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<p>1 2 3 4 5 6 JACKSONVILLE HOUSING AUTHORITY BOARD OF COMMISSIONERS 7 FINANCE COMMITTEE MEETING 8 9 10 TAKEN: Thursday, January 26, 2023 11 TIME: 2:05 p.m. to 3:05 p.m. 12 PLACE: Jacksonville Housing Authority 13 1300 North Broad Street 14 Jacksonville, Florida 32202 15 Taken by Carol DeBee Martin, court reporter. 16 17 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</p>	<p>1 PROCEEDINGS 2 January 26, 2023 2:05 p.m. 3 CHAIRMAN GREEN: Good afternoon. 4 I would like to call to order the finance meeting 5 for January, today, Thursday, January 26th, 2023. 6 Do we have any public comments? 7 (no response) 8 CEO: None. 9 CHAIRMAN GREEN: No public comments. 10 Off to Item No. III, Approval of the Minutes. 11 If you had a chance to review the minutes 12 from the last finance meeting, I would like to 13 have a motion to approve the minutes from our last 14 meeting. 15 Was that November? 16 CEO: Yes. That's correct. 17 CHAIRMAN GREEN: I make a motion to approve 18 November's Finance Committee minutes. 19 COMMISSIONER HOROVITZ: Are you asking me for 20 a motion or a second? 21 CHAIRMAN GREEN: A motion. 22 COMMISSIONER HOROVITZ: Yes. 23 I'll (inaudible). 24 COURT REPORTER: I didn't hear you. 25 I'm sorry.</p>
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<p>1 APPEARANCES: 2 CHAIRMAN ANDRE GREEN 3 DWAYNE ALEXANDER, PRESIDENT/CEO 4 COMMISSIONER HEATHER HOROVITZ 5 EVANN MORRIS 6 ANTONIO PEREZ 7 VANESSA DUNN 8 DENNIS LOHR, CFO 9 GREGORY WILLIAMS 10 MICHAEL EDGAR 11 COLENE ORSINI 12 KORTE PARDE, ESQUIRE, 13 JOELLE DILLARD, ESQUIRE, (OGC) 14 CATHY HUNT 15 CORDELIA PARKER 16 LINDA SIMS 17 TODD AUBUCHON 18 REYNOLD PETERSON 19 20 --- 21 22 23 24 25</p>	<p>1 COMMISSIONER HOROVITZ: I second it. 2 CHAIRMAN GREEN: I think you have to make the 3 motion. 4 COMMISSIONER HOROVITZ: Thank you. 5 I'll make the motion to approve the minutes. 6 CHAIRMAN GREEN: I second. 7 So I have a motion and second to approve the 8 November finance meeting minutes. 9 No discussion. 10 All those in favor? 11 COMMISSIONER HOROVITZ: Aye. 12 CHAIRMAN GREEN: Aye. 13 No one opposed. The meeting minutes have 14 been approved. 15 Off to Agenda Item No. IV, Agency Financial 16 Overview. 17 CFO: Good afternoon, Commissioners. 18 We're looking at the financials today as 19 of December 31st, 2022. For JHA, this is our 20 first three months of the year, which is our first 21 quarter, and, for our RAD properties, this is our 22 year-end financial statement. 23 Looking at our operations by the number 24 for the first quarter, JHA -- we're at 25 \$1,968,757, and our RAD properties are at</p>

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<p>1 \$1,594,911. So net income is very good overall 2 for both divisions. 3 Looking at the central office, our income is 4 at 23.28 percent. Were coming in with the core 5 at \$1,620,961. And, looking at our expenses, 6 we're doing really well. We're at 17.34 percent, 7 at \$1,295,356. 8 CHAIRMAN GREEN: Can you blow that up a 9 little bit? 10 (Mr. Perez comlied.) 11 CHAIRMAN GREEN: You could make it a touch 12 smaller. 13 (Mr. Perez complied.) 14 CHAIRMAN GREEN: Okay. 15 CFO: And our net income for the central 16 office is \$325,605. 17 Looking at public housing, we're at 18 \$4,095,931 for income for the quarter. 19 So we're right on track with our budget, 20 and our expenses are at about 22 percent, 21 which is about 3 percent under budget 22 of \$3,383,648, and our net operating income 23 through December is \$712,282. 24 For our Section 8 operations, we're a little 25 high on our income. We are at 36.27 percent</p>	<p>1 central office. 2 CHAIRMAN GREEN: And, when we're purchasing 3 and acquiring properties -- I ask this question 4 every other week -- it's coming from central 5 office? 6 CFO: It's going to come from central office 7 and affordable housing. It's anything that is not 8 federal. 9 CHAIRMAN GREEN: Okay. 10 CFO: And a lot of what we're doing is going 11 to be 100 -ercent financed. So none of the cash 12 will be affected. 13 CHAIRMAN GREEN: And, when we manage our own 14 property, that's not -- like say like a property 15 where it's like affordable housing, mixed use, 16 whatever and we take over the property, 17 that money goes to central office -- 18 those management fees? 19 CFO: Those management fees go to central 20 office, yes. 21 CEO: Yes. And, basically, for the most 22 part, it would be segregated, because, basically, 23 the money that we're using is unrestricted cash. 24 CHAIRMAN GREEN: Right. 25 CEO: So all of that money is separated from</p>
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<p>1 coming in at \$2,556,787. 2 CHAIRMAN GREEN: Why is that? 3 CFO: We got some additional admin fee money 4 for the quarter. So that's pushing it up. 5 This is just the operations piece. 6 So it's the administrative only. It doesn't 7 include the HAP expense. 8 CHAIRMAN GREEN: All right. 9 CFO: And then, for our expenses, 10 we're right on track at \$2,072,392, and our net 11 operating income is \$484,395. 12 For our Gregory West, this is our affordable 13 property. We're right on track with our income 14 about 1 percent below what we budgeted. 15 We're at \$644,148, and our expenses are coming 16 in at 23 percent at \$315,083. So our net 17 operating income is \$329,065. 18 For Brentwood Park, we're about 1 percent 19 over budget on our income. We're at \$679,003, 20 and our expenses are about 3 percent below budget 21 at \$560,427, and our net operating income is 22 \$118,575. 23 For our estimated reserves, we finished off 24 the month just under \$56,000,000 in reserves 25 primarily at public housing, Section 8 and</p>	<p>1 the federal money that we have. So, underneath 2 the Jax Urban Initiatives, it's exactly where that 3 money will be reported out of basically. 4 CHAIRMAN GREEN: Right. Okay. 5 So, for example, if you partnered with a 6 developer, they carved out 20 units for 7 affordable housing, but, as an agreement, 8 the housing authority wants to manage the entire 9 -- property manage the entire facility. 10 So those monies -- 11 CEO: That money will go directly into our 12 COCC. 13 CFO: Every month we look at the Quick Ratio 14 and our MENAR. 15 Our quick ratio -- we're doing really well. 16 Victory Pointe leads the way at 25, followed by 17 Riviera at 24. 18 Our MENAR at Victory Pointe is 22.5, 19 which means we can operate our property for 20 22 months without additional HUD money. 21 Overall, we're are at 12.84. So we can operate 22 our properties for a full year. 23 CHAIRMAN GREEN: Has this ever happened -- 24 I know, if the government closes, but it doesn't 25 really close for like a year.</p>

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<p>1 CEO: Well, typically, the last time --</p> <p>2 well, actually, it was to be a proration.</p> <p>3 The money that we get is based on a proration,</p> <p>4 and, typically, when the Federal Government has</p> <p>5 some issues and they cut the funding to HUD,</p> <p>6 then what happens is the funding that they</p> <p>7 provide to housing authorities is cut short.</p> <p>8 And the last time it happened most</p> <p>9 housing authorities ended up laying employees off,</p> <p>10 or they put them on furlough.</p> <p>11 Those are the ones who didn't have cash</p> <p>12 reserves, in the sense that their MENAR was</p> <p>13 high enough.</p> <p>14 HUD always encourages folks to have a minimum</p> <p>15 of at least four months reserved just in case we</p> <p>16 have a shutdown or if there is some lack of</p> <p>17 funding there.</p> <p>18 But some housing authorities are struggling,</p> <p>19 and some of them don't have the cash flow.</p> <p>20 And, if they do, typically, those couple months</p> <p>21 will carry them through.</p> <p>22 But, to the point, it's highly unusual,</p> <p>23 when you have housing authority that is that</p> <p>24 liquid that could function for 12 months without</p> <p>25 any funding, and we are in a very strong position.</p>	<p>1 have to take and create reserves in case if you</p> <p>2 have any massive or large capital needs,</p> <p>3 then you'll take the money from reserves.</p> <p>4 But, fortunately, for the housing</p> <p>5 authorities, the Federal Government provides them</p> <p>6 with the capital fund, which has been diminishing</p> <p>7 over the years.</p> <p>8 CHAIRMAN GREEN: Okay.</p> <p>9 COMMISSIONER HOROVITZ: I have a question.</p> <p>10 Not to throw you off of the slides, but,</p> <p>11 going back to the variances to the budget,</p> <p>12 do you do a reforecast at any point during the</p> <p>13 year, or do you only do the budget ones that we</p> <p>14 have?</p> <p>15 CFO: Midyear we'll do a budget revision.</p> <p>16 COMMISSIONER HOROVITZ: Okay.</p> <p>17 CFO: So, for the March or April board</p> <p>18 meeting, we'll have a budget revision for all the</p> <p>19 properties.</p> <p>20 COMMISSIONER HOROVITZ: Is there any reason</p> <p>21 why you don't do it more frequently to be able to</p> <p>22 model that you're expecting changes?</p> <p>23 CFO: I think, in the long run, it really</p> <p>24 doesn't change anything for us. You know,</p> <p>25 if there is a variance to the budget, we explain</p>
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<p>1 CHAIRMAN GREEN: That's mostly good,</p> <p>2 but partially negative, right?</p> <p>3 Because we should be spending the money</p> <p>4 towards repairs or properties or --</p> <p>5 CEO: Yes. Well, we do allocate. So we get</p> <p>6 capital fund money, which is just a little bit</p> <p>7 south of \$6,000,000, and we use that capital fund</p> <p>8 money every year.</p> <p>9 Like right now, on one of the resolutions we</p> <p>10 have, we're actually going to be taking money out</p> <p>11 of the 2019 ... you have two years to obligate the</p> <p>12 money and four years to spend it.</p> <p>13 CHAIRMAN GREEN: Okay.</p> <p>14 CEO: So we're at the end of spending all of</p> <p>15 the '19 money. So that money is revolving,</p> <p>16 but our properties are, for the most part,</p> <p>17 in good shape. It's just the real big, large</p> <p>18 capital needs.</p> <p>19 If you remember the PNA that we had done of</p> <p>20 all co-owned properties, in the first year,</p> <p>21 which is typically an emergency, we were close to</p> <p>22 \$1,000,000, and we had already scheduled that work</p> <p>23 to be performed anyhow.</p> <p>24 So we do receive capital fund money,</p> <p>25 unlike if you had a private property, where you</p>	<p>1 the variance.</p> <p>2 Otherwise, you're going to be constantly</p> <p>3 doing budget revisions.</p> <p>4 COMMISSIONER HOROVITZ: And then, do you do a</p> <p>5 forecast?</p> <p>6 And I think that there was a model that went</p> <p>7 along with the strategic plan.</p> <p>8 I'm sorry. I'm new.</p> <p>9 CFO: Go ahead.</p> <p>10 COMMISSIONER HOROVITZ: Does the model show</p> <p>11 a five-year forecast, and then do you have maybe a</p> <p>12 base best and worst case scenario?</p> <p>13 Because what we're referring to,</p> <p>14 about a government shutdown, would definitely be</p> <p>15 like a worst case scenario.</p> <p>16 CFO: Right.</p> <p>17 COMMISSIONER HOROVITZ: Do you model that?</p> <p>18 CFO: We don't model that for our public</p> <p>19 housing properties. For our RAD properties,</p> <p>20 we model all of our expenses out 10, 15, 20 years,</p> <p>21 but, for our public housing properties, no.</p> <p>22 We get funding every year from HUD.</p> <p>23 Even if there is a government shutdown or less</p> <p>24 money coming in, typically, they'll give us extra</p> <p>25 money on the back end to make up for it.</p>

<p style="text-align: right;">Page 13</p> <p>1 So they may prorate us a little bit 2 differently, if we get to the debt ceiling or 3 something like that, but, typically, HUD will fund 4 us every year. 5 COMMISSIONER HOROVITZ: Thank you. 6 CEO: And, just to add to that, 7 just like Dennis mentioned earlier, in the budget, 8 we had some additional money. 9 Typically, when there's money left over at 10 the end of the year, depending on the performance 11 of the housing authorities, they usually give 12 surplus cash to the housing authorities that have 13 a high performance status. 14 So there's always additional money out there, 15 and, in terms of the variances, typically, 16 if you're looking at a real estate model, 17 there's always so many variances if you're looking 18 at a REIT or anything along those lines, 19 many things can happen. 20 But, typically, in public housing, it doesn't 21 really change in terms of variances, because it's 22 subsidy provided. So the Federal Government pays 23 for those specific occupied units. 24 In terms of Section 8, we receive a certain 25 amount of money. If there is a funding cut,</p>	<p style="text-align: right;">Page 15</p> <p>1 And, when you look at that, typically, 2 years ago they still had Hope VI money, 3 and then they had a couple programs, 4 The Vacancy Reduction Program. 5 But, leading up to the RAD Program, 6 what happens is they have trillions of dollars of 7 backlog capital needs, and the Federal Government 8 didn't have all of the money to do all of the 9 capital needs. 10 So what they figured out -- the same person 11 that worked on the Hope VI, the same persons that 12 worked on the Harvard study review came up with 13 the notion it would be illogical if the housing 14 authority could be able to get some mixed income 15 into these properties to be able to handle some of 16 these capital needs by doing improvements. 17 If you take Hogan Creek, we spent \$19,000,000 18 on that. Typically, years ago, that property 19 would just age, age, age, because the capital fund 20 money has diminished, diminished, diminished. 21 But, because we were able to go out and put 22 project-based vouchers there, it provides more 23 money and more subsidy than the public housing 24 subsidy. We were able to lace that property with 25 project-based, and we were able to obtain a loan</p>
<p style="text-align: right;">Page 14</p> <p>1 then you can't use those many vouchers. 2 So, basically, you have to cut back on the 3 vouchers. 4 COMMISSIONER HOROVITZ: Thank you. 5 CFO: Looking at our RAD properties, 6 this is our year-end for our RAD properties, 7 and we're looking at 12 months of activity. 8 For The Waves, we're at 111 percent for our 9 revenue. So we're doing really well. 10 CHAIRMAN GREEN: Sorry. 11 I know what a RAD property is, but can you 12 just give me a definition? 13 CEO: Okay. So -- 14 CHAIRMAN GREEN: I know The Waves and all 15 that. 16 CEO: -- typically, the RAD properties -- 17 all of this came out of the thought process back 18 in 2006 and 2007 when they were trying to find 19 ways to figure out how it would be best to manage 20 public housing. 21 And managing public housing -- they created 22 an asset management. They did a Harvard study 23 review that stated that, "Public housing should be 24 best managed if they manage it like the private 25 sector."</p>	<p style="text-align: right;">Page 16</p> <p>1 on that property. 2 And, based on using the vouchers and 3 project-base and using that pro forma, 4 the property can actually cash out in the 5 long-term, but the crux of it is that, basically, 6 they will be able to get the capital needs done 7 that you wouldn't normally be able to get done 8 with the normal budget. But that building took 9 \$19,000,000. 10 If you look at our Jax Beach property, 11 we spent \$38,000,000, and then, when you look at 12 Centennial Towers, we spent almost \$30,000,000 13 there -- like 20-something million dollars over 14 there. 15 So, when you combine those three properties, 16 we spent almost \$100,000,000 that we would be 17 almost ten years trying to acquire out of our 18 capital fund providing that none of the properties 19 had any real major needs. 20 We have Twin Towers. One of the 21 reasons why we've done our high rises is because 22 the elevators are antiquated. The elevators cost 23 us about \$900,000 to a million dollars, 24 and our elevators stayed broke all the time. 25 And the equipment or the materials to fix the</p>

<p style="text-align: right;">Page 17</p> <p>1 equipment don't even exist anymore. So you have 2 to put new elevators in there. So you'll see in 3 our capital fund budget that we allocated 4 \$900,000 to put new elevators over at Twin Towers. 5 But, if we weren't able to segregate these 6 properties and getting capital needs done on these 7 properties by going out and using investors, 8 then we may not be able to have the \$900,000 9 to be able to do the capital needs on the property 10 that we're working on. 11 So the whole thing in a nutshell is called, 12 "The Rental Assistance Demonstration Program," 13 which was started back in 2011. 14 And, when that came out in 2011, 15 they basically only had about 60,000 units, 16 and every housing authority in the country had to 17 apply for those 60,000 units. 18 So that's why they call it, "a demonstration 19 program." It hasn't already been totally flushed 20 out. 21 As you know, at some of the conferences, 22 they have, "Life After RAD." 23 Because the RAD works good for some folks, 24 because it's just not all about capital 25 improvements.</p>	<p style="text-align: right;">Page 19</p> <p>1 almost 3 percent above budget at \$1,709,513. 2 Our expenses were at 93 percent -- 3 \$1,085,239 -- and our net operating income is 4 \$424,273. 5 And then, finally, for Hogan Creek, 6 we're at 76 percent -- \$1,297,087. The last 7 several months we've been right on track with 8 what we had originally budgeted. So we're doing 9 -- month over month, we're doing very well on our 10 income. And then, for our expenses, we're at 11 87 percent at \$1,143,139. 12 Any questions? 13 CHAIRMAN GREEN: I know there is a resolution 14 regarding the Hogan Creek budget. I was going to 15 ask, why the negative, you know, 233-? 16 I know that some of a lot of this 17 depreciates. 18 CFO: It's depreciation, which is a noncash 19 item. 20 CHAIRMAN GREEN: Right. 21 CFO: So we do have net income before 22 the depreciation so that the property is 23 cash flowing. It just shows that because of the 24 way we showed the depreciation on the budget. 25 CHAIRMAN GREEN: Okay. Thank you.</p>
<p style="text-align: right;">Page 18</p> <p>1 Some of them wanted to do a straight 2 conversion, because they needed the money of 3 getting higher rents from Section 8 versus public 4 housing. 5 I hope I explained that. 6 CHAIRMAN GREEN: No. That's good. 7 And, when you say, "project-based," explain. 8 CEO: Project-based is different from a 9 tenant-based voucher. 10 A tenant-based voucher -- you can take that 11 voucher and live anywhere in the United States, 12 including the territories of Puerto Rico and the 13 Virgin Islands. 14 Project-based would be that the actual unit 15 has the voucher, and the subsidy is on the unit, 16 not with the person. 17 CFO: So income for The Waves came in at 18 111 percent. So we're doing very well at 19 The Waves for the calendar year. \$1,772,360 of 20 revenue. For our expenses, we're right on track 21 -- well, a little high at 109 percent, but we -- 22 our expenses are only \$785,752. And our net 23 operating income, before depreciation and interest 24 expense, was \$986,609. 25 For Centennial Towers, we came out</p>	<p style="text-align: right;">Page 20</p> <p>1 CFO: Okay. Thank you. 2 CHAIRMAN GREEN: On to Item V, "Presentation 3 of Operations Resolutions." 4 CEO: Okay. Thank you, Commissioner. 5 Resolution No. 2023-JHA-01 is a 6 Total Lawn Care contract modification. 7 This contract modification came to us, at the end 8 of the contract request, of an increase to the 9 contract because of the rising costs associated 10 with the labor and fuel, equipment, et cetera. 11 And, since COVID, many industries have a 12 significant increase in their day-to-day costs, 13 which requires them to pass these costs onto their 14 customers. 15 The Total Lawn Care has had this contract 16 with us since 2019 and are currently moving into 17 their third renewal. As you know, we have a 18 contract of one year and renewal up to four years 19 with more than -- more than a year left on the 20 total contract. 21 They are requesting an increase of \$65,000 -- 22 \$65,085.40, which would bring their contract to 23 \$443,000. They are asking for this increase. 24 We all have been experiencing an increase of 25 everything, and the increase of operating</p>

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<p>1 their business has gone up quite a bit for 2 lawn care to most of our properties. 3 What I would say in favor of Total Lawn Care 4 is we have a Section 3 Program, which we employ 5 employees that are residents. 6 Total Lawn Care is probably the most active 7 out of all of our vendors. Anytime we need a 8 vendor to stand in at any job fair, they're the 9 first ones to be there. 10 And it's just not some frontline person out 11 there. They usually have their brass there, 12 which is their upper management. 13 They are trying to provide jobs for our 14 residents. We do have several of our residents 15 working with them, but they have been very 16 consistent with trying to utilize the Section 3 17 Program. 18 So we're asking the board to approve this 19 additional \$65,000. 20 CHAIRMAN GREEN: Is it 474- or what did you 21 say, 433-? 22 CEO: No. 473-. 23 CHAIRMAN GREEN: I'm just having trouble 24 calculating that number. 25 Are you going off of the 386,647.50 plus the</p>	<p>1 cuts. 2 CHAIRMAN GREEN: Right. 3 CEO: We had additional cuts -- 4 CHAIRMAN GREEN: Right. 5 CEO: -- throughout the year. 6 CHAIRMAN GREEN: So then, what is the new 7 cost number, 449-10? 8 CEO: Well, that's the 386- with the 662,000 9 with the additional costs. That's outside of -- 10 COMMISSIONER HOROVITZ: So the 386- is the 11 new cost. This is not -- 12 CEO: Current cost. 13 COMMISSIONER HOROVITZ: -- right. 14 62- is additional services. So ... 15 MS. ORSINI: Mr. A., can I explain? 16 CEO: Yes, yes, yes. We can have Colene 17 speak on that. 18 MS. ORSINI: I'm sorry. 19 CEO: Colene is the procurement officer. 20 MS. ORSINI: The 386- was our original 21 contract. Last year we went to the board and 22 requested an increase to add five additional 23 cuts for the three months that we're only getting 24 two cuts a year. We increased them to three cuts 25 a month, and that was the 62,000. This is on top</p>
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<p>1 additional services and plus the additional 2 65,000? 3 CEO: Yes. You take the basic contract and 4 add the \$65,000 to that, and we came up to 5 \$473,109.48. 6 CHAIRMAN GREEN: But it says, "New costs, 7 449-10 (phonetic)." 8 CEO: Are you looking at -- 9 CHAIRMAN GREEN: The spreadsheet. I am sure 10 it's right. I just couldn't figure it out. 11 CEO: What are you looking at? 12 CHAIRMAN GREEN: It says, "yearly cost." 13 So I'm assuming that's an old cost, \$386,000, 14 and additional services of \$62,362.50. 15 So then, what is the 449-10? 16 It says, "New costs, 449-10." 17 CEO: Are you looking at the actual 18 resolution? 19 CHAIRMAN GREEN: Yes, the second page. 20 Do you see? 21 CEO: The 386- 22 CHAIRMAN GREEN: Yeah. That's our current 23 cost, right? 24 And plus the 62- of additional services. 25 CEO: Additional services for additional</p>	<p>1 of that. 2 We're now going back and requesting the 3 65- that will bring us to the 473-. 4 Do you see that? 5 CHAIRMAN GREEN: Yes. But it seems like it 6 would be 449- plus 65-. 7 COMMISSIONER HOROVITZ: Yeah. 8 MS. ORSINI: Yeah. So 449- plus 65- -- 9 CHAIRMAN GREEN: Yeah. That's like 10 500-and-something-thousand, not 473-. 11 MS. ORSINI: That does make sense. 12 I'm trying to think of why, because that's the 13 number that they gave us was the 473-. 14 386- -- hum. 15 CEO: We'll go back and look at it. 16 MS. ORSINI: Okay. Yeah. Let me look at it, 17 again. 18 COMMISSIONER HOROVITZ: Can I ask a question? 19 CEO: It does makes sense. If you've taken 20 62,000 and then you add that up -- that's 21 additional -- that total cost between the 386,000 22 and 62,000 gives you the 449,000. 23 CHAIRMAN GREEN: Uh-huh. 24 CEO: If you add another \$68,000 on that, 25 that takes you over \$500,000.</p>

<p style="text-align: right;">Page 25</p> <p>1 COMMISSIONER HOROVITZ: It's not showing 2 the increased services and the price increase. 3 CEO: Right. 4 COMMISSIONER HOROVITZ: I think all of the 5 additional color around what a great partner 6 they are is important, but, just for process, 7 when we get a proposed price increase, do we then 8 put out an RFP? 9 Or, do you look for alternative providers, 10 or do we just -- I think having relationships and 11 long-term relationships is very important, 12 but this could be 65,000 every year. 13 And at what point do we say, "Okay. 14 We need told get bids?" 15 CEO: So one of the things is, us being a 16 property management organization, we understand 17 what the industry is. So we understand it. 18 Typically, we would do this work in-house. 19 We opted to go out to have a vendor do it, 20 because it is more cost-efficient to have someone 21 outside to do it. 22 And, from our perspective, even if we were to 23 attempt to do it, it still would run us past the 24 amount of money it costs to have a vendor do it. 25 So it's always real feasible for us to be able to</p>	<p style="text-align: right;">Page 27</p> <p>1 renewal -- 2 CEO: Yes -- 3 CHAIRMAN GREEN: -- do we send it out for bid 4 -- 5 CEO: -- yes -- 6 CHAIRMAN GREEN: -- or -- 7 CEO: -- yes. We put out -- not every year 8 for a renewal, but, every time we decide to get 9 the services all over, again, everything we put 10 out we put it out on the street. We put it out in 11 the marketplace and put it out everywhere to get 12 additional vendors. 13 CHAIRMAN GREEN: And then this increase of 14 65,000 -- this was brought to us at the beginning 15 of the year or middle of the year? 16 CEO: Yes. 17 CHAIRMAN GREEN: Middle of the year. 18 CEO: Yes -- 19 CHAIRMAN GREEN: Okay. 20 CEO: -- which typically doesn't happen. 21 CHAIRMAN GREEN: Right. 22 CEO: Because we have tons of contracts. 23 Typically, it does not happen, but, with the 24 nature -- because COVID has happened, 25 many things have changed.</p>
<p style="text-align: right;">Page 26</p> <p>1 use a vendor. 2 But, in terms of them asking for an increase, 3 we understand, and we understand the value of what 4 they're bringing to us, even outside of the 5 relationship. 6 The work -- because we know the work just 7 as well as they know the work, the cost is 8 justifiable. 9 COMMISSIONER HOROVITZ: So, just to follow up 10 on that, is there a point where, after two years 11 of a price increase -- like is there a policy that 12 says that, "We will get other bids every time a 13 price is --" 14 CEO: Well, that's why we enter into a 15 one-year contract. If we feel dissatisfied 16 with them, we don't have to go and add another 17 year on it. 18 So that's why we had a one-year contract 19 with a renewal each other, provided that 20 everything in the relationship and performance is 21 where we expect it to be, then we move on to the 22 next year. 23 If it's not, then we will move out and do 24 something else, but we have done that. 25 CHAIRMAN GREEN: But, when it comes up to</p>	<p style="text-align: right;">Page 28</p> <p>1 So, at the end of the day, we make some 2 adjustments, and that was an adjustment that was 3 needed. 4 COMMISSIONER HOROVITZ: Do we have a policy, 5 or is there a policy? 6 CEO: We follow procurement policy. 7 Everything that we do is governed by procurement 8 policy. We use the policy for everything. 9 COMMISSIONER HOROVITZ: Thank you. 10 I'll review it and all instructions. 11 CHAIRMAN GREEN: And, "procurement --" 12 is that Jacksonville Housing Authority, or is that 13 a -- 14 CEO: We use the HUD procurement policy -- 15 CHAIRMAN GREEN: -- okay -- 16 CEO: -- because HUD funds us with funding. 17 CHAIRMAN GREEN: -- okay. 18 COMMISSIONER HOROVITZ: Yeah. 19 CHAIRMAN GREEN: So we'll just wait and move 20 that to the meeting on Monday. 21 CEO: Yes. 22 CHAIRMAN GREEN: I mean we're going to have 23 to approve it anyway. I mean it's like between a 24 rock and a hard place, unless Chris wants to fight 25 it.</p>

<p style="text-align: right;">Page 29</p> <p>1 So we'll just move on to -- well, actually, 2 do I have to push that resolution forward, 3 or can I just ignore it? 4 CEO: So what -- 5 MS. DILLARD: Nobody made a motion. 6 CHAIRMAN GREEN: Okay. 7 MS. DILLARD: It's just on the agenda. 8 CHAIRMAN GREEN: Okay. So we'll move on to 9 Resolution No. 2023-JHA-02. 10 CEO: So, do you want to make a motion to 11 approve it provided that we provide the clear 12 numbers at the next board meeting? 13 CHAIRMAN GREEN: I prefer to just push it 14 through to the next board meeting. 15 CEO: Okay. 16 COMMISSIONER HOROVITZ: I agree. 17 CEO: Okay. Good. Okay. So the next one is 18 JHA- -- 19 CHAIRMAN GREEN: No. 2. 20 CEO: -- yes -- -No. 2. It's Lewis Walker 21 Roofing at Victory Pointe. We used the 22 Solicitation No. CN-00123. It was released 23 to solicit the services of roofing contractors 24 to provide the total roof replacement on five 25 buildings at Victory Pointe.</p>	<p style="text-align: right;">Page 31</p> <p>1 roof versus an old roof. Yes. 2 COMMISSIONER HOROVITZ: I'd be curious to see 3 that. 4 CHAIRMAN GREEN: And we've worked with them 5 before, and it comes out of the capital fund 6 money. 7 So, yes. I'll make a motion to approve 8 Resolution 2023-JHA-02. 9 "Do we have a motion," I guess I should say? 10 COMMISSIONER HOROVITZ: Yes. 11 CHAIRMAN GREEN: Thank you. 12 I second. 13 No discussion. 14 All those in favor? 15 COMMISSIONER HOROVITZ: Aye. 16 CHAIRMAN GREEN: Aye. 17 CHAIRMAN GREEN: Resolution 2023-JHA-02 has 18 been approved. 19 CEO: Okay. Resolution No. 2023- -- 20 all of these, 01, 02, 03, are our RAD budgets. 21 As you know, with HUD, our fiscal year ends 22 for us September 30th, and our new fiscal year 23 -- the board approved our overall budget back in 24 August -- was it August or July of last year -- 25 and the RAD budget is on a calendar year.</p>
<p style="text-align: right;">Page 30</p> <p>1 These roofs had exceeded their life span 2 and required total replacement. Capital funds 3 were allocated for this project out of the 4 2019 capital fund money. 5 A total of four bids were received with one 6 being deemed, "Nonresponsive," and the lowest 7 bidder for the solicitation was Lewis Walker 8 Roofing, who has done several roofing projects 9 over the past couple years. 10 We're asking the board to approve \$160,811 11 to complete this project, and one of the buildings 12 for this project is the main office which 13 desperately needs to have it repaired. 14 CHAIRMAN GREEN: Okay. Go ahead. 15 COMMISSIONER HOROVITZ: I just have a 16 question. 17 Have we modeled out the savings to insurance 18 by policing the rates, or are we -- 19 CEO: Say that, again. 20 COMMISSIONER HOROVITZ: -- is there an 21 insurance savings for the new roofs? 22 Is there a reduction in our insurance -- 23 CHAIRMAN GREEN: For the new roofs. 24 CEO: We haven't looked into that. 25 I'm sure it would be, if it's a brand new</p>	<p style="text-align: right;">Page 32</p> <p>1 So we're asking the board to approve 2 Budget 01, 02 and 03. Dennis provided you-all 3 with the budgets in your package. 4 Do you have anything to add to that, 5 Dennis? 6 CFO: I gave you all the notes on it, 7 if you want to read through those, or I can go 8 through the budgets. Either way. 9 CEO: If you want to go through the budget, 10 basically, there were some highlights in there. 11 You can go through the notes, if you want to 12 go through them based on the income and expenses 13 and summary. 14 CFO: Yes. 15 So, starting with Resolution 2023-RAD-01, 16 looking at Exhibit A, we have our budget. 17 For our Tenant Assistance Payments, this is our 18 project-based rents for the 2023 year. 19 We had an OCAF adjustment of 20 6.1 percent. HUD is basically increasing our 21 project-based voucher rent for the property. 22 So our total income we're budgeting at 23 \$1,873,205. 24 Administrative -- we have our salaries. 25 This is based on our actual salaries for the</p>

Page 33	<p>1 employees who work there.</p> <p>2 Management Fees expense is 5 percent of our</p> <p>3 income.</p> <p>4 Auditing Fees and Consultants are based on</p> <p>5 what our actual expenses are for the properties.</p> <p>6 RAD Fiscal Fees are all of our compliance</p> <p>7 fees. We have Resident Activities, Resident</p> <p>8 Service Salaries.</p> <p>9 Our Utilities are based on our trends that</p> <p>10 we're currently paying.</p> <p>11 And then, for our Maintenance Salaries,</p> <p>12 that's for our actual employees.</p> <p>13 Maintenance Materials is all of the supplies.</p> <p>14 That's all of the supplies that are used basically</p> <p>15 by our employees.</p> <p>16 And then we have Interest Expense on</p> <p>17 The Waves of \$426,000.</p> <p>18 Insurance Expense is right at \$100,000.</p> <p>19 And our Maintenance Contracts mostly are</p> <p>20 based on the actual contracts of lawn care,</p> <p>21 alarm monitoring, trash service. All of that is</p> <p>22 based on our actual budgets.</p> <p>23 COMMISSIONER HOROVITZ: Can I ask a question?</p> <p>24 And I'm glad you said, "lawn care."</p> <p>25 I'm understanding timing and process. So this</p>	Page 35	<p>1 It really didn't say that. For The Waves,</p> <p>2 it did go up.</p> <p>3 This is in a different contract?</p> <p>4 CEO: Yes.</p> <p>5 CHAIRMAN GREEN: Oh, because this is a RAD</p> <p>6 property.</p> <p>7 Yes. So it's good.</p> <p>8 COMMISSIONER HOROVITZ: (noded head</p> <p>9 affirmatively)</p> <p>10 CFO: And then we have Depreciation Expense</p> <p>11 of \$657,000. Net Income, including our</p> <p>12 Depreciation and our Interest Expense,</p> <p>13 is \$90,141. If you take out the Depreciation,</p> <p>14 we're about \$740,000 of actual Net Income.</p> <p>15 So The Waves is cash flowing really well.</p> <p>16 This is our first RAD deal. So it's more stable</p> <p>17 than the other two, meaning that we were able to</p> <p>18 project a better budget for it just because of the</p> <p>19 timing.</p> <p>20 Any questions about The Waves?</p> <p>21 COMMISSIONER HOROVITZ: What are RAD Fiscal</p> <p>22 Fees?</p> <p>23 CFO: It's fees for our consultants.</p> <p>24 It's different, because we had different types of</p> <p>25 financing. And it's all of that different type</p>
Page 34	<p>1 budget would not include increases to lawn care,</p> <p>2 because we haven't approved that.</p> <p>3 CFO: Correct.</p> <p>4 COMMISSIONER HOROVITZ: So we would be</p> <p>5 approving a budget that is already out,</p> <p>6 and we're already over budget.</p> <p>7 CFO: Yes. I would have to check and see</p> <p>8 what we put in there for it, but it's based on</p> <p>9 what we're currently paying.</p> <p>10 COMMISSIONER HOROVITZ: Are there other</p> <p>11 examples of maybe other areas -- and, again,</p> <p>12 this is my first finance meeting --</p> <p>13 CHAIRMAN GREEN: This is good stuff.</p> <p>14 COMMISSIONER HOROVITZ: -- that we know ...</p> <p>15 and, getting back to forecasting and expecting</p> <p>16 costs to increase, obviously the pandemic and all</p> <p>17 of that makes sense ...</p> <p>18 CFO: Right.</p> <p>19 COMMISSIONER HOROVITZ: -- where we would</p> <p>20 project that cost would be increasing?</p> <p>21 CFO: That would be the only thing that I'm</p> <p>22 aware of currently. Again, we would do a budget</p> <p>23 revision in June or July for this. So would we</p> <p>24 increase it at that point.</p> <p>25 CHAIRMAN GREEN: I mean it went up.</p>	Page 36	<p>1 of financing fees that were deferred.</p> <p>2 COMMISSIONER HOROVITZ: Is it a one-time fee,</p> <p>3 or is there -- does that go forward?</p> <p>4 CFO: There is fees for the different types</p> <p>5 of loans that we have on the property.</p> <p>6 CHAIRMAN GREEN: Recurring, correct?</p> <p>7 CFO: Yes.</p> <p>8 CHAIRMAN GREEN: Yes.</p> <p>9 So we can move on to the other property,</p> <p>10 RAD-02.</p> <p>11 COMMISSIONER HOROVITZ: Do we need to approve</p> <p>12 this one first?</p> <p>13 CHAIRMAN GREEN: We can approve them all</p> <p>14 together.</p> <p>15 CFO: Okay. Looking at Centennial Towers,</p> <p>16 again, our Tenant Assistance Payments --</p> <p>17 we have an OCAF increase of 6.1 percent.</p> <p>18 We have vacancies there of 5 percent, just to be</p> <p>19 conservative on the amount of rental income that</p> <p>20 we receive.</p> <p>21 So our total income we're budgeting at</p> <p>22 \$1,772,509.</p> <p>23 Our Administrative Salaries are specific to</p> <p>24 the property for the employees there.</p> <p>25 Legal Expense is specifically to the</p>

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<p>1 property.</p> <p>2 Our Management Fee Expense is 5 percent of</p> <p>3 our rental revenue.</p> <p>4 Our Audit Fees were based on the actual</p> <p>5 contract.</p> <p>6 Other General Fees, General Administrative</p> <p>7 Expenses is based on our trends.</p> <p>8 We have Security Service at the property.</p> <p>9 This is one of our highest expenses at \$103,000.</p> <p>10 This is based on our actual contract,</p> <p>11 and it's based on the actual weekly amount that we</p> <p>12 pay.</p> <p>13 CHAIRMAN GREEN: Is that the one that went</p> <p>14 up?</p> <p>15 CFO: Yes.</p> <p>16 CHAIRMAN GREEN: Didn't we have increases?</p> <p>17 CFO: That's the one that went up.</p> <p>18 CHAIRMAN GREEN: 24-hour service?</p> <p>19 CFO: Yes.</p> <p>20 We have Tenant Services Salaries,</p> <p>21 Resident Activities there.</p> <p>22 COMMISSIONER HOROVITZ: Is that Employee</p> <p>23 Morale?</p> <p>24 The category, "Employee Morale"?</p> <p>25 I'm just curious. I've never seen that.</p>	<p>1 and then we have other events, Christmas parties</p> <p>2 and all that.</p> <p>3 COMMISSIONER HOROVITZ: I think it's great,</p> <p>4 but I think you agree it's not enough.</p> <p>5 CHAIRMAN GREEN: It's because other sites</p> <p>6 have more. It's just budgeted on here for 180,</p> <p>7 but they get more.</p> <p>8 CEO: Yes. Based on the 180, it looks like</p> <p>9 we don't do much for the employees, in terms of</p> <p>10 morale, but, if you can look at some of the other</p> <p>11 ones as many employees --</p> <p>12 COMMISSIONER HOROVITZ: Okay.</p> <p>13 Just understanding it, that makes sense to me.</p> <p>14 CFO: Most of the Employee Morale Expense</p> <p>15 is budgeted in the central office and in the</p> <p>16 HR Department. So this, "Employee Morale,"</p> <p>17 would be specifically to the property.</p> <p>18 COMMISSIONER HOROVITZ: Got it.</p> <p>19 Thank you.</p> <p>20 CFO: So our Utilities are based on our</p> <p>21 actual costs and actual trends. We've noticed</p> <p>22 that things like Electricity are trending downward</p> <p>23 after putting in our new windows and our new</p> <p>24 energy efficiency appliances. So that's really</p> <p>25 good.</p>
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<p>1 I was curious.</p> <p>2 CFO: Under, "Tenant Services,"</p> <p>3 "Employee Morale," it would be like expenses for</p> <p>4 the employees, like an employee lunch or something</p> <p>5 like that.</p> <p>6 COMMISSIONER HOROVITZ: Is that enough?</p> <p>7 CEO: Well, typically, we're conservative in</p> <p>8 that category, but we have several events</p> <p>9 throughout the year.</p> <p>10 This year we were fortunate enough to take</p> <p>11 all of the employees to the Jumbo Shrimp.</p> <p>12 COMMISSIONER HOROVITZ: And that one line</p> <p>13 item seems --</p> <p>14 CEO: Well, everybody has to have their</p> <p>15 contribution.</p> <p>16 COMMISSIONER HOROVITZ: -- okay.</p> <p>17 CEO: So that may only represent a small</p> <p>18 amount.</p> <p>19 CHAIRMAN GREEN: Right.</p> <p>20 CEO: So some budgets have a lot more money</p> <p>21 than that. We try not to burn out some of the</p> <p>22 budgets that don't have a great deal of money.</p> <p>23 But we already had the Jumbo Shrimp event.</p> <p>24 We did also have an event where all the employees</p> <p>25 -- we shut down for a day and went bowling,</p>	<p>1 Our Maintenance Salaries are based on our</p> <p>2 employees.</p> <p>3 Materials -- these are the items that our</p> <p>4 employees use when they are doing their</p> <p>5 maintenance work.</p> <p>6 And then our Maintenance Contracts --</p> <p>7 we have things like elevator maintenance, trash,</p> <p>8 pest control, lawn care services. All of these</p> <p>9 are based on the actual contracts.</p> <p>10 And then some of the General Expenses,</p> <p>11 like Plumbing is based on the actual useage out at</p> <p>12 the property.</p> <p>13 Insurance Expense -- about \$111,000.</p> <p>14 And then we have Employee Benefits of about</p> <p>15 \$71,000.</p> <p>16 Depreciation coming in at \$442,000.</p> <p>17 So, overall, the property cash flow,</p> <p>18 including the Depreciation is \$206,000.</p> <p>19 When you take out the Depreciation, which is a</p> <p>20 noncash item, it's coming in at \$648,000.</p> <p>21 CHAIRMAN GREEN: What is considered --</p> <p>22 what is a right of use asset?</p> <p>23 What would that be?</p> <p>24 CFO: It's the way that the auditors coded</p> <p>25 some of the assets during the RAD conversion.</p>

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<p>1 CHAIRMAN GREEN: I got it. 2 CFO: So it's just based on some of the 3 financing and the way the auditors wanted to 4 categorize it. 5 Any questions about Centennial? 6 (no response) 7 CFO: Moving on to Hogan Creek, 8 Hogan Creek is our last property that we 9 did our RAD conversion on. So some of the 10 numbers might be a little bit skewed more 11 on the heavy side as far as the Expenses are 12 concerned. 13 So, again, we have our Tenant Assistance 14 Payments increased by 6.1 percent for the 15 property. Overall, our total income 16 is \$1,666,060. 17 Our Administrative Salaries, again, are based 18 on actual employees working there. 19 \$3,000 for Staff Training. 20 Auditing Fees per their auditing contract. 21 Our Management Fee is 5 percent of our 22 Rental Income. 23 Most of the other Administrative Expenses are 24 based on trends, except for the Security Service, 25 which is \$141,000. This is 24-hour security</p>	<p>1 But it has to be done by an independent 2 individual to determine. We could do it 3 ourselves, but they want someone outside to 4 determine it. And this year it was 6.1 percent. 5 CHAIRMAN GREEN: Our RAD properties are, 6 what, 98-percent occupied? 7 I forgot what I did with that. 8 CEO: Our overall agency, all of the 9 properties that JHA manages -- we are at 10 99.6 percent. 11 CFO: All right. So we have a vacancy loss 12 of 5 percent on our income. So the Management 13 Fees potentially could be higher if our occupancy 14 is higher. 15 CEO: Can I add something there, Dennis? 16 CFO: Absolutely. 17 CEO: And, on these properties, we have a 18 Management Fee. On public housing properties, 19 you have a Management Fee, but you have a 20 Bookkeeping Fee, and, with Section 8, you have an 21 Administrative Fee. 22 And, typically, those fees are -- HUD sets 23 those fees with the Bookkeeping Fees and what 24 those fees would be. 25 On here, we follow the trend of real world</p>
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<p>1 service, and it's based on our weekly contract 2 amount. 3 COMMISSIONER HOROVITZ: Sorry. 4 The Management Fee is based on rent assuming 5 100-percent occupancy? 6 CFO: It is based on 95 percent. 7 CEO: Yes. Typically, when you look at 8 properties like that, you always -- anybody that 9 manages real estate can typically do the budget 10 based on 95 percent. 11 CFO: Yes. 12 CEO: And these budgets here are unlike 13 our other budgets, because these are basically the 14 models of what we'll be managing when we acquire 15 these other properties. So the numbers have to be 16 right. 17 Because, in terms of looking at these 18 properties, you don't generate a whole lot of 19 money, because you don't have market units there. 20 So the only way you get any additional 21 funding, which would the OCAF -- that's why 22 HUD is very strict on making sure that the 23 OCAF is applied on this. Because that's the only 24 way you can make adjustments for salaries, fuel, 25 costs of anything.</p>	<p>1 markets, because the typical market Management Fee 2 is about 3 to 5 percent. 3 CFO: So, for Resident Services, we have a 4 part-time Resident Services person budgeted. 5 Again, our Utilities are based on our 6 trends. 7 Our Maintenance Salaries are for our 8 Maintenance Employees at the property. 9 Maintenance Supplies -- that's based on 10 trends for our maintenance employees for all the 11 work that they do. 12 And then we have our Maintenance Contracts, 13 which is, again, pest control, grounds, elevator 14 monitoring, alarm monitoring. Those are all 15 things that we have contracts for. 16 Other things, like Plumbing, that's based on 17 our typical month. 18 Our Insurance is \$137,000. 19 And then our General Expenses for our 20 employees of Employee Benefits is about 75,000 21 based on our actuals. 22 We have Interest Expense of \$329,000. 23 Depreciation of \$566,000. 24 And it's showing a Net Income of a loss of 25 \$233,000, but the Depreciation is a noncash item.</p>

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<p>1 So you have to back that out, and it's actually</p> <p>2 about \$333,000 of Net Income.</p> <p>3 CHAIRMAN GREEN: Two questions.</p> <p>4 One, do we get dinged on our audit for</p> <p>5 showing a negative Net Income?</p> <p>6 CFO: No.</p> <p>7 CHAIRMAN GREEN: No?</p> <p>8 CFO: No.</p> <p>9 CHAIRMAN GREEN: Okay. And then, what would</p> <p>10 it take -- like how many years will it be until</p> <p>11 we're like -- including depreciation -- at zero?</p> <p>12 CFO: The Depreciation Expense is typically</p> <p>13 30 years. So we're right at the beginning of it,</p> <p>14 because, you know, the renovated building just</p> <p>15 went into service.</p> <p>16 So this would be 30 percent of our</p> <p>17 Total Building Remodel Expense.</p> <p>18 CHAIRMAN GREEN: How many?</p> <p>19 CFO: 30 percent. 30 years.</p> <p>20 CHAIRMAN GREEN: 30 years.</p> <p>21 CFO: Any questions about Hogan Creek?</p> <p>22 CHAIRMAN GREEN: Is it like three or four</p> <p>23 or five years down the road when it will be like</p> <p>24 at zero Net Income?</p> <p>25 CFO: It's possible that we'll Net Income</p>	<p>1 COMMISSIONER HOROVITZ: Okay.</p> <p>2 CHAIRMAN GREEN: When you do your forecast,</p> <p>3 what -- you said every six months. In June,</p> <p>4 you'll have I assume a better --</p> <p>5 CFO: Yeah. There will be a budget revision</p> <p>6 in June. So we'll have a better idea at that</p> <p>7 point how the property is performing.</p> <p>8 CHAIRMAN GREEN: All right. Dwayne,</p> <p>9 when we present these in front of the board,</p> <p>10 are we just presenting the Finance Committee</p> <p>11 approved the budgets, or do we have to go over</p> <p>12 them, again?</p> <p>13 CEO: It's your choice. We could go tell</p> <p>14 the board that this was vetted through the</p> <p>15 Finance Committee. You-all received it.</p> <p>16 All received these documents a week in advance --</p> <p>17 two weeks -- a week-and-a-half.</p> <p>18 If they have any questions, we definitely</p> <p>19 will field any questions, but we did take it</p> <p>20 through the Finance Chair and Commissioner</p> <p>21 Horovitz. If anyone has any questions, we would</p> <p>22 definitely love to answer them.</p> <p>23 CHAIRMAN GREEN: I'm going to approve them</p> <p>24 all, but I would prefer just to go over</p> <p>25 Hogan Creek in the meeting, just so they know that</p>
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<p>1 this year. Again, I think some of the expenses</p> <p>2 we put in are a little bit high based on the fact</p> <p>3 that, during the past year, we were operating</p> <p>4 under construction.</p> <p>5 Some of the Maintenance Expenses could be</p> <p>6 lower. We're hoping that they're lower,</p> <p>7 but, you know, just based on the way that the</p> <p>8 property was operating during this year,</p> <p>9 we took those trends.</p> <p>10 COMMISSIONER HOROVITZ: Did you say that you</p> <p>11 did a forecast for ten years for all of the</p> <p>12 properties, or is that for the whole JHA?</p> <p>13 CFO: There is a -- there's a forecast for</p> <p>14 all of the RAD properties based on our original</p> <p>15 financing for it.</p> <p>16 Some of them are a little bit --</p> <p>17 they don't show what's really happening at the</p> <p>18 property. So some of them have to be adjusted.</p> <p>19 COMMISSIONER HOROVITZ: But, to get to</p> <p>20 Commissioner Green's question, do you have a sense</p> <p>21 of when we'll get cash flow positive?</p> <p>22 CFO: It could be this year. It could be</p> <p>23 next year. It's going to depend on how some of</p> <p>24 the expenses -- primarily the Interest Expense --</p> <p>25 you know, plays in.</p>	<p>1 there's a negative Net Income.</p> <p>2 CEO: Okay. That's good.</p> <p>3 CHAIRMAN GREEN: I don't have to do anything</p> <p>4 special to say that, right?</p> <p>5 CEO: We know.</p> <p>6 CHAIRMAN GREEN: Okay. So, is there a</p> <p>7 motion to approve Resolution RAD 01, 02 and 03?</p> <p>8 COMMISSIONER HOROVITZ: I make a motion to</p> <p>9 approve.</p> <p>10 CHAIRMAN GREEN: Great. I make a second.</p> <p>11 We have a motion, and we have a second.</p> <p>12 Any discussion?</p> <p>13 No.</p> <p>14 All those in favor?</p> <p>15 COMMISSIONER HOROVITZ: Aye.</p> <p>16 CHAIRMAN GREEN: Aye.</p> <p>17 No one opposed.</p> <p>18 Resolution RAD 01, 02, 03 have been</p> <p>19 approved.</p> <p>20 Thank you, everyone, for doing this,</p> <p>21 putting all of the numbers together.</p> <p>22 It seems like we're still in great financial</p> <p>23 standing.</p> <p>24 And what we started, the process of</p> <p>25 acquiring JWB's properties, right, and then --</p>

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<p>1 CEO: We just received a call yesterday.</p> <p>2 We have -- it's a couple deals that we're looking</p> <p>3 at that we're going to take to the Acquisition</p> <p>4 Committee.</p> <p>5 One of the deals we're looking at is three</p> <p>6 properties, which is 680 units? --</p> <p>7 CFO: 648.</p> <p>8 CEO: -- 648 units, and then we have another</p> <p>9 one that Dennis and his team with Michael and</p> <p>10 Gregory were working on yesterday to make sure</p> <p>11 it actually cash flows and looks good.</p> <p>12 That's another 413 units.</p> <p>13 And, in terms of JWB --</p> <p>14 COMMISSIONER HOROVITZ: Sorry.</p> <p>15 Is that separate of JWB?</p> <p>16 CHAIRMAN GREEN: Yes.</p> <p>17 CEO: -- yes.</p> <p>18 COMMISSIONER HOROVITZ: Because they don't</p> <p>19 do large developments like that, right?</p> <p>20 CEO: Yes. Right.</p> <p>21 So we're looking to bring several more to</p> <p>22 the Acquisition Committee next month. JWB has</p> <p>23 50 units along with Chase -- we took those through</p> <p>24 the Acquisition Committee twice.</p> <p>25 CHAIRMAN GREEN: Yes.</p>	<p>1 CEO: Yes.</p> <p>2 CHAIRMAN GREEN: Thank you guys for that.</p> <p>3 You created a rubric. So, yeah. The ball is</p> <p>4 definitely rolling.</p> <p>5 CEO: And I won't take credit for it.</p> <p>6 CHAIRMAN GREEN: It's your whole team.</p> <p>7 CEO: I have got to give all of the credit to</p> <p>8 the staff.</p> <p>9 The Finance Team has done an outstanding job</p> <p>10 -- Michael, Dennis and Gregory.</p> <p>11 And then Colene is doing a phenomenal job</p> <p>12 over there in Procurement. She's probably one of</p> <p>13 the best in the business.</p> <p>14 And, in terms of our Compliance, Todd is in</p> <p>15 charge of the Nonmember Compliance Team.</p> <p>16 They are all in sequence with Asset Management,</p> <p>17 because we spent quite a bit of money for</p> <p>18 Asset Management. Because most people like to</p> <p>19 have outside people -- outside members do it.</p> <p>20 His whole team is in the training of that</p> <p>21 now, and they will go through tax credit later on.</p> <p>22 And then Ms. Evann and Antonio are doing an</p> <p>23 outstanding job. You see the lobby out there.</p> <p>24 You notice the change out there, and they have</p> <p>25 tablets and stuff upstairs.</p>
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<p>1 CEO: And we did do the rubric, if you go</p> <p>2 back and look at your package.</p> <p>3 We did look at it, and we did have some</p> <p>4 modifications from Commissioner Horovitz.</p> <p>5 COMMISSIONER HOROVITZ: I'm smiling,</p> <p>6 because there was a lot of redlining.</p> <p>7 CHAIRMAN GREEN: I saw that.</p> <p>8 CEO: She made some changes to it,</p> <p>9 which was great, and that's what we look for</p> <p>10 is some impact and some influence and some</p> <p>11 ideas or some suggestions from the commissioners.</p> <p>12 And that's on deck on Monday, and we're</p> <p>13 looking forward -- because we went through</p> <p>14 the whole gamut, we're looking forward to</p> <p>15 approval just to move forward to give the</p> <p>16 authorization to move the deal forward.</p> <p>17 We have to be able to get some things</p> <p>18 going.</p> <p>19 CHAIRMAN GREEN: Yeah. It's exciting.</p> <p>20 CEO: Yes.</p> <p>21 CHAIRMAN GREEN: I know all the hard work</p> <p>22 that you guys do.</p> <p>23 CEO: Yes.</p> <p>24 CHAIRMAN GREEN: We got our bond rating this</p> <p>25 year.</p>	<p>1 And, of course, Ms. Kort works with</p> <p>2 everything in the agency. I didn't forget anyone</p> <p>3 else in terms of ...</p> <p>4 Oh, Ms. Cathy, in Section 8, does a good job,</p> <p>5 and then you have Ms. Parker, who is our longest,</p> <p>6 tenured employee, who has over 35 years here.</p> <p>7 And, actually, some of the people who work in this</p> <p>8 agency she mentored, as she worked for this</p> <p>9 agency, to get them on a path to self-sufficiency,</p> <p>10 and they actually worked for the agency now over</p> <p>11 30 years.</p> <p>12 And our new addition to our staff is</p> <p>13 Mr. Peterson, who was the Director over at JTA.</p> <p>14 He was there a couple of weeks ago. We brought</p> <p>15 him on board. He's a professional engineer and</p> <p>16 a Clemson graduate. We won't hold that against</p> <p>17 him.</p> <p>18 CHAIRMAN GREEN: Well, we got Trevor now.</p> <p>19 CEO: Yes. So he's on board, and we're</p> <p>20 getting the right people in the right place so we</p> <p>21 can be able to move this agency forward to be able</p> <p>22 to acquire properties to be able to help some of</p> <p>23 the folks that are on our waiting list.</p> <p>24 And we want to make a dent in affordable</p> <p>25 housing, and a lot of folks profess that they want</p>

<p style="text-align: right;">Page 53</p> <p>1 to help folks in affordable housing. But they 2 really don't know the real true essence of 3 low-income families. 4 And we, as the housing authority, 5 consider ourselves as the vanguard of folks living 6 in low-income housing. 7 Because, even though we have other folks out 8 there, we're the only ones that HUD provides a 9 subsidy to to be able to reach low-income 10 families. 11 I told you before, we have over 40,000 people 12 on our waiting list, and the average income of the 13 families on our waiting list -- let me go back. 14 We have 40,000 people on our program, 15 and the average salary of the people in our 16 program is only \$12,000. 17 CHAIRMAN GREEN: So we have 40,000 people on 18 the program, and that could be like 100- if you 19 include children. 20 It's like 100-something-thousand? 21 CEO: No, no. So I misspoke. Right now 22 we have over 40,000 individuals we take care of on 23 our program, and the average salary is 12,000. 24 On our waiting list -- we have 120,000 people 25 on our waiting list. We have, on our Jax Beach</p>	<p style="text-align: right;">Page 55</p> <p>1 CEO: Thank you. 2 Oh, I didn't mention that we did have 3 Ms. Joelle from OGC with the city. She's here 4 covering for Lawsikia. 5 Thank you. 6 CHAIRMAN GREEN: Thank you. 7 (Whereupon, the Finance Committee Meeting 8 concluded at 3:05 p.m.) 9 --- 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 54</p> <p>1 alone -- I think we have about 38,000 people on 2 our Jax Beach. And Section 8 we have about 3 -- 4 MS. HUNT: 34,000. 5 CEO: -- 34,000, and then our public housing. 6 And the list grows. 7 Now that's one individual head of household. 8 When you multiply that some of these individuals 9 may have two and three family members, that could 10 represent easily anywhere to 250- to maybe 3- 11 or 400,000 people, individuals. 12 CHAIRMAN GREEN: Right. 13 Well, again, thank you and your staff. 14 You do a fantastic job. The budget is, you know, 15 always pretty buttoned-up within less than 16 1 percent of what you guys budgeted for. 17 Thank you very much. 18 I apologize. Normally the meetings are 19 usually shorter, but we brought in a heavy hitter 20 asking great questions. 21 CEO: Yes. 22 CHAIRMAN GREEN: So thank you for that. 23 I learned today. 24 So thank you very much, and I'll see you on 25 Monday.</p>	<p style="text-align: right;">Page 56</p> <p>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 the 7 foregoing proceedings and that the transcript to the 8 best of my ability is a true and complete record of my 9 stenographic notes. 10 Dated this 8th day of February, 2023. 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">_____ Carol DeBee Martin Notary Public State of Florida My Commission: HH 038064 Expires: 12-29-2024</p>