terms of how we're doing internally 4 financially, I think we're pretty liquid. 5 We may have about \$40,000,000. 6 I think we might have close to 13- or 14- 7 unrestricted cash, and, with the line of credit, 8 it makes us really liquid with the 15,000,000 and 9 the 10,000,000. 10 CHAIRWOMAN HOROVITZ: The 10,000,000 to be 11 discussed at the board meeting next week. 12 In the Finance Committee Meeting, 13 Commissioner Green, I made the recommendation to 14 approve the \$15,000,000 line of credit with 15 Seacoast. 16 So that's going to be the recommendation of 17 the whole board to vote on exploring, doing an 18 additional 10,000,000 with TD, to have a total of 19 25-, but that's going to be a discussion, 20 if we want to have that much. 21 COMMISSIONER WALKER: I think the -- 22 oh, go ahead. 23 COMMISSIONER GREEN: No. 24 What were you going to say? 25 COMMISSIONER WALKER: -- I think the key on</p>	<p>1 you get -- I'd have to go back and look at the 2 rating. The rating is a public rating. I just 3 have to go back and look at the rating as to what 4 their methodology was. 5 CHAIRWOMAN HOROVITZ: Wasn't it 150- per 6 year? 7 What was the -- 8 COMMISSIONER WALKER: I think -- I think 9 that's what it was, because the assumptions in the 10 rating was you'd have assets performing to support 11 it. 12 But they didn't -- we would have to beef up 13 our ModDev Team -- 14 CHAIRWOMAN HOROVITZ: Right. 15 COMMISSIONER WALKER: -- and everything else 16 to be able to support more. I've got to go back 17 and look at the rating. 18 CHAIRWOMAN HOROVITZ: There was a per-year 19 element. 20 COMMISSIONER GREEN: It's 150- per year. 21 CHAIRWOMAN HOROVITZ: Yes. Thank you. 22 COMMISSIONER WALKER: I'm not saying we 23 should spend 150,000,000 a year, but ... 24 CHAIRWOMAN HOROVITZ: All right. Is there 25 any further discussion?</p>
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<p>1 the acquisitions, to your point, is, usually, 2 the way -- our biggest bang for our buck to be 3 able to acquire is definitely going to be the 4 bond market at least for the foreseeable future. 5 COMMISSIONER GREEN: Absolutely. 6 COMMISSIONER WALKER: And so the say S&amp;P 7 will look at it as -- I'm pretty sure it was 8 150,000,000 first tranche. I have to go back and 9 look at the rating, but I think it said, 10 you know, we can maintain our A+ credit rating 11 up to 150,000,000. 12 Anything over 150,000,000 they would want to 13 rereview where we're at on our deals before 14 saying, "Go out for another 100,000,000." 15 It's, you know -- but I think, you know, 16 look. We're going to be -- I don't think we're 17 bumping up against that with these deals. 18 COMMISSIONER GREEN: No. It's like 19 40,000,000. 20 COMMISSIONER WALKER: I think we're at 40- 21 45,000,000. 22 Was it 150- flat, or -- 23 CEO: It's actually -- we said 150-. 24 It's 150- to about 200,000,000. 25 COMMISSIONER WALKER: Yes. Because I think</p>	<p>1 Commissioner Green. 2 COMMISSIONER GREEN: So we like the Westwood 3 deal? 4 I read it a couple weeks ago. It seems like 5 it's just okay, but I guess we're a housing 6 authority. We can be in the business of just okay 7 deals. 8 CHAIRWOMAN HOROVITZ: What is causing concern? 9 COMMISSIONER GREEN: Well, I emailed you a 10 list of questions. I think it was just like maybe 11 the returns are really, really low, like 1 percent 12 or something less than that. 13 But I don't want to shoot down houses. 14 I mean it's 250 houses -- units available. 15 COMMISSIONER WALKER: I go back. For me, 16 again, I think the ROI here -- I think it's -- 17 do you know what the ROI was roughly? 18 MR. EDGAR: It depends whether you're looking 19 at cash on cash. 20 COMMISSIONER WALKER: What's the cash on 21 cash? 22 I thought it was in excess of 5-. 23 MR. EDGAR: I don't think it was that high, 24 but our -- 25 COMMISSIONER WALKER: Well, let me back up.</p>

<p style="text-align: right;">Page 61</p> <p>1 I think it was in excess of 5- when you count the 2 management fees. 3 MR. EDGAR: -- okay. 4 COMMISSIONER WALKER: Because one of the 5 unique things that we're doing here is the 6 management fee is effectively profit to us -- 7 MR. EDGAR: It is. 8 COMMISSIONER WALKER: -- because we already 9 have it staffed. We're not adding staff. 10 So, to me, the management fee is almost like 11 adding to your bottom line. 12 COMMISSIONER GREEN: Are we managing this? 13 MR. EDGAR: We are. 14 We don't -- just so you know, too, Chris -- 15 Commissioner and team, we don't actually -- 16 so, to be very conservative, I don't ever add that 17 back. And, as a team, we don't add that back, 18 which is great. 19 So you're exactly right to that point. 20 That's extra cash flow coming back to the agency 21 to support the COCC for greater missions. 22 Absolutely. 23 CHAIRWOMAN HOROVITZ: Commissioner Green, 24 to the point about managing it, there is a 25 disclaimer or something in the contract that,</p>	<p style="text-align: right;">Page 63</p> <p>1 CHAIRWOMAN HOROVITZ: Ms. Hodges, did you 2 have a question? 3 MS. HODGES: Yeah. I mean I'm sitting here 4 as y'all are talking with a flurry of emails 5 coming from bond counsel and CSG. 6 I would just say it might be useful for us to 7 have these consultants attend these meetings, 8 to the extent you're going to be asking questions 9 about the status of deals, and I think you're 10 going to be, you know, making directives. 11 And the confusion between what the 12 consultants -- I think we just need to have them 13 here at these types of meetings so that they -- 14 COMMISSIONER WALKER: Respectfully, 15 I disagree. I'm happy to have them here, 16 but, respectfully, I disagree. 17 That's his job (pointed to Mr. Alexander). 18 CEO: So I want to add to that. 19 I'm on calls with them just about every single 20 day, and I try to make sure the board is updated 21 on it. 22 I just have to be conscious of controlling 23 the cost that we're spending on these consultants, 24 because we're expending quite a bit of money. 25 CHAIRWOMAN HOROVITZ: On --</p>
<p style="text-align: right;">Page 62</p> <p>1 if the property rating fell down to a certain 2 point, they would take it over -- 3 COMMISSIONER WALKER: Correct. 4 CHAIRWOMAN HOROVITZ: -- which is -- 5 absolutely. I think we're all comfortable with 6 that. 7 COMMISSIONER WALKER: And I like that, 8 because they're on a -- I like that. That was a 9 good trade-off for us in this deal, because they 10 have an operating deficit guarantee here, 11 which basically, not only does their sub note 12 (phonetic), which is really deferred development, 13 not get paid, but they're incentivized, 14 unless this has changed. And I don't think it 15 has. 16 They're incentivized to make sure this 17 performs as much as we are. So it's kind of a -- 18 I like that structure, because it's a check and 19 balance like. 20 No offense, Mr. Alexander, but, you know, 21 if the staff is not performing, I would expect 22 them to be jumping up and down in here telling us 23 something is wrong. 24 I just like that it's an external check. 25 I really like that.</p>	<p style="text-align: right;">Page 64</p> <p>1 COMMISSIONER WALKER: Go ahead. 2 CHAIRWOMAN HOROVITZ: -- on that, should we 3 review that? 4 Now we are moving into more of the business 5 of being a developer. We should probably look at 6 relationships that are maybe not billed hourly. 7 COMMISSIONER WALKER: Strategic. 8 CHAIRWOMAN HOROVITZ: Maybe per deal. 9 We should explore how we can -- because we don't 10 want to feel like we're on the clock every time 11 we're talking to them, and then that might inspire 12 us to like not make the call that we need to make. 13 I just know that that can happen. 14 COMMISSIONER WALKER: Yes. 15 Ms. Hodges, I don't want you to think that 16 I'm -- the reason that I'm pushing for Dwayne to 17 do it is I don't want to be involved in this 18 day-to-day. 19 I don't want to have to sit here with our 20 advisers and have them, you know ... 21 What I ultimately want to get to is we get 22 a report from Dwayne from our advisers. 23 "Here is the full report." 24 At that point, we can have them on the call 25 to go through, and say, "Okay. Here's the</p>



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<p>1 recommendation."</p> <p>2 You know, ten proceed. One doesn't proceed.</p> <p>3 But like the emails, to your point --</p> <p>4 the flurry back and forth that I get forwarded a</p> <p>5 copy on -- it's like, "Look, Dwayne is running the</p> <p>6 ship."</p> <p>7 And, you know, Dwayne, if you've got to be</p> <p>8 more assertive and tell them to, "Knock it off,"</p> <p>9 or tell them, you know, "If you don't want to do</p> <p>10 it then, you know, move on," so be it.</p> <p>11 Respectfully, I really don't want to read</p> <p>12 40 emails, you know, a day on JHA deals.</p> <p>13 I'm not -- like we're not paid to do that.</p> <p>14 MS. HODGES: No. That's understood.</p> <p>15 I know the other, you know, entity,</p> <p>16 Housing Finance Authority -- they always have</p> <p>17 their professionals at their meetings,</p> <p>18 and it makes for very productive meetings.</p> <p>19 But I totally get it. You may not want that</p> <p>20 here. It's just a thought.</p> <p>21 COMMISSIONER WALKER: I think there is a time</p> <p>22 and place for it, but I mean I'd like our house to</p> <p>23 be in order from external before it gets to us.</p> <p>24 That's just my opinion.</p> <p>25 CHAIRWOMAN HOROVITZ: Commissioner Green.</p>	<p>1 And I take some of it. I discard some of it,</p> <p>2 and so a lot of my questions -- it may flag</p> <p>3 something. I am not saying that they are not</p> <p>4 adding value, and I do appreciate that.</p> <p>5 I don't know if what we're trying to</p> <p>6 accomplish in our discussion needs them in the</p> <p>7 room -- maybe occasionally -- but I think,</p> <p>8 if they do their job in this email that I'm</p> <p>9 looking at ...</p> <p>10 COMMISSIONER WALKER: Commissioner,</p> <p>11 I concur.</p> <p>12 Like this email is exactly what I would look</p> <p>13 for from CSG like this. This summary email,</p> <p>14 and I appreciated this. Because I agree with</p> <p>15 certain assumptions. I disagree with certain</p> <p>16 assumptions.</p> <p>17 CHAIRWOMAN HOROVITZ: Uh-huh.</p> <p>18 COMMISSIONER WALKER: But I have an email and</p> <p>19 a data point that I can reference relative to</p> <p>20 decisions we're trying to make.</p> <p>21 And, actually, Commissioner Green, I do agree</p> <p>22 with you, that there is -- look, again, just based</p> <p>23 on the email correspondence, there is definitely a</p> <p>24 disconnect still between the -- for lack of a</p> <p>25 better phrase -- "the risk profile that I think</p>
<p>1 COMMISSIONER GREEN: CSG is very</p> <p>2 conservative on how they estimate the deals.</p> <p>3 Because I don't get the chance to talk to them</p> <p>4 all of the time, I wouldn't be -- I wouldn't mind</p> <p>5 having them here -- especially for the acquisition</p> <p>6 meeting -- because I want to know, what is the gap</p> <p>7 between, you know, the housing authority?</p> <p>8 Because they're like our third-party</p> <p>9 consultant, and, at least, if they raise some</p> <p>10 questions that we may not have or maybe the</p> <p>11 housing authority didn't think about,</p> <p>12 I don't think that's necessarily a bad thing.</p> <p>13 Agreeing paying for them hourly --</p> <p>14 we probably should work something out with that,</p> <p>15 but ...</p> <p>16 CHAIRWOMAN HOROVITZ: I think we should talk</p> <p>17 about that as a board. We can bring that up next</p> <p>18 week.</p> <p>19 Certainly, the memos -- and I have</p> <p>20 comments.</p> <p>21 Mr. Alexander, did you share this email with</p> <p>22 the entire --</p> <p>23 COMMISSIONER WALKER: Uh-huh.</p> <p>24 CHAIRWOMAN HOROVITZ: -- okay. So those are</p> <p>25 helpful for me, because I can see their points.</p>	<p>1 this board is willing to take," versus the</p> <p>2 -- "pushback," might be too strong of a word</p> <p>3 -- the, "consternation," that we're receiving from</p> <p>4 third parties.</p> <p>5 I'm not saying it's inappropriate</p> <p>6 consternation, but, at some point, people that</p> <p>7 we're paying hourly need to get on the same</p> <p>8 page.</p> <p>9 CHAIRWOMAN HOROVITZ: Uh-huh. I mean a good</p> <p>10 example of that, in one meeting, they flagged</p> <p>11 interest rate risk.</p> <p>12 COMMISSIONER WALKER: Yes. We're aware.</p> <p>13 CHAIRWOMAN HOROVITZ: And I think that you</p> <p>14 can say that on any deal that we're going to look</p> <p>15 at for the next few years. We understand that,</p> <p>16 but we need to keep moving forward.</p> <p>17 Commissioner Green, did you get the email?</p> <p>18 I have a copy of it if you'd like.</p> <p>19 COMMISSIONER GREEN: No, I did not.</p> <p>20 COMMISSIONER HOROVITZ: Is that all right to</p> <p>21 share?</p> <p>22 COMMISSIONER WALKER: Yes. Should be.</p> <p>23 CHAIRWOMAN HOROVITZ: And I think, if we're</p> <p>24 not -- can we email them?</p> <p>25 Because, if they're getting loaded in</p>

1 Boardable, they're definitely getting lost.  
 2 COMMISSIONER WALKER: I will probably  
 3 recommend, since I'm probably the only one that  
 4 rows in the Boardable, that we terminate said  
 5 experience from Boardable.  
 6 CHAIRWOMAN HOROVITZ: What is the cost  
 7 savings going to be?  
 8 (People laughed.)  
 9 COMMISSIONER WALKER: We can go back to just  
 10 emailing them and go on from there.  
 11 MS. PARDE: Thank you.  
 12 MS. HODGES: Yes.  
 13 COMMISSIONER WALKER: Yes. I see both Kort  
 14 and Lawsikia saying that would be -- maybe not  
 15 Lawsikia --  
 16 MS. PARDE: No one has any --  
 17 COMMISSIONER WALKER: Okay. Boardable is  
 18 dead.  
 19 CHAIRWOMAN HOROVITZ: All right.  
 20 If there are no further comments from the room,  
 21 this meeting is adjourned.  
 22 Thank you-all very much. Have a nice day.  
 23 COMMISSIONER BROCK: Thank you.  
 24 (Whereupon, the proceedings in the  
 25 above-titled cause concluded at 11:09 a.m.)

1 CERTIFICATE  
 2 STATE OF FLORIDA )  
 3 COUNTY OF DUVAL )  
 4 I, Carol DeBee Martin, Certified Court  
 5 Reporter and Notary Public, certify that I was  
 6 authorized to and did stenographically report  
 7 to the best of my ability the foregoing proceedings  
 8 and that the transcript is a true and complete record  
 9 of my stenographic notes.  
 10 Dated this 7th day of November, 2023.  
 11  
 12   
 13 \_\_\_\_\_  
 14 Carol DeBee Martin  
 15 Notary Public State of Florida  
 16 My Commission: HH 038064  
 17 Expires: 12-29-2024  
 18  
 19  
 20  
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