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6 JACKSONVILLE HOUSING AUTHORITY BOARD OF COMMISSIONERS
7 FINANCE COMMITTEE MEETING
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9
10 TAKEN: Wednesday, October 18, 2023
11 TIME: 9:07 a.m. to 10:06 a.m.
12 PLACE: Jacksonville Housing Authority
13 1300 North Broad Street
14 Jacksonville, Florida 32202
(and via videoconference)
15 Taken by Carol DeBee Martin, court reporter.
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18
19
20 Carol DeBee Martin
21 Jacksonville Court Reporting, Inc.
22 1620 Bartram Road, Apt. 6111
23 Jacksonville, Florida 32207
24 (904) 465-0787 (cell)
25 debeemartin@aol.com

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1 APPEARANCES:
2 DWAYNE ALEXANDER, PRESIDENT/CEO
3 CHAIRWOMAN HEATHER HOROVITZ
4 COMMISSIONER HARRIET BROCK
5 EVANN MORRIS
6 ANTONIO PEREZ
7 VANESSA DUNN
8 DENNIS LOHR, CFO
9 COLENE ORSINI
10 GREGORY WILLIAMS
11 LAWSIKIA HODGES, ESQUIRE,
12 KORTE PARDE, ESQUIRE,
13 CATHY HUNT
14 CORDELIA PARKER
15 LINDA SIMS
16 TODD AUBUCHON
17 REYNOLD PETERSON
18 CHRISTINE PEREAU
19
20 VIA VIDEOCONFERENCE
21 COMMISSIONER CHRISTOPHER WALKER
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1 PROCEEDINGS
2 October 18, 2023 9:07 a.m.
3 CHAIRWOMAN HOROVITZ: Good morning.
4 It is Wednesday, October 18th at about
5 nine o'clock in the morning. This is the
6 Finance Committee Meeting.
7 I would like to call the meeting to order.
8 Is there any public comment in the room or
9 online?
10 (no response)
11 CHAIRWOMAN HOROVITZ: All right. Hearing no
12 public comment, we'll move on to the agency
13 financial overview.
14 Mr. Lohr, please.
15 CFO: Good morning, Commissioners.
16 We're looking at our financials today as
17 of September, 2023. This is our year-end
18 financial report for the housing authority.
19 These are preliminary numbers in that we are
20 still working through final reconciliations,
21 and the final numbers will be available through
22 our audit report.
23 Looking at our year to date for the current
24 month, the Central Office Cost Center has a little
25 bit of a loss. Year to date we're still doing

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1 very well. Overall, we're putting back about
2 7 1/2 million dollars of profits back into the
3 agency. So, overall, we're doing very well.
4 Looking at our central office, our revenue
5 has been a little bit under budget for the month
6 and for the year, but we're still doing very
7 strong with that. Our expenses in September are a
8 little high at \$674,633.
9 Looking at public housing, we ended up the
10 month at \$1,596,759 of revenue, and we ended up
11 at \$1,661,664 of expense.
12 MS. ORSINI: He can't hear you, Dennis.
13 CHAIRWOMAN HOROVITZ: Oh, Dennis, is your
14 microphone on?
15 CFO: I don't know.
16 Is the microphone on?
17 MS. MORRIS: Now it is.
18 COMMISSIONER WALKER: Can you hear me okay?
19 CHAIRWOMAN HOROVITZ: We can hear you.
20 Can you hear Dennis?
21 COMMISSIONER WALKER: It's definitely
22 choppy. I'm not sure -- I can hear you fine,
23 Commissioner Horovitz.
24 CHAIRWOMAN HOROVITZ: Do you mind using one
25 of those microphones?

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<p>1 CFO: Sure. Thank you. I'll try talking 2 into a regular microphone. 3 How is that? 4 COMMISSIONER WALKER: That is much, much 5 better. Thank you very much. 6 CFO: Okay. Looking at our Housing Choice 7 Voucher Program, we received \$1,342,085 in revenue 8 for the month of September. We're doing very well 9 there with our utilization and our admin fees. 10 For our expenses, we ended up the month at 11 \$895,051. So, overall, for the Housing Choice 12 Voucher Program, we're doing very well. 13 Looking at our Gregory West property, 14 we ended the month at \$132,148 of expenses (sic). 15 We're right on track with our budget, and we ended 16 up with expenses at \$65,754, just below budget. 17 Overall for the year Gregory West has done very 18 well. 19 Looking at our Jax Beach Apartments, 20 we're right on budget at \$81,084 for our revenue, 21 and our expenses are just slightly over budget for 22 the month at \$51,734. 23 Looking at Brentwood Park, our income is just 24 below budget at \$208,829. Our expenses for the 25 month are \$261,468. We had some extra maintenance</p>	<p>1 4 is excellent. So we're doing great with that. 2 Our MENAR is still strong at 16.32. 3 That means we can operate without any HUD funding 4 for a year and four months. 5 Looking at our RAD properties, we're into the 6 ninth month of the fiscal year for the RAD 7 properties. 8 For The Waves, we're right on track with our 9 income at \$154,195. Our expenses are a little 10 high for the month at \$81,624. 11 CHAIRWOMAN HOROVITZ: What's driving that? 12 CFO: I'm not sure offhand. 13 (Commissioner Brock entered the room.) 14 CHAIRWOMAN HOROVITZ: Can we follow up on 15 that? 16 CFO: Yes -- 17 CHAIRWOMAN HOROVITZ: And I apologize. 18 We should have had a pre-meeting -- 19 CFO: -- yes. 20 For Centennial Towers, our operating revenue 21 is \$148,939. So it's right on track with our 22 budget. Our expenses, again, are a little high at 23 \$144,036. 24 For Hogan Creek, we're at \$150,441 for our 25 income, and we ended up the month at \$88,326 for</p>
Page 6	Page 8
<p>1 expenses to get some of the apartments back up to 2 where they needed to be. 3 CHAIRWOMAN HOROVITZ: Can you provide a 4 little more color to that? 5 CFO: I believe there was some turnover in 6 some of the units, and we did some extra 7 maintenance with the turnover, some extra 8 landscaping expense, some extra pest control 9 expense, so just a little bit extra to address 10 some of the issues at the property. 11 CHAIRWOMAN HOROVITZ: Were there more issues 12 than are typical or that we planned for? 13 CFO: I don't know. I think the pest control 14 -- there was that one issue that we had earlier in 15 the summer. Outside of that, I don't know of any 16 extraordinary issues. 17 CHAIRWOMAN HOROVITZ: Okay. 18 CFO: Looking at our cash reserves, 19 we ended up the month with reserves of 20 \$40,365,000. So we're doing very well with our 21 cash. 22 Looking at our Quick Ratio and our MENAR, 23 our Quick Ratio -- we're doing very well. 24 Lowest, again, is 8 at scattered sites and 25 Colonial, in Baldwin, and HUD says anything over</p>	<p>1 expenses. 2 Any questions? 3 CHAIRWOMAN HOROVITZ: I have a couple. 4 I'll go first, and I'll open it up. 5 I do acknowledge that Commissioner Brock 6 has entered the room. So we have a quorum. 7 So, thank you. 8 On the two properties -- I think it was 9 Centennial Towers and it was at the beach rehab 10 -- the large variances in expenses -- just to 11 understand those a little better to see if that's 12 a trend. 13 CFO: Yes. 14 CHAIRWOMAN HOROVITZ: And, if we need to be 15 adjusting anything or explore how we can reduce 16 expenses -- 17 CFO: Yes. 18 CHAIRWOMAN HOROVITZ: And then, earlier, 19 I think you were talking about the central 20 office. 21 We had \$7,000,000 that we were turning a 22 profit; is that right? 23 CFO: \$7,000,000 overall for the agency. 24 CHAIRWOMAN HOROVITZ: Okay. Can you help me 25 understand where profit comes from?</p>

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<p>1 CFO: Basically, we take our income that we 2 receive, including all of our HUD income. 3 We subtract out all of our expenses, and that's 4 what we have remaining in operations. 5 CHAIRWOMAN HOROVITZ: So you're able to 6 increase your profit, because you're managing your 7 expenses or because we have got more properties 8 leased? 9 Like, what is really the driver? 10 CFO: It's managing our expenses. 11 CHAIRWOMAN HOROVITZ: Okay. Thank you. 12 Commissioner Brock, did you have a question? 13 COMMISSIONER BROCK: No. I'm good. 14 CHAIRWOMAN HOROVITZ: Commissioner Walker, 15 did you have a question on the financials? 16 COMMISSIONER WALKER: I did. 17 Can you scroll back to one of the slides for 18 the properties where you're showing the trend 19 lines? 20 So a couple of things. Hogan Creek is an 21 example. I think Centennial Towers -- can we go 22 to Centennial Towers for a second? 23 Yeah. So your trend line on your -- 24 I assume that your budgeted expenses trend line is 25 showing obviously we're trending in excess.</p>	<p>1 add. 2 COMMISSIONER WALKER: That was all I had, 3 Commissioner. Thank you. 4 CHAIRWOMAN HOROVITZ: I'd also like to 5 understand -- if we're looking at third-party 6 expenses, I know we had increased landscaping 7 and like pest control. 8 Where are we having increases for our 9 employees? 10 Like maybe overtime or for engaging with 11 additional third parties. Just to understand 12 that a little bit more would be helpful for me. 13 CFO: Okay. 14 CHAIRWOMAN HOROVITZ: Thank you. I have 15 nothing else. 16 Commissioner Brock? 17 COMMISSIONER WALKER: Commissioner, 18 I have one more, and I apologize. I was thinking 19 of something. 20 When we see these -- if I may, Commissioner 21 -- 22 CHAIRWOMAN HOROVITZ: Yes. 23 COMMISSIONER WALKER: -- sorry. 24 Dwayne, when we see expense ratios begin to 25 move up and to the right, do we enter into --</p>
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<p>1 Where are we seeing the largest delta between 2 budget and actual costs incurred? 3 I haven't been able to track that down 4 quickly. 5 CFO: Okay. I can look into that for you and 6 get an answer for you at the board meeting. 7 CHAIRWOMAN HOROVITZ: Thank you. 8 COMMISSIONER WALKER: And, Mr. Lohr, 9 thank you for that. 10 Mr. Alexander, does it still hold true -- 11 and I'm asking, not saying -- is the 5-percent 12 variance in the budget still pretty much the 13 standard deviation that, you know, HUD and the 14 housing authority would like to see? 15 CEO: That's correct. 16 COMMISSIONER WALKER: Okay. I think, 17 on these properties, Mr. Lohr, I'd like to see 18 just maybe at the board meeting an understanding 19 what the percent variance is to the overall 20 budget. 21 And, again, if I'm missing that in the 22 financial packet, I apologize. I'm scrolling 23 through it and don't see it quickly. 24 CHAIRWOMAN HOROVITZ: No. It's not clear. 25 I agree. Thank you. That would be a really great</p>	<p>1 so, obviously, HUD adjusts payments every year 2 based on CPI and other data points. 3 Do we engage or interact with HUD in 4 any way to express to them that, 5 as the boots-on-the-ground folks, we're seeing, 6 you know, not just insurance costs increasing, 7 but other costs increasing faster than maybe some 8 of the, you know, income adjustments that are 9 being made? 10 Or, is it that we don't take part or lobby 11 for any part of that conversation? 12 CEO: Thank you, Commissioner. 13 Thank you, Dennis. 14 Thank you, Commissioner. There has been some 15 talk, because the insurance throughout the country 16 has gotten outrageous. That seems to be the 17 biggest issue more than the subsidy. 18 The subsidy has been -- they have made 19 some adjustments to the subsidy as well as the 20 fair market rents. 21 As you know, the fair market rents came out 22 in August and went into effect October 1st. 23 So I think the overall subsidy is starting to be 24 a little more competitive than what it was in 25 the years in the past, and part of that is the</p>

<p style="text-align: right;">Page 13</p> <p>1 fact that we did put some money back into our 2 savings last year.</p> <p>3 Part of that does come back from the fact 4 that we are able to get that management fee and 5 that admin fee from public housing and Section 8. 6 So I think the funding is compatible.</p> <p>7 COMMISSIONER WALKER: Okay. And then, 8 assuming that it's the insurance, I actually 9 had a conversation -- and I think it's something 10 we should look into, Dwayne -- now they are much 11 smaller than us, but the Lake County Housing 12 Authority -- I have been talking with their 13 executive director on unrelated matters.</p> <p>14 And they're looking into doing -- and I'm not 15 saying we should or shouldn't do this -- 16 but an insurance captive, because their number of 17 claims are so low, which I'm not sure if it makes 18 sense for us to even look into that.</p> <p>19 I know we use the HUD, you know, 20 group captive, but I don't think we get any -- 21 and maybe I'm wrong -- I don't think we get 22 residual revenue from that.</p> <p>23 Do we?</p> <p>24 CEO: Well, the insurance that we have -- 25 we have gotten some residuals over the last couple</p>	<p style="text-align: right;">Page 15</p> <p>1 Do you have any comments on the minutes? 2 COMMISSIONER BROCK: No.</p> <p>3 CHAIRWOMAN HOROVITZ: Can I have a motion to 4 approve? 5 COMMISSIONER BROCK: I'll make a motion. 6 CHAIRWOMAN HOROVITZ: I'll second. 7 All in favor? 8 COMMISSIONER BROCK: Aye. 9 CHAIRWOMAN HOROVITZ: Aye.</p> <p>10 The minutes are approved. Thank you. 11 All right. I'd like to pull Resolution 12 JHA-41 and take that ahead of the two 13 line of credit resolutions.</p> <p>14 Mr. Alexander, can you please present 15 Resolution -41? 16 CEO: Thank you very much, Commissioner. 17 This resolution, -41, is with Intron. Intron is 18 working on our property Twin Towers.</p> <p>19 We were having the balconies redone over 20 there, and we spent about 1.4 million dollars on 21 that property. So the balconies were pretty much 22 damaged, and, when you looked at the balconies, 23 it had cracked from the balconies.</p> <p>24 They repaired the balconies, but they had a 25 crack in the storefront and went back to the</p>
<p style="text-align: right;">Page 14</p> <p>1 of years. I think last year, if I'm not mistaken, 2 we might have received an \$82,000,000 residual 3 for the year before.</p> <p>4 CFO: We can look at the exact amount. 5 CEO: Yes. 6 CFO: But we do get dividends -- 7 CEO: Yes. 8 CFO: -- from the insurance company.</p> <p>9 COMMISSIONER WALKER: Okay. So we are 10 getting dividends.</p> <p>11 That was really my question. You know, 12 it would be interesting to see what the ROI 13 is on that dividend compared to the insurance 14 costs we're paying in every year, Dennis. 15 It's just pure morbid curiosity.</p> <p>16 CFO: Okay. 17 CEO: Good.</p> <p>18 CHAIRWOMAN HOROVITZ: Thank you. 19 Commissioner Brock, do you have any 20 questions? 21 COMMISSIONER BROCK: Not quite yet. 22 CHAIRWOMAN HOROVITZ: Okay. Thank you, 23 Mr. Lohr.</p> <p>24 And we'll go back to the approval of last 25 meeting's minutes.</p>	<p style="text-align: right;">Page 16</p> <p>1 units. And two of the units were impacted by 2 this, which was an individual cost.</p> <p>3 So we're asking the board to approve the 4 modification of \$79,000 to address that crack and 5 put a new storefront on those buildings.</p> <p>6 We had an estimate done on it. We thought it 7 was pretty fair. Their architect looked at it, 8 and our in-house professional engineer looked at 9 it and saw that it was warranted.</p> <p>10 CHAIRWOMAN HOROVITZ: Okay. Thank you. 11 I don't really understand how this happened. 12 Can you help me understand? 13 So, did they cause the damage, and then they 14 are -- 15 CEO: It was damaged originally. 16 CHAIRWOMAN HOROVITZ: -- got it. 17 CEO: But, when you go into addressing the 18 balconies, you expose other things. 19 CHAIRWOMAN HOROVITZ: Okay. 20 CEO: What they did was exposed the fact that 21 there were cracks going back into the unit. 22 CHAIRWOMAN HOROVITZ: Okay. 23 CEO: So that's how it appeared. 24 CHAIRWOMAN HOROVITZ: And this is Centennial 25 Towers?</p>

Page 17	<p>1 CEO: No. Twin Towers.</p> <p>2 CHAIRWOMAN HOROVITZ: Okay.</p> <p>3 Commissioner Brock.</p> <p>4 COMMISSIONER BROCK: Thank you, Ms. Chair.</p> <p>5 So, Mr. Alexander -- so, was that the only</p> <p>6 problem that was exposed when they were doing the</p> <p>7 balconies, or was there other issues going on with</p> <p>8 some of the units?</p> <p>9 CEO: So anything that we had issues with in</p> <p>10 the past we addressed it.</p> <p>11 COMMISSIONER BROCK: Okay.</p> <p>12 CEO: This just popped up as they were</p> <p>13 addressing these. These are the only units that</p> <p>14 were identified that had cracked in the structure</p> <p>15 going into the units.</p> <p>16 CHAIRWOMAN HOROVITZ: So the repair --</p> <p>17 the 79,000 is the window and the repair of like</p> <p>18 the structure?</p> <p>19 CEO: Yes. It's the wall between the unit</p> <p>20 and the balconies going back. There's a crack</p> <p>21 in that wall.</p> <p>22 CHAIRWOMAN HOROVITZ: Okay. And then our</p> <p>23 engineer reviewed it to make sure that it was</p> <p>24 structurally necessary.</p> <p>25 CEO: Yes.</p>	Page 19	<p>1 CEO: No, it's not.</p> <p>2 COMMISSIONER WALKER: And then any --</p> <p>3 you know, any reason -- do we think we need to bid</p> <p>4 this out, or, since it's just a contract bond,</p> <p>5 we're comfortable with the numbers, and these</p> <p>6 numbers seem reasonable?</p> <p>7 CEO: Personally speaking, I think,</p> <p>8 if we bid it out, it would probably cost us more.</p> <p>9 They're already set up.</p> <p>10 COMMISSIONER WALKER: Yes.</p> <p>11 CEO: I think it's so much more efficient</p> <p>12 just to go through with the contract modification.</p> <p>13 COMMISSIONER WALKER: Great. No other</p> <p>14 questions.</p> <p>15 CHAIRWOMAN HOROVITZ: Thank you.</p> <p>16 All right. Do we have a motion to approve</p> <p>17 JHA-41?</p> <p>18 COMMISSIONER BROCK: I make a motion.</p> <p>19 CHAIRWOMAN HOROVITZ: I'll second it.</p> <p>20 All in favor?</p> <p>21 COMMISSIONER BROCK: Aye.</p> <p>22 CHAIRWOMAN HOROVITZ: Aye.</p> <p>23 Thank you.</p> <p>24 All right. We'll look at Resolutions</p> <p>25 -38 and -42.</p>
Page 18	<p>1 CHAIRWOMAN HOROVITZ: And then, is our</p> <p>2 process then that the engineer would come back and</p> <p>3 make sure it was done correctly?</p> <p>4 CEO: Yes. That is correct.</p> <p>5 CHAIRWOMAN HOROVITZ: I have no questions.</p> <p>6 Commissioner Walker.</p> <p>7 COMMISSIONER WALKER: Just for context,</p> <p>8 you know, this is pretty typical when you get into</p> <p>9 a building of this age. You're going to find --</p> <p>10 you know, it's peel back the onion layers.</p> <p>11 So this doesn't, you know, at least from my</p> <p>12 experience -- Dwayne, it doesn't surprise me.</p> <p>13 I have a question. You said our in-house</p> <p>14 group took a look at this. I am looking at</p> <p>15 this and some of the structural details.</p> <p>16 Again, maybe this is too far in the weeds,</p> <p>17 but I want to make sure.</p> <p>18 Do the wall head details and where they're at</p> <p>19 -- is that a fire wall we have to keep,</p> <p>20 a fire rated wall, or is that -- because it</p> <p>21 doesn't look to me -- it looks to me that it's</p> <p>22 just your standard fiberglass insulation.</p> <p>23 I'm just wondering if you know that.</p> <p>24 CEO: It's not the fire wall.</p> <p>25 COMMISSIONER WALKER: It's not a fire wall?</p>	Page 20	<p>1 Mr. Alexander, can you present them,</p> <p>2 please?</p> <p>3 CEO: Yes. Thank you, Commissioner.</p> <p>4 JHA-38 was originally brought to the board</p> <p>5 at the last meeting, and we talked about the terms</p> <p>6 of that agreement, of them providing us with</p> <p>7 \$10,000,000 in credit and a \$25,000 origination</p> <p>8 fee. And the lowest fixed interest rate was</p> <p>9 6.5.</p> <p>10 We had a discussion on it. We thought that</p> <p>11 was pretty good. We're just asking the board to</p> <p>12 approve this moving forward.</p> <p>13 CHAIRWOMAN HOROVITZ: Thank you.</p> <p>14 So, question. I believe JHA-38 is the</p> <p>15 TD Bank, and JHA-42 is the Seacoast.</p> <p>16 CFO: Yes.</p> <p>17 CHAIRWOMAN HOROVITZ: We had discussed ...</p> <p>18 Is that right?</p> <p>19 CFO: Yes.</p> <p>20 CHAIRWOMAN HOROVITZ: We discussed -38</p> <p>21 in our last finance meeting, but then we were</p> <p>22 presented with -42. And I don't remember if those</p> <p>23 numbers are correct in the board meeting.</p> <p>24 CEO: Right.</p> <p>25 CHAIRWOMAN HOROVITZ: So, why would we</p>

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<p>1 approve them together? 2 Don't we need to have a discussion? 3 MS. HODGES: Yes. You should discuss both. 4 So you should have some discussion about -38 and 5 -42 and figure out which one -- 6 CHAIRWOMAN HOROVITZ: I agree. 7 MS. HODGES: -- you want to move on. 8 CHAIRWOMAN HOROVITZ: Thank you. 9 Okay. So, can you please highlight the 10 differences? 11 Mr. Lohr, if you'd like to contribute ... 12 CEO: Do you want to speak to that, Dennis? 13 CFO: Yes, sir. 14 CEO: Go ahead. 15 CFO: The basic terms of the two deals are 16 very similar. The TD Bank has a 6.5 percent 17 interest rate on money that we borrow. 18 And we earn -- we'll deposit -- we basically have 19 the money already in TD Bank, because that's the 20 bank that we use. 21 So we would have that money separated within 22 TD Bank. We would earn 3.25 percent on the amount 23 that we're holding there, and then our line of 24 credit with TD Bank would be \$10,000,000. 25 For Seacoast Bank, they're giving us a little</p>	<p>1 audited financials. Seacoast will require audited 2 financials. 3 The easier one would be TD Bank, because we 4 already are banking with them. 5 CHAIRWOMAN HOROVITZ: Okay. And TD Bank is 6 our prior financial institution; is that right? 7 CFO: That's correct. 8 CHAIRWOMAN HOROVITZ: And they handle all of 9 our like treasury and -- 10 CFO: Yes -- 11 CHAIRWOMAN HOROVITZ: -- so we're not being 12 asked to move any part of that relationship to 13 Seacoast. 14 CFO: -- correct. 15 CHAIRWOMAN HOROVITZ: Okay. Because I know 16 that could be a really big lift for the 17 organization. 18 Commissioner Walker, I know that you had 19 strong feelings about TD Bank. 20 Do you have have anymore thoughts about these 21 two? 22 COMMISSIONER WALKER: Yes. Quickly. 23 I think, whether or not we have -- I don't think 24 -- again, my opinion -- I am very frustrated with 25 TD.</p>
Page 22	Page 24
<p>1 bit better rate, at 6.4 percent, a little bit 2 better rate on the interest, at 3.5 percent. 3 And then, for the origination fee, it's about 4 \$2500 less than TD Bank. And we would deposit 5 \$10,000,000 into a money market account for 6 18 months, and we would earn 3.5 percent interest 7 on that. And they would give us a line of credit 8 of \$15,000,000. 9 CHAIRWOMAN HOROVITZ: Did you say a 10 \$20,000,000 deposit, or was it \$10,000,000? 11 CFO: 10,000,000. 12 So Seacoast gives us a \$15,000,000 line of 13 credit for the \$10,000,000 deposit. 14 CHAIRWOMAN HOROVITZ: Okay. So I have asked 15 a few questions. I know the answers to these, 16 but I have some more questions. 17 And, Commissioner Walker and Commissioner 18 Brock, I'm sure you've got questions, as well. 19 As far as compliance with both of these 20 institutions, is one easier for us to manage? 21 So, for example, does one require audited 22 financials every year? 23 Is it an easier lift to the organization? 24 CFO: I would say that they are both going to 25 require the same amount. TD Bank is requiring</p>	<p>1 It took us going out and essentially 2 threatening to pull the relationship for them to 3 come back. I do not appreciate that on behalf of 4 JHA. 5 We should not have to do that. They should 6 be coming to us with ideas, not the other way 7 around. 8 I will leave it -- you know, that genuinely 9 vexes me as to how we got to that point in the 10 relationship, but, aside from that, I don't think 11 it is in JHA's best interest to only have one 12 banking institution, especially since we're going 13 through an acquisition. 14 I think different banks will have different 15 views of what we're doing, and I think it's 16 important to have those relationships. 17 So understand TD is our primary bank. 18 I would actually be in favor of moving forward 19 with both of these. 20 I mean, Dwayne and Dennis, assuming that 21 we have funds that will be sufficient to, 22 you know, deposit in both banks -- (inaudible) 23 that would allow it. 24 But, you know, a \$10,000,000 line of credit 25 and/or a \$15,000,000 line of credit in and of</p>

<p style="text-align: right;">Page 25</p> <p>1 themselves in the world we deal with doesn't 2 -- individually doesn't get us very far. 3 I think a \$25,000,000 aggregate line of 4 credit is a different conversation, but those are 5 just my thoughts. 6 CHAIRWOMAN HOROVITZ: Thank you. 7 I am also in favor of having multiple banking 8 relationships. I think that makes a lot sense, 9 especially because we're not looking to move any 10 other parts of it. 11 So, absolutely. Most of the nonprofits 12 that we work with have multiple relationships. 13 So I'm in favor of that, as well. 14 I don't think that we explored both of these 15 lines of credit. So that would be a new 16 conversation. 17 So you're thinking that we need to have more 18 flexibility, and 25,000,000 is actually giving us 19 more spending power? 20 CFO: Correct. 21 COMMISSIONER WALKER: Commissioner, if I can, 22 my thing with a line of credit is it's available. 23 It doesn't mean that -- I mean I would be aghast 24 if Dennis or Dwayne pulled from the line of credit 25 without coming to the board first.</p>	<p style="text-align: right;">Page 27</p> <p>1 Dennis, prior to this, we've had that 2 conversation, and, you know, it was -- I believe 3 this to be accurate -- it was not without effort 4 that we even had to get to the person at TD to, 5 you know, explain what we're doing. And then only 6 after we issued an RFP did they really come and, 7 you know, put something together. 8 So my frustration lies I think in how the 9 relationship is undertaken, not necessarily the 10 services rendered. 11 CHAIRWOMAN HOROVITZ: I think that's fair. 12 Mr. Alexander. 13 CEO: Yes. I agree with Commissioner 14 Walker. We have more than \$40,000,000 in 15 TD Bank. I was a little surprised that Seacoast, 16 who is not our bank, only asked for \$10,000,000, 17 and we have \$40,000,000 in there. And they allow 18 someone on the outside to come and make an offer 19 better than they did. 20 So I thought that, if anything, TD Bank would 21 have given us a better offer than anyone, because 22 we have so much money there. 23 But that's not the case. I'm real 24 disappointed in them to be honest with you. 25 CHAIRWOMAN HOROVITZ: When we got the</p>
<p style="text-align: right;">Page 26</p> <p>1 So what I like about it is the optionality, 2 not necessarily the -- you know, we're agreeing 3 that you're our primary relationship. 4 I mean I think it's pretty clear that 5 today our primary financial relationship is TD, 6 but, again, I like the optionality of it. 7 That's really what I like. 8 CHAIRWOMAN HOROVITZ: Commissioner Brock. 9 COMMISSIONER BROCK: So, Ms. Chair to 10 Commissioner Walker, you're saying that you're 11 upset because TD Bank did not offer us a line of 12 credit before we approached them? 13 COMMISSIONER WALKER: I am disappointed that 14 -- in my experience, especially in this market, 15 banks are, you know, very sensitive to their 16 larger relationships and making sure they're 17 happy. 18 CHAIRWOMAN HOROVITZ: Yes. 19 COMMISSIONER WALKER: My understanding is 20 that, you know -- Dwayne and Dennis, correct me 21 if I'm wrong -- you know, TD isn't exactly 22 proactive in being, you know, solutioning and/or 23 thought oriented, you know, based on what we're 24 trying to do. 25 And it's disappointing to me. I know,</p>	<p style="text-align: right;">Page 28</p> <p>1 proposal from Seacoast, did we share any of those 2 details with TD to allow them to match? 3 CEO: Did to talk to them? 4 CFO: I don't believe so. 5 CEO: No. 6 CHAIRWOMAN HOROVITZ: I think that the 7 multiple lines of credit is probably a 8 conversation for the full board. 9 But, if we're talking about having the 10 flexibility of a line of credit, I think that 11 we all agree that that is the right move for 12 the organization and for the reason it's nice to 13 have multiple financial relationships. 14 I would be in favor of approving JHA-41, 15 tabling -38 and then asking the board their 16 feelings on having multiple. 17 Would that be appropriate, Ms. Hodges? 18 MS. HODGES: Yes. 19 COMMISSIONER WALKER: Commissioner, I concur 20 with that. 21 CHAIRWOMAN HOROVITZ: Okay. So, if this -- 22 sorry. 23 COMMISSIONER BROCK: Ms. Chair, again, 24 if TD Bank did not know what the offer were, 25 they didn't even get an opportunity to even come</p>

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<p>1 back and give us a different offer. 2 So I don't understand why we're going to 3 approve -41 when TD Bank don't even know that this 4 -- we even have them out there. 5 CHAIRWOMAN HOROVITZ: Well, I think that -- 6 I mean, just from my banking life, I think that 7 they knew that their rate wasn't incredibly 8 competitive. 9 We've been loyal members, and they definitely 10 weren't, in my opinion, based on the terms -- 11 I think they are fine. They weren't generous. 12 And, also, for the reason it's good to have 13 multiple relationships, I would be in favor of 14 approving Seacoast even if they were exactly the 15 same terms. 16 So I'm not sure that we need to give TD Bank 17 the opportunity, because they weren't really 18 trying to woo us, if that makes sense. 19 Commissioner Walker? 20 COMMISSIONER WALKER: No. Commissioner, 21 I agree. Again, I think it's one of those where, 22 you know, I am very -- and I think, Commissioner 23 Horovitz, you're the same way, which is, you know, 24 relationships to me is, you know, really how -- 25 I value relationships.</p>	<p>1 Walker, you pointed out -- maybe it was 2 Mr. Alexander -- they should be approaching us 3 with ideas on how we can maximize what we're 4 trying to do in this community. 5 And it seems like they're not managing the 6 relationship appropriately, and so, you know, 7 hopefully, this will motivate them a little but. 8 But it also gives us a little bit more diversity, 9 which I'm in favor of. 10 MS. HODGES: So, through the Chair, if I can 11 just understand. 12 So, if the Finance Committee wants to move 13 forward with -42, you would just take that up and 14 vote on it. 15 But, if it's the will of the committee to get 16 this in front of the board, there are a couple of 17 pathways you can take. 18 Because right now this resolution is sitting 19 in the Finance Committee, and things don't come 20 out of this committee until this committee moves 21 on whatever is in front of it. 22 So you could, you know, pass -38 for purposes 23 of getting it to the board so there could be a 24 discussion on it. It's not like you're passing it 25 because of underlying merit.</p>
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<p>1 And I just feel that this relationship has 2 been taken for granted with TD, and I think, 3 for lack of a better phrase, you know, 4 they need to be aware that, "Hey, we're looking, 5 and we're paying attention." 6 CHAIRWOMAN HOROVITZ: Yes. 7 COMMISSIONER WALKER: And having a second 8 bank is never a bad idea. It quite frankly, 9 just like in this situation -- it keeps everybody 10 honest. 11 Right? 12 TD came out with their proposal at 13 10,000,000. Seacoast came out at 15-. 14 You know, it gives us a data point in the market. 15 So, again, I'm in favor, as well. 16 I think that, just from a strategic board 17 standpoint, it provides the housing authority with 18 optionality that currently it does not have. 19 CHAIRWOMAN HOROVITZ: And I just think that 20 to add more to that -- and we talked about this 21 before -- deposits right now -- it's like every 22 bank, credit union is looking for deposits. 23 And so they have a large deposit. 24 They've had this long-term relationship with the 25 housing authority, and I think, Commissioner</p>	<p>1 You're just trying to get it out of 2 committee. So, at the next board meeting, 3 it's in front of the board, and the board can take 4 it up for discussion. 5 The other way I suppose, Chris, is that, 6 when we get to the next board meeting, 7 if this committee does nothing with it, then you 8 could sort of, "discharge it --" what we call -- 9 out of this committee and bring it to the board. 10 That's another way to kind of get it, 11 but I just want y'all to understand that usually 12 the way the committee process works, 13 when resolutions come to a committee, 14 the committee has to dispense with it first in 15 order for it to get to the board. 16 CHAIRWOMAN HOROVITZ: Thank you. 17 So we are going to then pass -38. 18 MS. HODGES: Well, it's either you do that to 19 get it in front of the board, or Chris could 20 discharge it out of this committee when we get to 21 the next board meeting. I think that's another 22 option, as well. 23 COMMISSIONER WALKER: Commissioner Horovitz, 24 this is entirely up to you. You chose the 25 committee. If you call it for a vote and it</p>

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<p>1 moves, I fully -- I'm in line with that because of</p> <p>2 my position.</p> <p>3 But, if the committee doesn't want to make a</p> <p>4 affirmative, "Yes," which, you know, it kind of</p> <p>5 implies that we're in favor of it, it may be</p> <p>6 better to just, you know, put it on the agenda.</p> <p>7 Then I'll discharge it out of committee and</p> <p>8 bring it to the full board knowing that,</p> <p>9 you know, there was a discussion that needed to be</p> <p>10 had at the full board around the strategy,</p> <p>11 not necessarily the specific approval of the</p> <p>12 resolution.</p> <p>13 MS. HODGES: And then, just to be clear,</p> <p>14 also, if this committee today strongly feels like</p> <p>15 you're not in favor, you can recommend denial.</p> <p>16 You can also do that at the committee level.</p> <p>17 So you can approve for purposes of</p> <p>18 discussion, deny, if you feel like you want to</p> <p>19 deny, or just have the Chair discharge it out of</p> <p>20 committee at the next board meeting.</p> <p>21 CHAIRWOMAN HOROVITZ: Yes. I really just</p> <p>22 think that I wanted more conversation around if we</p> <p>23 want to have such a large total line.</p> <p>24 I feel like managing the multiple lines on</p> <p>25 top of everything -- and I want the agency to have</p>	<p>1 favor of pulling it out of this committee,</p> <p>2 you just put it on the committee agenda.</p> <p>3 And that way we don't have a record decision</p> <p>4 by this committee one way or the other.</p> <p>5 CHAIRWOMAN HOROVITZ: I agree with that.</p> <p>6 Yes. Thank you.</p> <p>7 But I am in favor, for the reasons we've</p> <p>8 discussed, of recommending JHA-42 to the full</p> <p>9 board.</p> <p>10 Okay. So, do we have a motion?</p> <p>11 COMMISSIONER BROCK: I make a motion.</p> <p>12 CHAIRWOMAN HOROVITZ: All right.</p> <p>13 I'll second.</p> <p>14 All in favor?</p> <p>15 COMMISSIONER WALKER: Before we approve,</p> <p>16 could we make sure -- there is a typographical</p> <p>17 error in the third, "WHEREAS."</p> <p>18 It says, "... money to purchase affordable;</p> <p>19 and ..." it should be, "... affordable housing or</p> <p>20 low-income housing."</p> <p>21 And then, before it gets to the board,</p> <p>22 can we make sure that legal has signed off on it,</p> <p>23 if they haven't already?</p> <p>24 Sorry to interject.</p> <p>25 CHAIRWOMAN HOROVITZ: No. Thank you.</p>
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<p>1 the flexibility to pursue things and move</p> <p>2 quickly. I see the value there.</p> <p>3 I think the 25,000,000 total makes me</p> <p>4 a little uncomfortable, and I just want to talk</p> <p>5 about that as a group or a larger group.</p> <p>6 So I would be in favor of dispensing.</p> <p>7 So, can you please tell me ... sorry.</p> <p>8 Commissioner Brock, do you agree?</p> <p>9 Discharge?</p> <p>10 COMMISSIONER BROCK: (nodded head</p> <p>11 affirmatively)</p> <p>12 CHAIRWOMAN HOROVITZ: Thank you.</p> <p>13 COMMISSIONER WALKER: Discharge.</p> <p>14 CHAIRWOMAN HOROVITZ: Did someone say,</p> <p>15 "dispensing," though?</p> <p>16 I heard that word.</p> <p>17 MS. HODGES: Yes.</p> <p>18 CHAIRWOMAN HOROVITZ: Thank you. Thank you.</p> <p>19 Are we discharging or dispensing?</p> <p>20 I don't know.</p> <p>21 COMMISSIONER WALKER: Discharging.</p> <p>22 CHAIRWOMAN HOROVITZ: Discharge. Yes.</p> <p>23 MS. HODGES: So, Chris, you've heard the</p> <p>24 conversation, and, Dwayne, you're hearing it.</p> <p>25 So, at the next board meeting, if the Chair is in</p>	<p>1 And I'm sorry. I am assuming that all resolutions</p> <p>2 are going through legal.</p> <p>3 Is that still true?</p> <p>4 MS. HODGES: Yes. I've reviewed these.</p> <p>5 I have.</p> <p>6 CHAIRWOMAN HOROVITZ: All right.</p> <p>7 So all in favor?</p> <p>8 COMMISSIONER BROCK: Aye.</p> <p>9 CHAIRWOMAN HOROVITZ: I second.</p> <p>10 Aye.</p> <p>11 All right. JHA-42 passes for full board</p> <p>12 approval.</p> <p>13 Closing comments. I would like to have</p> <p>14 some discussion around Franklin Arms.</p> <p>15 I know there was some development this week.</p> <p>16 Mr. Alexander, can you share that with the</p> <p>17 board?</p> <p>18 CEO: Yes.</p> <p>19 So we had an appraisal come back at</p> <p>20 2.5 million dollars as is. Also, there was</p> <p>21 an estimate at 4.9 million dollars.</p> <p>22 It was much lower than what we anticipated.</p> <p>23 It did state that the property needs about</p> <p>24 4- to 5.1 million in upgrades in there to be able</p> <p>25 to make the property's value at stabilization.</p>

<p style="text-align: right;">Page 37</p> <p>1 It would be worth about 10.1 million dollars. 2 We talked to the owner, Mr. Katta, 3 and he was a little disappointed, because his 4 estimate or appraisal that he had from a couple 5 years ago had it at 7.5 million dollars. 6 And he's underneath the impression, 7 with the new Jaguar Stadium and the new 8 Ritz Carlton that they claim they're putting over 9 there, it will yield him \$15,000,000 at that 10 property or at least \$14,000,000. 11 So, when we had the discussion with him that 12 the appraisal came back -- and we have to go back 13 and review that appraisal. 14 Because the 2.5- is not a good assessment, 15 you know, from my point of view, as the true value 16 of that property. 17 Because it is 50-percent occupied, and, 18 if you look at that from a cash flow, 50-percent 19 occupied -- if you take an average of at least 20 \$500 per unit, you're talking about at least 21 \$600,000 a year. 22 So what happens is -- I had a discussion with 23 him, and, originally, he wanted 8,000,000. 24 He was donating back 250,000. 25 When I last talked to him, he was at</p>	<p style="text-align: right;">Page 39</p> <p>1 was around 120- to \$140,000, which we think 2 they're worth. 3 So I'm having this discussion, because I want 4 to make sure I get to the point with the board 5 on what would they like for me to do? 6 Should we move forward? 7 Because most of the time, when you look at a 8 property, who wants to pay more than what the 9 appraised value is for a piece of property? 10 But I don't think -- this is my opinion -- 11 that's a real good gauge on that valuable asset 12 in that area at this specific time. 13 CHAIRWOMAN HOROVITZ: Commissioner Brock, 14 Commissioner Walker, do you want to go first? 15 Is your hand raised, Commissioner Walker? 16 COMMISSIONER WALKER: Yes. And, thank you, 17 Commissioner. 18 So a couple of things. In my world, 19 I appreciate certainly what appraisers do and how 20 they go about this. 21 But, in my world, the value of a property is 22 what a willing buyer and a willing seller are 23 willing to agree to. That is my general 24 overarching theme. 25 I will say this. This, to me, is why we're</p>
<p style="text-align: right;">Page 38</p> <p>1 7.2 million dollars. I have to have another call 2 with him today, because he wants to know exactly 3 what we want to do. 4 And my fear assessment, combined with the 5 upgrades -- it could put us at a decent number 6 with some upgrades -- about \$4,000,000 in upgrades 7 -- you could do 4- to \$5,000,000 in upgrades, 8 including the 1.5 million dollars that's coming 9 from Lift Jax -- it's a strong possibility we 10 could easily be out-of-pocket maybe close to 11 \$5,000,000, if we got the property for 5.6. 12 But I would say this. I had to think about 13 it, and I had a discussion with the team. 14 That property has 100 units, and, if we renovate 15 those units -- first, we have to look at the 16 economic impact and the social impact it has in 17 that community. 18 That property represents 50 percent of the 19 crime in that neighborhood, and, if we can turn 20 this property around, it would be a good 21 partnership for that neighborhood, a good 22 partnership with Lift Jax. 23 We went through the numbers preliminarily 24 and think that the property could cash flow. 25 Because, when we looked at it, the cost per door</p>	<p style="text-align: right;">Page 40</p> <p>1 doing what we're going, and what I mean by that 2 is, you know, finding ways to revitalize property, 3 community. 4 I also think this is why we do other deals, 5 deals that may be a little bit more, you know, 6 down the middle for us and have cash flow. 7 So we can support deals that we do like this. 8 Notwithstanding the appraisal, I think we'd 9 be doing a disservice to the population that we 10 serve and are supposed to serve not to find a way 11 to do this deal. 12 I understand that, from a valuation 13 perspective, it may be a stretch. I understand, 14 from a cash flow perspective, you know, 15 we may be out-of-pocket until we stabilize that. 16 But I really think that, you know, 17 when you weigh the pros and cons for the 18 overarching strategic mission, this is what we're 19 supposed to be doing. 20 So, you know, I think there should be 21 conversation around, "How low can we go?" 22 But I don't think we should let this deal 23 die. You know, I think that's a disservice to 24 everything we're supposed to be doing. 25 I also think, you know, this will be the one</p>

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<p>1 where -- Dwayne and I have had numerous 2 conversations, and this drives me a little bit 3 crazy. 4 You know, I'm going to assume -- 5 and I lost the video. I don't know if that was 6 intentional or not. People probably don't want 7 to, you know, see me. 8 CHAIRWOMAN HOROVITZ: Yes, we do. 9 COMMISSIONER WALKER: There we are. 10 I think, you know, Dwayne and I have had 11 conversations about this, as well, 12 and, Commissioner Horovitz, I think this is 13 something the Finance Committee should 14 contemplate. 15 The board is looking at these deals and 16 making policy decisions around this understanding. 17 There is an economic impact and financial impact 18 to the agency. 19 But these are deals that, from a traditional 20 underwriting perspective -- you know, 21 a third party is going to look at, and go, 22 "Well, you won't make money for three years. 23 You won't make money for five years. It's not 24 worth what you're doing. You know, why are you 25 doing this?"</p>	<p>1 on Normandy, when really, in reality, we were only 2 getting the land. And then we had to come back 3 and set it up where we can get those units. 4 Well, the same thing with this. We were told 5 one thing, and now we are totally looking at 6 something totally different. 7 And we are literally going to be upside down, 8 and I get it that we'll get a profit in three 9 years. 10 But I'm also still stuck back to our original 11 properties that we have, because I truly have a 12 passion that I want to see us have all of our 13 units look good and be nice, not just new 14 properties that we're acquiring here at the 15 housing authority, but our existing properties. 16 And so that's why I'm just wondering, 17 if we want to put that kind of money into that to 18 do it, because we got to put the money into it to 19 bring it up. I just didn't expect for us to be 20 upside down in it. I didn't -- and that we had to 21 wait three years to see a profit from it. 22 CHAIRWOMAN HOROVITZ: Thank you, 23 Commissioner Brock. 24 So a couple of things. First, I think this 25 is very different from Chase. That was a huge</p>
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<p>1 And the answer is, you know, because this is 2 what we're tasked to do, and we believe that, 3 with our team and the resources, that this will 4 work out in our favor and will ultimately be an 5 asset we can be proud of. 6 I just think we've got to set the guardrails, 7 and say, "You know, look. The board is making 8 policy decisions based upon what is being 9 presented to us, and we're not asking you to 10 renegotiate deals, to renegotiate terms. 11 We're asking you to execute on what we're 12 approving." 13 So I think that -- I really firmly believe 14 that this is a deal that we should be executing. 15 It's literally one of the top five blights -- 16 maybe three blights in the city, and I think we 17 have a duty to fix it. 18 CHAIRWOMAN HOROVITZ: Yes. 19 Commissioner Brock. 20 COMMISSIONER BROCK: Ms. Chair, I think we 21 have a duty to do what we do, but then my struggle 22 is -- my struggle is that it goes back to the 23 Normandy property with Chase. 24 When we had the presentation presented to us, 25 we thought we were getting 102 houses over there</p>	<p>1 misunderstanding, and I think that we've gotten 2 through that. 3 I don't feel like there was any misleading or 4 any bait and switch on this at all, and, frankly, 5 I'm not surprised at all that the appraisal came 6 in low. 7 This is about -- if you've driven by the 8 property, this isn't about what I think anybody 9 would pay for it. 10 So I think that mentally I went into this 11 knowing that we would be upside down, and I don't 12 think that we're talking about doing this deal 13 because this is going to be a huge moneymaker. 14 And I have, you know, advocated for this 15 deal from the beginning, that it's really so 16 transformational for this part of the city, 17 and I just think that addressing all of the crime 18 it's going to be a huge add for the neighborhood. 19 There is a lot of development happening 20 around it. Absolutely. And I think that the 21 housing authority aligning with all that 22 development and pushing affordable housing into 23 this part of Jacksonville is just such a huge win 24 for the agency. 25 And I think that Commissioner Walker</p>

<p style="text-align: right;">Page 45</p> <p>1 mentioned that, you know, we're looking at 2 traditional financing. This certainly wouldn't, 3 you know, pass traditional underwriting. 4 But we have a unique opportunity because of 5 our, you know, financial options that we could 6 fund a deal like this. 7 So I think that that gives us a lot of 8 power to really make something like this happen. 9 So I think that's super exciting. 10 I love that the 100 units could be coming 11 online and that we could be, you know, bringing 12 that housing to this neighborhood where people 13 will really want to live after all this other 14 development happens. 15 So I'm still very much in favor. I think 16 it's a great conversation for us to have with a 17 full board. 18 My recommendation would be that we continue 19 to move forward, but I do understand your 20 apprehension. And you can address it. 21 COMMISSIONER BROCK: And my other 22 apprehension about it is -- because I do know that 23 Mr. Alexander always say that we are doing 24 affordable housing. 25 And my other question -- my other thoughts</p>	<p style="text-align: right;">Page 47</p> <p>1 units or four-bedroom units, it's units. 2 100 units. 3 And, typically, we normally spend about 30- 4 or \$40,000 -- 30- or \$40,000,000 -- more so 5 like 31- or \$32,000,000 for 100 units. 6 And, when you look at the scheme of things, 7 our waiting list, which is -- the one-bedrooms 8 -- we have an average of five to seven years. 9 That is our most challenged category on 10 our waiting list is our single bedrooms. 11 These units will be low-income. 12 They will definitely be low-income, and there are 13 definitely one-bedrooms, which we need the most. 14 So I think that this deal -- just to point 15 back to the original deal, if we want to talk 16 about the original deal, when we presented this to 17 the board, we were looking at paying \$8,000,000. 18 So anything less than that is -- 19 CHAIRWOMAN HOROVITZ: Yes. It's a win. 20 CEO: -- yes. There you go. 21 CHAIRWOMAN HOROVITZ: And, Commissioner, 22 I know that you mentioned a number of times -- 23 and I love that you care about our residents and 24 where they're currently living. And I know what 25 we've talked about -- and I believe we did</p>
<p style="text-align: right;">Page 46</p> <p>1 are, how much is this going to impact our waiting 2 list? 3 I'm talking about our waiting list. 4 I'm not talking about affordable housing. 5 I'm talking about our waiting list that people 6 have applied for housing. 7 How much will it impact -- even though it's 8 100 units, how much is it going to impact, 9 or are we going to do those just like we did 10 those JWB properties? 11 Just put it out there for affordable housing 12 for families that are making under ... 13 Is it 80,000, you said? 14 CEO: 80 percent of the area median income. 15 COMMISSIONER BROCK: Right. So that's 16 another thing that I'm wondering about. 17 Is it going to be providing houses for 18 people who are on our waiting list, or is it going 19 to be just providing affordable units? 20 CHAIRWOMAN HOROVITZ: Do you have a specific 21 answer for that? 22 CEO: Thank you. Thank you, Commissioner. 23 Let me just put this out there. One, there 24 is 100 one-bedroom units, and you have to look at 25 it in terms of units, whether it's three-bedroom</p>	<p style="text-align: right;">Page 48</p> <p>1 schedule the Assessment Management Meeting -- 2 CEO: Yes. 3 CHAIRWOMAN HOROVITZ: -- that we are setting 4 aside funds to make sure that the properties that 5 we currently have are being maintained and that 6 they're nice like you said. 7 But the reality is we're going to have a 8 mix. You know, the newer properties -- whatever 9 -- you know, new construction is just nicer. 10 So we do need to make sure that we're setting 11 aside and taking care of the properties that we 12 currently have in our portfolio, but, as we bring 13 new properties online, there will be differences. 14 And I think that that's just the natural mix. 15 CEO: And I would add to the equation that, 16 typically, we do build -- or we're attempting to 17 build, but we are focused on low-income, which is 18 80 percent or less. 19 So, on our waiting list, typically, 20 some folks are on there that are over income. 21 They just don't know their status until they apply 22 and we go through the application process. 23 Some of them are eligible, and some are not 24 eligible. It's not as if everyone on our waiting 25 list will be a qualified tenant in our program.</p>

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<p>1 So we specifically focus on that 80 percent</p> <p>2 or less, and that's where the big gap is,</p> <p>3 in terms of us doing work and anyone else doing</p> <p>4 work in Jacksonville or in Duval County.</p> <p>5 Everyone else makes affordable housing</p> <p>6 units. It's to a point now, when you look at some</p> <p>7 of these deals, they're going from 120 percent to</p> <p>8 140 percent AMI, and have no low-income families</p> <p>9 in mind.</p> <p>10 Then there are other organizations through</p> <p>11 the City of Jacksonville that are doing some work,</p> <p>12 but they're more so targeted towards homelessness.</p> <p>13 And I had a discussion with Councilman</p> <p>14 Carlucci, just the other day, just two days ago,</p> <p>15 and he wanted to clearly understand. Because he's</p> <p>16 now the chairperson for the Homeless Committee for</p> <p>17 the city.</p> <p>18 And I explained to him that, if you do not</p> <p>19 shut off the faucet with low-income families,</p> <p>20 then everybody is going to be homeless.</p> <p>21 To be able to deal with homelessness,</p> <p>22 you have to address the low-income families,</p> <p>23 and I mentioned several times in our meetings that</p> <p>24 we house over 40,000 individuals. And the average</p> <p>25 income is anywhere between 12- and \$14,000,</p>	<p>1 and they come out at different times of the year.</p> <p>2 So depending what's out there we typically apply.</p> <p>3 CHAIRWOMAN HOROVITZ: Are there any other</p> <p>4 comments on anything that we have been discussing?</p> <p>5 Commissioner Walker, are you still there?</p> <p>6 COMMISSIONER WALKER: No.</p> <p>7 But I would, Dwayne, on the agenda make sure</p> <p>8 we call out this specific deal. I know you do a</p> <p>9 general update, but I really want to get this</p> <p>10 specific deal and have a board conversation and</p> <p>11 ultimately board direction for you and the team</p> <p>12 coming out of that meeting to make sure we know</p> <p>13 how we're proceeding.</p> <p>14 CHAIRWOMAN HOROVITZ: And then, before we</p> <p>15 close, we had been talking about Westwood.</p> <p>16 I think that there was some back and forth.</p> <p>17 Was there an update on that deal?</p> <p>18 CEO: Yes. So we had a meeting yesterday.</p> <p>19 I met with CSG, as well as BMO, and I had a</p> <p>20 meeting with them yesterday. And the day before</p> <p>21 that it was a group of us, including Integral,</p> <p>22 on the progress.</p> <p>23 BMO -- from their perspective, the deal is</p> <p>24 moving right along on schedule. We're on point.</p> <p>25 All the reports are in.</p>
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<p>1 which is \$60,000 less than the area median income.</p> <p>2 We're talking about extremely low-income.</p> <p>3 CHAIRWOMAN HOROVITZ: Thank you.</p> <p>4 Commissioner Brock, do you have any other</p> <p>5 comments?</p> <p>6 COMMISSIONER BROCK: Nope.</p> <p>7 CHAIRWOMAN HOROVITZ: I'm sure that we'll</p> <p>8 have this conversation in our full board meeting,</p> <p>9 but I did want to have it -- this conversation --</p> <p>10 here. Because it would be my recommendation from</p> <p>11 a financial perspective that we would continue</p> <p>12 moving forward, but we can discuss it as a group.</p> <p>13 As an aside, are we exploring other funding</p> <p>14 opportunities?</p> <p>15 I know we do apply for grants.</p> <p>16 Do we have a list?</p> <p>17 It would be nice if we could include a list</p> <p>18 of the grants that we're pursuing, the amounts</p> <p>19 and maybe an update so we can have a sense of how</p> <p>20 that might impact the agency.</p> <p>21 Is that possible?</p> <p>22 CEO: Yes. Most of the grants we applied for</p> <p>23 -- we applied, and, on a couple of the RAD deals,</p> <p>24 we got some sales money.</p> <p>25 We also apply for different programs,</p>	<p>1 Now CSG is going through the whole process</p> <p>2 with BMO attorneys to make sure we have everything</p> <p>3 scheduled for the bond process so that deal is</p> <p>4 on point.</p> <p>5 And one of the things that I put out to --</p> <p>6 CSG wanted to get a little tied up into</p> <p>7 negotiating some of the terms that the board</p> <p>8 originally approved of, in terms of the \$2,000,000</p> <p>9 of the assessment management fee.</p> <p>10 And I told them that we will not entertain</p> <p>11 that only if in the sense that the board approved</p> <p>12 the terms as is.</p> <p>13 If we can come back with 1.5 million dollars,</p> <p>14 yes. That would be fine.</p> <p>15 But, to come back because they wouldn't</p> <p>16 budge for the \$2,000,000 and that kills the</p> <p>17 deal, that will not take place.</p> <p>18 CHAIRWOMAN HOROVITZ: Can I make a request?</p> <p>19 I think that all of our documents are now</p> <p>20 being shared in Boardable.</p> <p>21 CEO: Yes.</p> <p>22 CHAIRWOMAN HOROVITZ: For me, I'm not seeing</p> <p>23 everything. I know you-all love Boardable,</p> <p>24 but I'm still -- okay. Maybe we can talk about</p> <p>25 that as a board.</p>

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<p>1 But, as we get memos, as we get reports that 2 you think are important for the board to review, 3 rather than us having to hear about a report and 4 then asking for it, can we have some process 5 that, if you get a memo from CSG, for example, 6 that we have a financials folder of some kind? 7 Or just organize us so we can have access to 8 anything that would be important for us to be 9 looking at. I feel like there's more I want to be 10 seeing. 11 We're having meetings that have minutes that 12 come out of them, and like we're not -- I don't 13 think we have as much transparency into all of 14 these deals as I think that we could have. 15 And I'm sure that they'd be willing to provide 16 updates. 17 Usually, when I have calls, you get, 18 you know, follow-up. 19 "You know, this is what we discussed. 20 This is what we agreed to." 21 That would be really great information for 22 me, and I'm sure the rest of the board would 23 appreciate that, if that's possible. 24 CEO: Yes. So everything we basically do is 25 based on an instruction from the board moving</p>	<p>1 these deals are new to the housing authority. 2 I totally understand that. 3 But new doesn't mean that we should, 4 you know, shy away from them or not look to pursue 5 them. And I just -- based on some of the 6 conversations Dwayne and I have had, I feel like 7 people are looking for reasons to not do something 8 versus looking for solutions. 9 And I think we need to be -- the direction 10 from the board is, "Is there a solution to make 11 sure that the deal works protecting our 12 interests?" 13 But, you know, not just saying, "Oh, no. 14 We don't understand. We don't want to do it this 15 way." 16 That does us a disservice. 17 CHAIRWOMAN HOROVITZ: Absolutely. 18 And I don't want to have more insight to slow 19 things down or put a stop sign up. I really want 20 to just have the awareness so I don't have to ask 21 questions and slow you down in getting the answer. 22 COMMISSIONER WALKER: Agreed. 23 CHAIRWOMAN HOROVITZ: So that's really what 24 I want access to. 25 Commissioner Brock.</p>
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<p>1 forward with the deals. 2 So anytime we go through the due diligence 3 period, there are some reports that need to be 4 generated. If you'd like to have the reports, 5 definitely. 6 But we don't change any direction that the 7 board gave us in these meetings, just moving 8 through the process, and, also, I did mention 9 that General Counsel is typically on those 10 calls, as well. 11 CHAIRWOMAN HOROVITZ: Okay. I think that my 12 recommendation would be that, as we're having 13 meetings, if we could share, "We met this. 14 We discussed this. This was the resolution," 15 as much as that is possible. I think that would 16 be helpful. 17 Commissioner Brock. 18 Commissioner Walker. 19 COMMISSIONER BROCK: Yes. 20 COMMISSIONER WALKER: I concur. I think 21 having that information so that we can look at it 22 -- I just go back to this, Commissioner Horovitz 23 and Commissioner Brock. 24 I have had some calls with Dwayne where 25 I continue to be frustrated. I appreciate that</p>	<p>1 COMMISSIONER BROCK: And, Ms. Chair, 2 I ditto what you just said. I'm not trying to 3 slow anything down or stop anything. 4 COMMISSIONER WALKER: No. 5 COMMISSIONER BROCK: I just want to make 6 sure, like you just said, that we are aware in how 7 the process is going. 8 CHAIRWOMAN HOROVITZ: Absolutely. 9 COMMISSIONER WALKER: To be clear, 10 Commissioner Brock, that was not directed towards 11 you whatsoever. 12 I think the board is actually in a great way 13 and to a point where we're proactive and 14 forward-looking maybe even more so than some of 15 our vendors are. 16 Right? 17 I think we need to push our vendors to be 18 solution-oriented forward-looking as much as the 19 board is, as well, if that makes sense. 20 CHAIRWOMAN HOROVITZ: Absolutely. 21 Okay. If there is no further discussion -- 22 anything, Mr. Alexander? 23 CEO: No. I'm good. 24 CHAIRWOMAN HOROVITZ: Ms. Hodges, did we do 25 everything okay?</p>

1 MS. HODGES: Yes.
 2 COMMISSIONER BROCK: Ms. Chair, I just want
 3 to say to you and to Mr. Alexander and the team
 4 that I really appreciate y'all due diligence on
 5 everything that y'all are doing to make the
 6 housing authority successful and to grow.
 7 I really appreciate that, and I just want to
 8 be able to say that so it can go on record.
 9 I thank you, Ms. Chair. Thank you.
 10 CHAIRWOMAN HOROVITZ: Thank you for your
 11 contribution, as well.
 12 CEO: And I would add thank you for that,
 13 Commissioner Brock, because it has been very
 14 challenging, as you-all know.
 15 That Chase deal was very challenging to get
 16 that to the table, because it was almost off the
 17 table. And the same thing with this Westwood
 18 deal.
 19 This was extremely challenging, because the
 20 seller literally wanted to walk away from this
 21 deal at least five or six times.
 22 And we kept it going to a point that BMO is
 23 like, "It's not going to happen," as well as
 24 Integral, "It's not going to happen."
 25 But JHA and the team navigated through that

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.

Dated this 1st day of November, 2023.

Carol DeBee Martin

 Carol DeBee Martin
 Notary Public State of Florida
 My Commission: HH 038064
 Expires: 12-29-2024

1 process, and we are going through the due
 2 diligence process.
 3 Because, at the end of the day, we don't want
 4 to just spend our time or just be spinning our
 5 wheels if we haven't accomplished the fact that we
 6 set out to accomplish those 556 units -- I mean
 7 256 units.
 8 CHAIRWOMAN HOROVITZ: Thank you.
 9 Thank you, Dwayne and your team. I know you
 10 guys are working so late, and I really appreciate
 11 all that work, and, Commissioner Walker,
 12 for your leadership. This is just a fantastic
 13 team, and I love working with you-all to help
 14 solve things for housing in Jacksonville.
 15 So, if there's nothing else, the meeting is
 16 adjourned.
 17 Have a great day, everyone.
 18 COMMISSIONER WALKER: Thanks, y'all.
 19 (Whereupon, the Finance Committee Meeting
 20 concluded at 10:06 a.m.)
