

Page 1

1
2
3
4
5
6 JACKSONVILLE HOUSING AUTHORITY
7 BOARD OF COMMISSIONERS
8 ACQUISITION COMMITTEE MEETING
9
10
11
12 TAKEN: Thursday, January 5, 2023
13 TIME: 2:00 p.m. to 3:18 p.m.
14 PLACE: Jacksonville Housing Authority
15 1300 North Broad Street
16 Jacksonville, Florida 32202
17 Taken by Carol DeBee Martin, court reporter.
18
19
20
21
22 Carol DeBee Martin
23 Jacksonville Court Reporting, Inc.
24 1620 Bartram Road, Apt. 6111
25 Jacksonville, Florida 32207
(904) 465-0787 (cell)
debeemartin@aol.com

Page 2

1 APPEARANCES:
2 CHAIRMAN CHRISTOPHER WALKER
3 COMMISSIONER HARRIET BROCK
4 COMMISSIONER HEATHER HOROVITZ
5 COMMISSIONER ANDRE GREEN
6 CRAIG SHOUP
7 DWAYNE ALEXANDER, JHA PRESIDENT/CEO
8 LINDA SIMS
9 EVANN MORRIS
10 ANTONIO PEREZ
11 COLENE ORSINI
12 GREGORY WILLIAMS
13 MICHAEL EDGAR
14 JACQUELIN HARRIS
15 DANIEL MITCHELL
16 TODD AUBUCHON
17 REECE WILSON, ESQUIRE
18 KORTE PARDE, ESQUIRE
19 VANESSA DUNN
20 CHASE BALANKY (Chase Properties) (speaker)
21 ALEX SIFAKIS (JWB Companies) (speaker)
22 DENO HICKS (Chase Properties) (speaker)
23
24 VIA VIDEOCONFERENCE
25 DENNIS LOHR, CFO
CODY WILSON, (Piper Sandler) (speaker)

Page 3

1 PROCEEDINGS
2 January 5, 2023 2:00 p.m.
3 CHAIRMAN WALKER: By my clock, it is
4 two o'clock. Today is Thursday, January 5th.
5 I'm going to go ahead and call the Jacksonville
6 Housing Authority Board of Commissioners
7 Acquisition Committee Meeting to order.
8 We'll go ahead and open this up for public
9 comment, as we routinely do.
10 Just a reminder to anybody that would like to
11 make public comment, public comment is limited to
12 3 minutes, and we do ask that you state your name
13 and address for our meeting minutes so we have it
14 on file. So, with that, I'll open it up.
15 Is there any public comment here in the room
16 in-person?
17 (no response)
18 CHAIRMAN WALKER: Hearing none, is there
19 any comment online -- public comment online?
20 If you could, identify yourself, please,
21 so we can make sure we can hear you.
22 (no response)
23 CHAIRMAN WALKER: Okay. Hearing none
24 I'm going to -- was there somebody?
25 You guys are always welcome to speak.

Page 4

1 MS. ORSINI: (shook head negatively)
2 CHAIRMAN WALKER: Hearing none I'm going to
3 go ahead and close the public comments.
4 We do have meeting minutes from the last
5 meeting. I did take a look at the meeting
6 minutes. They looked much thicker than usual,
7 because we didn't print them on the 4x4 a page.
8 But I didn't see anything in here that caused me
9 any concern. I think they are accurate minutes.
10 Was there any questions or comments about the
11 minutes, Commissioner?
12 COMMISSIONER BROCK: No.
13 CHAIRMAN WALKER: No.
14 With that, can I get a motion to approve the
15 minutes?
16 COMMISSIONER BROCK: Yes, Mr. Chair, I make a
17 motion to approve our minutes.
18 CHAIRMAN WALKER: I have a motion from
19 Commissioner Brock.
20 Can I have a second?
21 COMMISSIONER HOROVITZ: Second.
22 CHAIRMAN WALKER: Second.
23 Any discussion?
24 (no response)
25 CHAIRMAN WALKER: Hearing none I'll call the

Page 5	Page 7
<p>1 question.</p> <p>2 All those in favor of approving the meeting</p> <p>3 minutes from December 10th, 2022, signify by</p> <p>4 saying, "Aye."</p> <p>5 COMMISSIONER BROCK: Aye.</p> <p>6 COMMISSIONER HOROVITZ: Aye.</p> <p>7 COMMISSIONER GREEN: Aye.</p> <p>8 CHAIRMAN WALKER: Any opposition?</p> <p>9 (no response)</p> <p>10 CHAIRMAN WALKER: Hearing none the minutes</p> <p>11 are approved.</p> <p>12 We're now onto Item IV.</p> <p>13 You see how fast we did that today?</p> <p>14 We're on to Item IV of this, "Chair</p> <p>15 Comments."</p> <p>16 So, just for context, you know, at the last</p> <p>17 board meeting, we had a very positive discussion</p> <p>18 around moving forward with certain acquisitions</p> <p>19 and figuring out how best to do that.</p> <p>20 Subsequent to that board meeting, one of the</p> <p>21 main points out of that board meeting was to</p> <p>22 confirm that we could, in fact, move forward with</p> <p>23 two proposed deals under a sole source as opposed</p> <p>24 to having to publish and go through a formal</p> <p>25 scoring rubrics via an RFQ.</p>	<p>1 Dwayne, is you and your team, the Executive Team,</p> <p>2 will be presenting some brief summaries and</p> <p>3 looking for us to either recommend moving forward</p> <p>4 to include engaging our third-party groups to</p> <p>5 start doing formal underwriting and things like</p> <p>6 that, or this committee has more questions on each</p> <p>7 specific deal, and, as such, would like you to</p> <p>8 hold off.</p> <p>9 This will not mean we are formally --</p> <p>10 quote/unquote -- "doing the deal." Rather this is</p> <p>11 just giving Mr. Alexander the authority to work</p> <p>12 with the existing groups, execute necessary</p> <p>13 contracts and expend funds under your authority</p> <p>14 limit, Mr. Alexander, in furtherance of getting</p> <p>15 us a full diligence package to close.</p> <p>16 So, before we dive into the individual deals,</p> <p>17 are there any questions from the committee?</p> <p>18 (no response)</p> <p>19 CHAIRMAN WALKER: Hearing none,</p> <p>20 Mr. Alexander, the floor is yours.</p> <p>21 CEO: Thank you.</p> <p>22 So good afternoon. This actual project right</p> <p>23 here -- on December the 19th, we had Chase</p> <p>24 Properties come into the board meeting to present</p> <p>25 this 102-unit development.</p>
Page 6	Page 8
<p>1 Mr. Alexander -- correct me if I'm wrong --</p> <p>2 you and the Executive Team have confirmed that,</p> <p>3 should this committee like to, we can move forward</p> <p>4 with two deals under a sole source not going</p> <p>5 through an RFQ process and scoring rubrics,</p> <p>6 correct?</p> <p>7 CEO: That is 100-percent correct.</p> <p>8 I actually talked to General Counsel, Ms. Hodges,</p> <p>9 and we also have General Counsel here now,</p> <p>10 Reece Wilson. He's here replacing her for today.</p> <p>11 And she reached out to Saxon Gilmore,</p> <p>12 who handled the three previous deals that we have</p> <p>13 completed for the agency.</p> <p>14 And that is 100-percent correct. We can do</p> <p>15 it as a sole source.</p> <p>16 CHAIRMAN WALKER: Okay. So the purpose of</p> <p>17 this Acquisition Committee Meeting then today is</p> <p>18 to have this committee go through these.</p> <p>19 I think, on the last time, we had a chance to</p> <p>20 really go through these, and we did get through</p> <p>21 some scoring cards.</p> <p>22 But, per the last meeting, for both of the</p> <p>23 presenters, there are time constraints surrounding</p> <p>24 these deals. So, after speaking with Dwayne,</p> <p>25 I believe what we're going to do here today,</p>	<p>1 We actually went back, and we worked on this</p> <p>2 deal. Finance did a good job in trying to pencil</p> <p>3 this deal out to see if this was a good deal to</p> <p>4 work for the housing authority.</p> <p>5 We actually sent it to our consultants,</p> <p>6 and they looked at it and thought that the deal</p> <p>7 made good sense.</p> <p>8 So we're just going to give you a brief</p> <p>9 presentation. I don't want to bore you,</p> <p>10 because they gave a presentation last time.</p> <p>11 I'll just give you a brief overview on what</p> <p>12 this deal consists of so that we can get the</p> <p>13 approval to take this to the full board on</p> <p>14 January the 30th.</p> <p>15 This property is -- Chase Properties is</p> <p>16 acting as the lead developer on a 102-unit deal.</p> <p>17 20 percent of the units will be affordable,</p> <p>18 and 80 percent will be market rate.</p> <p>19 So, out of the 102 units we looked at,</p> <p>20 you'll have about 19 units that would be</p> <p>21 affordable -- actually, 20 units that would be</p> <p>22 affordable.</p> <p>23 One the them we have at 30 percent.</p> <p>24 We have a couple of them at 60 percent,</p> <p>25 and the bulk of them, which is about 17 units,</p>

<p style="text-align: right;">Page 9</p> <p>1 we have at 80 percent.</p> <p>2 And, as you know, HUD says anything</p> <p>3 80 percent or less is considered low-income.</p> <p>4 This deal is actually on 19 acres.</p> <p>5 The developer is seeking 2.4 million dollars from</p> <p>6 JHA to secure the purchase of the land.</p> <p>7 JHA will own and manage the property upon</p> <p>8 completion. This is a shovel-ready project</p> <p>9 completed. The PSA has been executed.</p> <p>10 All entitlements are currently in place.</p> <p>11 The vertical design is completed, and then</p> <p>12 process permitting completed by February 1st.</p> <p>13 And the engineering has been done.</p> <p>14 This property here is basically right there</p> <p>15 by Normandy and Nathan Hale Road. And, when we</p> <p>16 looked at it, you have Amazon in that specific</p> <p>17 area. You have GE. You have FSCJ there.</p> <p>18 When we went out and looked at it and did</p> <p>19 some surveys on it, that is a hot area for new</p> <p>20 development, and we think it's a good time for the</p> <p>21 housing authority to get in at the same time and</p> <p>22 do some development in that area. That's an</p> <p>23 up and coming area.</p> <p>24 This is basically a conceptual design of</p> <p>25 the property here. All these units will be</p>	<p style="text-align: right;">Page 11</p> <p>1 the deal was looked at by one of our financial</p> <p>2 investment partners, Piper Sandler, so Cody and</p> <p>3 his team. I think Cody might be on the line.</p> <p>4 They looked at the deal. And we tried to</p> <p>5 model a four-year amortization either 10 or</p> <p>6 15-year term. Initial construction financing</p> <p>7 I bumped up from the first time we presented to</p> <p>8 the Acquisition Committee, just for reasons of</p> <p>9 conservatism, from the 4 1/2 to 5 percent on</p> <p>10 construction financing. We can likely assume</p> <p>11 interest only during that period.</p> <p>12 Chase and his team will do a great job of,</p> <p>13 you know, putting the project together,</p> <p>14 and I think it was 25 months or less to</p> <p>15 stabilization.</p> <p>16 So, at that point, take-out financing comes</p> <p>17 in to your current financing so that your first</p> <p>18 lien mortgage -- and I modeled that from 4 1/2 to</p> <p>19 4.75, again, for conservatism.</p> <p>20 I think the coverage ratio -- the low is</p> <p>21 around 1.24 -- I think it might say, "1.26,"</p> <p>22 up there, and all that means is that, for every</p> <p>23 dollar of debt, you're able to provide an</p> <p>24 additional 26 cents of cash flow to service that</p> <p>25 debt -- the 1.26 a dollar.</p>
<p style="text-align: right;">Page 10</p> <p>1 two-bedroom units in that specific area.</p> <p>2 The financial highlights -- the purchase</p> <p>3 price is 2.4 million dollars from us, but we're</p> <p>4 paying overall costs of 32,000,000.</p> <p>5 The purchase includes land, entitlements,</p> <p>6 wetlands credits, all permitting and site plan and</p> <p>7 full engineering.</p> <p>8 The financing is up to 107 debt financing.</p> <p>9 Construction is at a 5-percent rate.</p> <p>10 The perm financing -- the revenue bond --</p> <p>11 four years amortization, and that's at</p> <p>12 4.7 percent.</p> <p>13 We're looking at stabilization in three years</p> <p>14 at 1.7. After the debt service, we're looking at</p> <p>15 at least \$193,000 a year each year, and that's</p> <p>16 escalating after the third year, after getting</p> <p>17 stabilization.</p> <p>18 The financial -- I'm going to have Michael</p> <p>19 talk a little bit about that, about the financials</p> <p>20 on that job.</p> <p>21 MR. EDGAR: Certainly. Thanks so much.</p> <p>22 So, again, high-level, it's at 2.4 million dollars</p> <p>23 to secure effectively the purchase of property as</p> <p>24 well as other aforementioned items.</p> <p>25 What I tried to do is model the deal --</p>	<p style="text-align: right;">Page 12</p> <p>1 And it's likely 1.15 is what the banks</p> <p>2 or lenders or other creditors recognize.</p> <p>3 So I think high-level, that's kind of the</p> <p>4 key stuff there.</p> <p>5 Chase and his team did a phenomenal job</p> <p>6 putting together the bulk of our cost assumptions</p> <p>7 and going into your hard costs.</p> <p>8 Total hard costs were around 25,000,000.</p> <p>9 I think it was 24.8 million in total hard costs,</p> <p>10 which includes 5-percent contingency built in as</p> <p>11 customary.</p> <p>12 And, again, that 2.4 or around 2.376 million</p> <p>13 for the land includes all of the aforementioned</p> <p>14 items that Dwayne went through on those slides.</p> <p>15 So all the engineering and permitting took a</p> <p>16 tremendous amount of time and diligence on their</p> <p>17 part to get done, and so we're certainly</p> <p>18 appreciative of that capacity.</p> <p>19 Soft costs are around -- let's see --</p> <p>20 4.5, 4.475 million. No worries about the slides.</p> <p>21 I'll kind of speak to it here.</p> <p>22 And, if you want to, just speak out.</p> <p>23 I think that's a key point to reiterate.</p> <p>24 Dwayne went through that already.</p> <p>25 But just know that we have flex. I think we</p>

<p style="text-align: right;">Page 13</p> <p>1 can easily go up to 30 percent, if you want, 2 but I think -- you know, I did a lot of research. 3 I went back into the S & P archives, and I looked 4 at, you know, more than 20 or 30 deals done 5 recently by, you know, various public housing 6 authorities. 7 And it was a 20-percent-to-80-percent split. 8 There were a few at 30 and 70, but I just feel 9 more comfortable -- again, I know the mission of 10 the agency is serve the largest community as 11 possible in the low-income space and affordable 12 space. 13 But, for reasons of conservatism and to make 14 your first projects out of the gate work, I highly 15 recommend the 20-percent/80-percent structure. 16 And, again, I've been doing this for 17 20 years on the project financing side -- 18 about \$14,000,000,000 worth of debt deals. 19 So I highly recommended 20 percent, 20 not the 30, but there is flex. That flex will 21 take you down to probably 1.15, and, again, 22 we're hitting between 27 1/2 and 30-percent 23 OFF-X margins, which is very comfortable. 24 And I feel, you know, given Dwayne's history 25 here with the agency and what's being done on the</p>	<p style="text-align: right;">Page 15</p> <p>1 please, feel free to do so. 2 CHAIRMAN WALKER: So thank you both. 3 I appreciate this. So I do have a couple 4 questions. 5 I want to make sure -- and, obviously, 6 we should dive into this as much as you want, 7 but my questions are going to be more geared 8 towards the policy, not the execution, 9 because I'm relying on the Executive Team to 10 execute this. 11 So policywise you mentioned earlier that you 12 have researched other public housing authorities 13 and the splits that they're doing on these deals. 14 MR. EDGAR: Yes. 15 CHAIRMAN WALKER: So that research has been 16 done, and it can confirm that this structure is a 17 routine, PHA type structure. 18 MR. EDGAR: 20-80, yes, sir. 19 CHAIRMAN WALKER: 20-80 is a routine 20 structure. 21 Okay. My other question is -- and this may 22 be for you and/or Dennis -- does the 193- levered 23 debt service -- is that before or after reserves 24 are set aside? 25 MR. EDGAR: Sure. So I think the smartest</p>
<p style="text-align: right;">Page 14</p> <p>1 property management side, I'm comfortable with him 2 maintaining those margins. 3 We looked at other margins. One of our best 4 properties is Gregory West. I tried to, you know, 5 consider Gregory West, and I think it's analogous 6 to this one in terms of the smart management and 7 capability. 8 And definitely those margins can be met there 9 with the same smart management practices we 10 already have in place. 11 I can't think of anything else to highlight. 12 You know, Dwayne kind of touched on the cash 13 flow that will, you know, come from this project, 14 and so we've got positive operating cash flow to 15 build positive cash flow after financing, 16 that number that Dwayne went through already. 17 But I think it's probably more important to 18 open it up to, you know, general questions from 19 the board or the broader team here today. 20 I know Dennis is on the line, and Cody is on 21 the line. 22 If I missed anything -- you know, part of 23 the, you know, property managers -- or I should 24 say, "property developers," here, Chase, if you 25 guys want to speak to something I missed,</p>	<p style="text-align: right;">Page 16</p> <p>1 way to model any of these projects is always 2 a six-month forward reserve. That's how I was 3 trained to do it, but I think it's pretty much the 4 industry standard. 5 Like I said, the model supporting this is 6 very robust. It is used by ACRE, which is pretty 7 much a gold standard in financial modeling. 8 They trained Goldman Sachs, Morgan Stanley, 9 J.P. Morgan and Blackstone, and I've worked with 10 them. I built those models, and I assisted 11 building those models. So it's always six months 12 forward, but we can adjust, as you need. 13 CHAIRMAN WALKER: And, again, I don't want to 14 -- the rest of the board can ask questions. 15 I'm not looking to get into that level of detail. 16 I'm really trying to stay out of that, 17 based on the agenda for the commissioner's 18 conference that says I should stay out of that. 19 But my only other kind of policy or 20 high-level-related question is -- and I just want 21 to make sure -- this assumes that we're managing 22 it and collecting a management fee. 23 MR. EDGAR: 3 Percent. 24 CHAIRMAN WALKER: 3 percent. Then there's 25 excess cash flow to us, and that cash flow is</p>

<p style="text-align: right;">Page 17</p> <p>1 truly unrestricted. We can do whatever we want 2 with it. 3 MR. EDGAR: Unrestricted. 4 CHAIRMAN WALKER: Those were my initial 5 questions. 6 CEO: We can go to the next one. 7 CHAIRMAN WALKER: Well, actually, no. 8 Dwayne, let's take action one at a time -- 9 CEO: Okay. 10 CHAIRMAN WALKER: -- so that we don't get 11 mixed up. 12 I think Commissioner Brock and then 13 Commissioner Green. 14 COMMISSIONER BROCK: Okay. So we're going to 15 have you say 20 units that we would have to be 16 able to put residents in on the property? 17 CEO: Yes. We have all 120 (sic), 18 but 20 percent of them are designated for 19 low-income families. 20 MR. EDGAR: 102. 21 CEO: Yes. It's a total of 102 -- 22 COMMISSIONER BROCK: Okay -- 23 CEO: -- but 20 percent of that will go 24 for low-income. 25 COMMISSIONER BROCK: -- okay.</p>	<p style="text-align: right;">Page 19</p> <p>1 project than it does a private development market 2 rate deal. 3 COMMISSIONER GREEN: And our cut 2.4 million 4 -- we put up 2.4 for the -- 5 CHAIRMAN WALKER: We own 100 percent of it. 6 We're buying the land. 7 COMMISSIONER GREEN: -- oh, okay. 8 CHAIRMAN WALKER: We would essentially be 9 buying the land to control the land and control 10 the total development. 11 And my understanding is -- and we can ask 12 Chase -- no offense to Chase -- I don't think they 13 get anything until we actually develop it. 14 COMMISSIONER GREEN: So this is 100 percent 15 our property? 16 CHAIRMAN WALKER: Yes. 17 COMMISSIONER GREEN: They're just helping us 18 develop it basically. 19 CHAIRMAN WALKER: Correct. 20 COMMISSIONER GREEN: Fair enough. 21 CHAIRMAN WALKER: And I think -- 22 and the two commissioners here correct me if I'm 23 wrong, because you guys were both there -- 24 I think the biggest concern legally we had, 25 at the last board meeting, was making sure we</p>
<p style="text-align: right;">Page 18</p> <p>1 CEO: Keep in mind -- I just want to just 2 put out there that we have large waiting list, 3 and, even though we have folks on our waiting 4 list, all of the folks on there don't qualify for 5 low-income. 6 CHAIRMAN WALKER: So, sorry. I have a 7 follow-up question. 8 So the theory being, if they don't qualify 9 for low-income, we might be able to help them get 10 in here on the rest of the units? 11 CEO: Yes, yes. 12 CHAIRMAN WALKER: Okay. Commissioner Green. 13 COMMISSIONER GREEN: Sorry. I didn't attend 14 the last meeting, but, just to quick break down 15 how this deal came to be -- and I see that they're 16 almost done with the permitting in February. 17 So I'm assuming they already started this project 18 before they came to us. 19 CHAIRMAN WALKER: Yes. I can let Chase -- 20 the Chase representatives are here. They can give 21 the background on the deal itself. 22 Relative to how it came to the agency -- 23 it was through reaching out to me and Dwayne, 24 saying, "We have a project." 25 It makes more sense as a potential affordable</p>	<p style="text-align: right;">Page 20</p> <p>1 didn't trip on ourselves via a sole source, 2 whereby we can just pick the project, since it was 3 brought to us, or if we needed to take it through 4 the scoring rubric process. 5 That was the big -- I won't say objection -- 6 that was one of the big concerns. 7 COMMISSIONER GREEN: What is the development 8 fee that we're being charged? 9 MR. EDGAR: I think it's roughly \$1,000,000 10 and change. I'll look it up. 11 CEO: Okay. 12 CHAIRMAN WALKER: I guess that's our leading 13 question. 14 MR. EDGAR: Yes. It's a customary standard. 15 Yes. 16 CHAIRMAN WALKER: It is? 17 Okay. So I think, Mr. Alexander, I don't 18 want to belabor this, because, again, I'm trying 19 very hard to stay at policy, not elsewhere. 20 You are asking this committee for a 21 recommendation of the full board to proceed? 22 CEO: That's correct. 23 CHAIRMAN WALKER: And you are asking this 24 committee for a recommendation to begin 25 negotiating documents and everything else so that</p>

Page 21	<p>1 the full board has a complete packet to review, 2 correct? 3 CEO: That's correct. 4 CHAIRMAN WALKER: Any other questions from 5 the commissioners? 6 (no response) 7 CEO: If I may, at the last meeting, 8 we talked about the process, and we vetted the 9 process. 10 We went back. We sharpened our pencils, 11 went back and tried to pencil the whole deal out. 12 CHAIRMAN WALKER: Yes. 13 CEO: And then we actually sent the deal out 14 to our consultants, our advisors, to see what 15 their thought process was, and they said, 16 "The deals make sense." 17 CHAIRMAN WALKER: So, actually, just to cover 18 all of our bases, do we have any of our advisors 19 on the line? 20 (no response) 21 CHAIRMAN WALKER: Is Cody on the line, 22 by chance, or anybody from Piper or PRAG? 23 MR. CODY WILSON: Hey, Chris. This is 24 Cody. 25 CHAIRMAN WALKER: Hi, Cody.</p>	Page 23	<p>1 CHAIRMAN WALKER: None. Okay. Accordingly, 2 I will ask the committee member for a motion to 3 recommend approval of this deal to the full board 4 and to direct Mr. Alexander to begin basically 5 negotiating the documents relative to our 6 acquisition of the land both of which are subject 7 to final full board approval. 8 Commissioner. 9 COMMISSIONER BROCK: Mr. Chair, I make a 10 motion that we will move this deal to the full 11 board and for Mr. Alexander to start putting 12 together the packet. 13 CHAIRMAN WALKER: Great. I have a motion. 14 Do I have a second? 15 COMMISSIONER HOROVITZ: I second. 16 CHAIRMAN WALKER: I have a second. 17 Is there any further discussion on this 18 transaction? 19 (no response) 20 CHAIRMAN WALKER: Hearing none I'll call the 21 question. 22 All those in favor signify by saying, "Aye." 23 COMMISSIONER GREEN: Aye. 24 COMMISSIONER BROCK: Aye. 25 COMMISSIONER HOROVITZ: Aye.</p>
Page 22	<p>1 Just for posterity's sake and the record, 2 Dwayne is indicating that you have taken a look at 3 this deal. 4 Would you mind just summarizing your thoughts 5 on the deal for us, you know, and letting us know, 6 as an independent third-party, what your thoughts 7 are here? 8 And this is the Normandy Townhomes. 9 MR. CODY WILSON: Yes. Sure. I thought the 10 deals were modeled correctly. I thought all the 11 assumptions were conservative. Yeah. I think 12 really the only questions I would have was just 13 around timing, which they answered. 14 So, yeah. I thought the deals were 15 structured appropriately, and all the assumptions 16 were conservative. So I didn't have any questions 17 on my end. I didn't have any concerns. 18 CHAIRMAN WALKER: So I think -- please, 19 this is the chance, Commissioners, before we go 20 down this proverbial path, is there any other 21 questions before I ask for a motion? 22 And we can, obviously, debate the merits of 23 this during a discussion, if necessary. 24 (no response) 25 COMMISSIONER BROCK: None.</p>	Page 24	<p>1 CHAIRMAN WALKER: Any opposition? 2 (no response) 3 CHAIRMAN WALKER: Hearing none, 4 Mr. Alexander, the first one is through the door. 5 Good luck. 6 The next one on our list JWB Capital Real 7 Estate. 8 Would you mind proceeding, Mr. Alexander? 9 CEO: Yes. So, thank you. 10 Thank you, Commissioners. 11 JWB was here at the previous board meeting 12 on December the 19th. This property here -- 13 project overview -- JWB Real Estate Capital 14 developed 50 infill homes for JHA. 15 JHA will purchase the properties from JWB 16 at a discount to market value. JWB acts as the 17 developer to find, underwrite, acquire lots and 18 build houses. 19 The total cost to JHA would be \$11,505,000 20 or \$230,000 per home. We will have equity in the 21 properties building a strong balance sheet. 22 JHA finances the project via issuing 23 revenue bonds and cash, and, underneath this 24 unit mix, we have three, two-bedrooms. 25 And we have 25, three-bedrooms, and have 22,</p>

Page 25	<p>1 four-bedrooms, which is our largest population on 2 our waiting list. 3 JWB built more than 1400 homes since 2018. 4 The 50 homes will be built right across the 5 ZIP Codes -- -09. You have -15, -18, -5, -10, 6 -3, -21, -14, -08, -07. In -19, you got two. 7 In -20, you have two. 8 So none of these units are concentrated in 9 any specific area which gives us a lot of 10 diversity. 11 Yes? 12 CHAIRMAN WALKER: Mr. Alexander, I'm sorry. 13 CEO: Yes. 14 CHAIRMAN WALKER: Forgive my ignorance, 15 but the first two, -09 and -21 -- where are those 16 located relative to the actual map? 17 What's the rough geographic area? 18 Like, are we talking Southbank? 19 Southside? 20 COMMISSIONER BROCK: -09 is the Northside. 21 CHAIRMAN WALKER: Northside. Okay. 22 MR. SIFAKIS: -09 is Northside, and -21 is 23 Westside. 24 CHAIRMAN WALKER: Westside. Okay. 25 Thank you. Sorry for my ignorance. Please,</p>	Page 27	<p>1 \$4,000,000, and we want to know when we get our 2 money back. 3 And, from what it looks like, we will have 4 our money back in about 18 to 24 months. 5 And we wanted to make sure that we got our money 6 back, because, in our unrestricted cash, 7 we have about \$15,000,000. 8 We want to make sure we keep a certain amount 9 of money in there so we can use revolving cash 10 so that, after we do these deals, we can go back 11 and do other deals by constantly replenishing that 12 money back, putting that money back and using it. 13 So project assumptions -- I'll let Michael 14 talk about that. 15 MR. EDGAR: Sure. I think this is another 16 really exciting project and a great opportunity 17 from Alex and his team. 18 Again, I think really an exciting way to look 19 at this potentially, is as a first phase of 20 multiple builds and multiple builds across many 21 great ZIP Codes in the city. 22 And, just to highlight, again, just from the 23 last meeting when we were talking, you know, 24 500 to 750 homes, potentially, is wonderful 25 to get so many of our residents in need in those</p>
Page 26	<p>1 go ahead. Sorry. 2 CEO: So here are sample units they 3 previously built or what the units will look like. 4 The financial highlights -- the total cost 5 to develop is \$12,000,000. The average home price 6 is \$230,000. 7 We went back and checked to see what it 8 actually costs to build the unit now with the 9 average cost of the property. It's \$314,000. 10 So that's way below the market price, the total 11 purchase of \$11,500,000, creating 500,000 equity 12 value. 13 The debt financing and cash equity -- 14 the perm financing will be 40-year amortization 15 at 4.5 percent. 16 JHA will invest up to \$1.4 million cash 17 unrestricted federal funds. Stabilization is 18 800,000 in three years. And debt finance, 19 after debt services, you're talking about \$192,000 20 in three years. 21 And one of the key things to this we sat down 22 and we looked at. One, we're looking for a return 23 back on our actual money that we put out there. 24 Because we looked at this deal, and you look 25 at the other deal. We're putting out about</p>	Page 28	<p>1 opportunities. 2 Again, these are single-family homes, 3 as Dwayne showed in the pictures there, that are 4 beautiful. They're well-constructed. 5 So, to the model, this deal has a slightly 6 higher coverage ratio, but I'm fairly confident 7 we can, you know, kind of carry a 1.15 on this 8 deal and the high-level numbers that Dwayne 9 referenced before. 10 So you can kind of consider 11 1/2 million 11 for the purchase of the homes, and, again, 12 the great thing about that is Alex and his team 13 has structured the deal at a discount from market 14 value. 15 Alex is smart in using his existing appraisal 16 and title base to get these things started. 17 So these are all timely, you know, accurate values 18 we're comparing. 19 So, when we go out and purchase this deal, 20 you've already created equity in the homes, 21 and we're buying something at a discount from 22 market value. 23 So what we did is we looked at that 11- 24 -- it's in green there -- 11.505 million. 25 We modeled an additional -- let's say -- 5 percent</p>

<p style="text-align: right;">Page 29</p> <p>1 for your soft costs.</p> <p>2 And then I thought a little bit about the</p> <p>3 investment that would effectively be required from</p> <p>4 the agency, and so I think the number in there is</p> <p>5 around 1.4 million.</p> <p>6 And, effectively, what that number does is</p> <p>7 it carries the project while you're servicing</p> <p>8 interest only until the project is fully</p> <p>9 stabilized. So that piece there is important to</p> <p>10 consider.</p> <p>11 So remember, like Dwayne said, you know,</p> <p>12 we will be investing in great projects, and these</p> <p>13 that are cash flow property positive, you know,</p> <p>14 very quickly and after debt financing cash flow</p> <p>15 positive in a very, very quick fashion.</p> <p>16 So we used 4.5 percent on a four-year term,</p> <p>17 again, probably interest only during</p> <p>18 construction. But a deal like this is smaller.</p> <p>19 So it's much easier to digest.</p> <p>20 I don't think, you know, there will be any</p> <p>21 trouble for Cody and his team or if we use a</p> <p>22 consortium of banks, and that's really up to the</p> <p>23 board and the board's discretion and the</p> <p>24 Executive Management's discretion.</p> <p>25 But certainly the banks will go out.</p>	<p style="text-align: right;">Page 31</p> <p>1 voucher base into these homes and wonderful to</p> <p>2 have single-family homes.</p> <p>3 I think it's nice to give people the option</p> <p>4 of -- you know, not everyone wants to do</p> <p>5 multifamily. So what a great way to get people</p> <p>6 into, you know, multifamily, and what a great way</p> <p>7 to diversify our portfolio.</p> <p>8 So you've got great townhomes. Now you've</p> <p>9 got single-family homes. Anyway, that's how that</p> <p>10 is modeled.</p> <p>11 Go ahead.</p> <p>12 CHAIRMAN WALKER: Sorry. One question.</p> <p>13 Again, more policy oriented. So, just to confirm,</p> <p>14 we're at 110 percent of the HUD FMRs, which means</p> <p>15 our vouchers would cover these rents.</p> <p>16 CEO: That is right.</p> <p>17 CHAIRMAN WALKER: I mean we're not asking</p> <p>18 potential low-income tenants to go over a</p> <p>19 potential voucher amount.</p> <p>20 CEO: Right.</p> <p>21 CHAIRMAN WALKER: Okay. Thank you.</p> <p>22 MR. EDGAR: That's correct. And I think we</p> <p>23 can go up to, is it 120 --</p> <p>24 CEO: Yes.</p> <p>25 MR. EDGAR: -- if we had to. I think 110 is</p>
<p style="text-align: right;">Page 30</p> <p>1 They'll syndicate this debt. Most of you already</p> <p>2 know the drill.</p> <p>3 I think the great thing is that, you know,</p> <p>4 again, we secured that A+ rating, and, again,</p> <p>5 just to highlight that, it really very objectively</p> <p>6 speaks to the credit capacity and financial</p> <p>7 well-being of the agency.</p> <p>8 So, when we built this deal and when Alex and</p> <p>9 his team brought it to us, we modeled all of the</p> <p>10 houses. The 50 houses were effectively modeled</p> <p>11 across those eight ZIP Codes I think.</p> <p>12 Right?</p> <p>13 CEO: (nodded head affirmatively)</p> <p>14 MR. EDGAR: Eight ZIP Codes.</p> <p>15 And, again, we're looking at -- there it</p> <p>16 is. Perfect. Again, it's kind of tough to see.</p> <p>17 I apologize.</p> <p>18 But that little box all the way to the top --</p> <p>19 that third row right there -- there we go --</p> <p>20 one over. I lied to you -- there we go --</p> <p>21 that is, you know, modeled at 110 percent of,</p> <p>22 you know -- of your FMR or small area of fair</p> <p>23 market values, which is -- which is, again,</p> <p>24 an opportunity for us to use existing HUD numbers</p> <p>25 that came out in October, you know, to get our</p>	<p style="text-align: right;">Page 32</p> <p>1 kind of where we feel comfortable.</p> <p>2 MR. AUBUCHON: (shook head negatively)</p> <p>3 MR. EDGAR: Todd is shaking his head,</p> <p>4 "No," to me.</p> <p>5 MR. EDGAR: So I'll go back I reckon and</p> <p>6 restate these.</p> <p>7 CEO: We can go to 120 for specific reasons.</p> <p>8 MR. EDGAR: Okay. Yes?</p> <p>9 MR. AUBUCHON: (nodded head affirmatively)</p> <p>10 MR. EDGAR: Okay. Anyway the deal also works</p> <p>11 at FMR. I'll make a long story short and go back</p> <p>12 and restate.</p> <p>13 At fair market rent, the project cash flows.</p> <p>14 The coverage ratios are still met.</p> <p>15 CHAIRMAN WALKER: Okay.</p> <p>16 MR. EDGAR: At 110 percent, the deal is</p> <p>17 slightly more attractive. So either way,</p> <p>18 whether it's at 100 percent or 110 percent,</p> <p>19 the project will cash flow, recover your debt</p> <p>20 service, and it will go on to be a valuable asset</p> <p>21 within our portfolio and create great community</p> <p>22 homes for the people in need.</p> <p>23 Let me see what's on that next line.</p> <p>24 I think project assumptions are there.</p> <p>25 That is purely to give you a migraine.</p>

Page 33	Page 35
<p>1 I'm teasing. I'm teasing.</p> <p>2 We always model, again, you know,</p> <p>3 CapEx reserves. Right now I think I have between</p> <p>4 4 and 5 percent set in there. These are new</p> <p>5 homes here, too, new construction.</p> <p>6 I had Alex and his team take a look at our</p> <p>7 operating expenditures. I think we had a little</p> <p>8 back and forth, Alex, on the insurance.</p> <p>9 I think you said we could kind of hike up our</p> <p>10 insurance numbers a little bit, but, other than</p> <p>11 that, he said, you know, "The numbers look good."</p> <p>12 And you're looking with, what, 4,900 homes</p> <p>13 give or take?</p> <p>14 MR. SIFAKIS: Yeah. We manage about 4900</p> <p>15 homes.</p> <p>16 MR. EDGAR: Yes. So I trust what Alex is</p> <p>17 saying, in terms of our operating expenditures.</p> <p>18 He knows what he's talking about. I'll give you</p> <p>19 that, as managing the properties.</p> <p>20 That's great, because we're, you know,</p> <p>21 experts in property management, as well,</p> <p>22 and it was modeled at 3 percent.</p> <p>23 I'm trying to think. There is a forward</p> <p>24 reserve calculation in here, as well.</p> <p>25 I can't think of anything else high-level.</p>	<p>1 review, any comments or thoughts on this?</p> <p>2 MR. CODY WILSON: Yes, Chris. I reviewed</p> <p>3 everything, and, you know, it's different from</p> <p>4 multifamily to being single-family. But I think</p> <p>5 that's a good strategy, and we're seeing a lot of</p> <p>6 that in today's market, single-family rentals.</p> <p>7 So, you know, certainly, I think all the</p> <p>8 assumptions, again, you know, look very</p> <p>9 conservative, especially, you know, private</p> <p>10 properties that's a discount to market --</p> <p>11 that's always a plus.</p> <p>12 So, yeah. I didn't really have any questions</p> <p>13 or any concerns.</p> <p>14 CHAIRMAN WALKER: Thank you, Cody.</p> <p>15 I'll open it up to the commissioners.</p> <p>16 Commissioner.</p> <p>17 COMMISSIONER HOROVITZ: Thank you,</p> <p>18 and thank you for all the work on the financials.</p> <p>19 I know that's a lot.</p> <p>20 COURT REPORTER: Can you turn on your</p> <p>21 microphone?</p> <p>22 COMMISSIONER HOROVITZ: I thought it was on.</p> <p>23 Do you not hear me?</p> <p>24 COURT REPORTER: I can now. Thank you.</p> <p>25 COMMISSIONER HOROVITZ: Okay. Thank you.</p>
Page 34	Page 36
<p>1 I might have modeled a small payback for either a</p> <p>2 pet deposit or a utility reimbursement, which is</p> <p>3 standard, but it's de minimis, less than 5 percent</p> <p>4 of rental revenue. But it would populate what's</p> <p>5 called your, "EGI," or effective gross income.</p> <p>6 I think that's it, guys, at a high-level.</p> <p>7 Again, the deal works, you know, fairly</p> <p>8 on conservative terms. We're at 1.4 million</p> <p>9 coming in from the agency. Take that financing</p> <p>10 effectively reimbursing the investment, you know,</p> <p>11 strong positive cash flow.</p> <p>12 And, again, you know, we're very lucky to</p> <p>13 have two, you know, kind of proven builders,</p> <p>14 proven developers with us here today, which helps</p> <p>15 to add to the confidence of the overall project.</p> <p>16 CEO: Just so you know, as well,</p> <p>17 this actually went out to our consultants,</p> <p>18 as well.</p> <p>19 CHAIRMAN WALKER: It did?</p> <p>20 CEO: Yes. This went out to them to take a</p> <p>21 look at it, and they censored them, as well.</p> <p>22 CHAIRMAN WALKER: Okay. So maybe we'll start</p> <p>23 there this time instead of going backwards.</p> <p>24 I believe Mr. Wilson is on the line.</p> <p>25 Cody, just as from an outside third-party</p>	<p>1 Can we go back to the map?</p> <p>2 I just have a question about where the</p> <p>3 ZIP Codes are. I was looking back in the minutes</p> <p>4 from the last meeting, because I remember talking</p> <p>5 about having some out in the Mandarin area.</p> <p>6 Do you remember, Commissioner Brock?</p> <p>7 COMMISSIONER BROCK: Yes. Uh-huh.</p> <p>8 COMMISSIONER HOROVITZ: And so I'm just</p> <p>9 wondering what the change was.</p> <p>10 Were you looking, as well?</p> <p>11 COMMISSIONER BROCK: Yes.</p> <p>12 COMMISSIONER HOROVITZ: I just wanted to</p> <p>13 know if there was a reason for the change,</p> <p>14 because I think part the appeal was --</p> <p>15 and then there was an example of somebody who</p> <p>16 works in that area, and it is a great opportunity</p> <p>17 to have a house that was nearby where that person</p> <p>18 was employed.</p> <p>19 We're still exploring other ZIP Codes,</p> <p>20 and, of course, I know it's more expensive to</p> <p>21 build there. But I think that was one of the</p> <p>22 things we were discussing, that it offered a</p> <p>23 little bit more diversity.</p> <p>24 MR. SIFAKIS: So, from JWB's perspective,</p> <p>25 the 50 first houses are all finished. So that was</p>

Page 37	Page 39
<p>1 the difference, where JHA was looking at this, 2 and, saying, "JWB owns 750 lots, but we have 3 50 finished houses." 4 And, in order to get houses -- I mean they 5 will be occupied as soon as JHA closes, and so the 6 ability to have those -- JHA is looking at, 7 "Hey, we can pick from the whole 750 later where 8 we want to go, but let's get this going. 9 Let's get 50, you know, families in houses in 10 February or in March." 11 Instead of saying, "Hey, we're going to pick 12 a lot in Mandarin." 13 Yeah. We'll get a great house in Mandarin in 14 a year, but we can get 50 families in houses 15 today. That's -- these are the only 50 that we 16 currently have available as a package. 17 We've actually been holding those houses for 18 the past two-plus months for this project 19 specifically, and then, you know, the team has the 20 entire list. 21 And we're saying, "You can pick any 22 properties, any areas that you want." 23 So that's the full list of 750 lots that 24 you're looking at in terms of total places to pick 25 from, but the first 50 are just the 50 that we</p>	<p>1 from the full list. 2 You can say, "All right. These are the ones 3 that we would like to purchase and to have JWB 4 build those houses." 5 Currently the first 50 is what we have 6 available. 7 Does that make sense? 8 CHAIRMAN WALKER: Yes, it does. 9 Sorry. 1 second, Commissioner. 10 Where were the majority, again, 11 Mr. Alexander? 12 32209, correct? 13 CEO: Yes. 14 CHAIRMAN WALKER: And 32221. Getting back to 15 that map so Northwest -- -09 up there -- right in 16 there. 17 And, where is -21? 18 It should be -- there it is. So -21 is out 19 along where we're doing Normandy; am I correct? 20 MR. EDGAR: It's close. 21 COMMISSIONER BROCK: It's kind of sort of 22 close, but not really. 23 CHAIRMAN WALKER: Yes. So, from a resident's 24 perspective, I guess I'd like to get your thoughts 25 on this, Commissioner Brock, because I'm wondering</p>
Page 38	Page 40
<p>1 have finished. 2 COMMISSIONER HOROVITZ: Okay. And thank you 3 for clarifying. I just wanted to make a comment. 4 I think it's very important that we're saying, 5 "We're going to build in different areas, 6 and we're going to build near better ranking 7 schools and that we don't just build in -09 8 or other ZIP Codes." 9 I just want to make a comment to that. 10 CHAIRMAN WALKER: Commissioner, it's a good 11 point. I'm having our colleague pull up a 12 ZIP Code map -- just, again, my ignorance of where 13 ZIP Code lines go. 14 So what I'm hearing, Alex -- not in a bad way 15 -- is this is kind of, for lack of a better 16 word, "the impetus," to get access then to 17 multiple lots on a first choice basis. 18 Is that a fair assessment of the situation? 19 MR. SIFAKIS: Right. So the way that -- 20 from what I understand, the way the JHA is looking 21 at the project with JWB is they're -- this is 22 Phase 1. 23 COMMISSIONER WALKER: Yes. 24 MR. SIFAKIS: And then Phase 2 would be 25 selecting another potentially 200 lots this year</p>	<p>1 -- like I love the idea of single-family homes. 2 I think we need to diversify into that. 3 I think it's a bit naive of us to think that 4 residents want to be in multifamily all the time. 5 I think it gives a very different positive living 6 situation. 7 COMMISSIONER BROCK: It does. 8 CHAIRMAN WALKER: The question is, 9 with this first packet, are we diversified enough 10 knowing that these are 50 homes today we can move 11 people into? 12 I would tend to think, yes, but I would 13 really value your opinion, Commissioner Brock. 14 COMMISSIONER BROCK: So, Mr. Chair, I have a 15 question first to JWB. 16 Are these here y'all's new homes or, 17 you know, new built homes, or are they re- -- 18 MR. SIFAKIS: These are all brand new 19 construction. 20 COMMISSIONER BROCK: -- okay. 21 MR. SIFAKIS: They have finished in the last 22 month-and-a-half. 23 COMMISSIONER BROCK: Okay. 24 MR. SIFAKIS: No one has ever lived in them. 25 COMMISSIONER BROCK: Okay, okay.</p>

<p style="text-align: right;">Page 41</p> <p>1 So, back to you, Mr. Chair, to answer your 2 question, I think, yes. Residents would 3 definitely appreciate those single homes. 4 CHAIRMAN WALKER: Even if we still have 5 a concentration maybe in a ZIP Code that we're 6 looking to not concentrate in? 7 Like that's what I want to be very -- 8 that's a policy question. 9 COMMISSIONER BROCK: Yes. Because a lot of 10 our residents for real, for real that's like on 11 our program for Section 8 -- a lot of them a lot 12 of times really are looking at 32209, 32208. 13 CHAIRMAN WALKER: They are? 14 COMMISSIONER BROCK: Yeah. Those are some 15 high ZIP Codes for some of our residents, 16 because they don't like -- for some reason or 17 another, they really don't like to move from those 18 ZIP Codes. 19 I do be trying to encourage them, but they 20 don't like to move from those ZIP Codes. 21 Because maybe the kids are in school, or they have 22 got other family members in those areas. 23 But those are high areas for our residents. 24 CHAIRMAN WALKER: Commissioners, I'm sorry. 25 I was looking at something.</p>	<p style="text-align: right;">Page 43</p> <p>1 exclusive with picking where we're going to put 2 them. 3 CHAIRMAN WALKER: Yes. I mean, from a -- 4 again, policy, not dealing -- I'm hearing from the 5 Executive Committee, Mr. -- not the Executive 6 Committee, but the C Committee, Mr. Alexander, 7 if the deal works, you guys are in favor of it. 8 CEO: That's correct. 9 CHAIRMAN WALKER: So, from a policy 10 standpoint then, I think, to your point, 11 I love the idea that, if we're doing one ground up 12 development project, I think we'd be a bit naive 13 to think that, as an organization, we should dive 14 into two or three of those up-front. 15 I do appreciate the fact that these are 16 move-in ready, and we essentially start lease-up 17 and operation immediately. That is a very -- 18 and they're brand new homes at \$230,000 a pop. 19 Good luck finding that. 20 COMMISSIONER BROCK: Yeah. 21 CHAIRMAN WALKER: So, for that reason, 22 notwithstanding a question around ZIP Code 23 concentration, which I do think, Mr. Alexander, 24 needs to be a consideration going forward for new 25 development, I think we need to be very</p>
<p style="text-align: right;">Page 42</p> <p>1 Go ahead, Commissioner Green. 2 COMMISSIONER GREEN: Is there anything in 3 our policy or created policy where we only allow a 4 certain amount of units to be purchased in certain 5 ZIP Codes? 6 COMMISSIONER BROCK: Unh-unh. 7 CEO: No. 8 COMMISSIONER GREEN: Good. 9 CHAIRMAN WALKER: Commissioner. 10 COMMISSIONER BROCK: I'm sorry, but I do like 11 -- 12 CHAIRMAN WALKER: You're okay. 13 COMMISSIONER BROCK: -- I do like the idea, 14 like my co commissioner said, that we were talking 15 about, you know, houses in the other areas, 16 Mandarin and Baymeadows and those other areas, 17 because, again, we do have some residents that 18 would like to live in those type areas that don't 19 want to be in the 32209. 20 And then I understand what JWB is saying 21 that, "Hey. Okay. We're going to move these 22 50 houses now so we can get some people off the 23 street, and then we're going to go back. 24 And we're going to talk about another 200." 25 You know, then we can, you know, like be</p>	<p style="text-align: right;">Page 44</p> <p>1 conscientious about that. 2 The one question that I had is, 3 "Was it 193,000 a year in returns or a month?" 4 MR. EDGAR: That's per annum. 5 CHAIRMAN WALKER: Per annum. 6 MR. EDGAR: Yes, sir. 7 CHAIRMAN WALKER: So call it, "1.4 million to 8 acquire." 9 Is that what it was? 10 MR. EDGAR: Yes. 11 CHAIRMAN WALKER: And so, in ten years, 12 we have a complete return of equity roughly, 13 not to mention the fact that we're financing it 14 with debt, which means it will be -- eventually, 15 we can refinance it with a debt package should we 16 so chose to? 17 MR. EDGAR: That's exactly correct. Yes. 18 CHAIRMAN WALKER: So, is the thought process 19 from the C -- again, I'm getting in -- I'm going 20 to make an effort this year, Dwayne -- policy. 21 But high-level, are you thinking we buy 22 with cash and refinance? 23 Are you thinking we go through with a 24 purchase with a mortgage Day One? 25 You don't have to go into detail,</p>

Page 45	Page 47
<p>1 but I'd just like to know your thinking.</p> <p>2 CEO: We'd like to go use the bonds.</p> <p>3 CHAIRMAN WALKER: So you want to do the</p> <p>4 bonds, too, with this.</p> <p>5 CEO: Yes, sir.</p> <p>6 CHAIRMAN WALKER: Okay. Fine. That's a</p> <p>7 really small bond issuance, isn't it?</p> <p>8 CEO: Yes. We only have 15,000,000 in</p> <p>9 unrestricted funds.</p> <p>10 CHAIRMAN WALKER: Okay.</p> <p>11 CEO: I think we could use half and half,</p> <p>12 but I think we should issue some bonds.</p> <p>13 CHAIRMAN WALKER: Okay. That's fair enough</p> <p>14 as long as -- okay. That's fair. Not going --</p> <p>15 no. Staying in policy. No, I'm not going there.</p> <p>16 Commissioners, other questions?</p> <p>17 COMMISSIONER HOROVITZ: I think that you're</p> <p>18 getting to this, Commissioner Green, about any</p> <p>19 policy restrictions on ZIP Codes, and I think</p> <p>20 that's something that we should consider,</p> <p>21 that we wouldn't build a house in a food desert</p> <p>22 or we wouldn't if the closest school is a</p> <p>23 D school.</p> <p>24 So I think that's something we should</p> <p>25 consider down the line, but I do agree that these</p>	<p>1 Commissioner Brock.</p> <p>2 COMMISSIONER BROCK: I make a motion,</p> <p>3 Mr. Chair.</p> <p>4 CHAIRMAN WALKER: I have the motion to</p> <p>5 proceed with the recommendation to the full board</p> <p>6 to acquire the portfolio together with the</p> <p>7 direction to Mr. Alexander to negotiate documents</p> <p>8 and present them for full board approval.</p> <p>9 Is there a second?</p> <p>10 COMMISSIONER GREEN: Question.</p> <p>11 This is just for the 50, not --</p> <p>12 CHAIRMAN WALKER: Just for the 50.</p> <p>13 To be clear, the motion is solely with respect to</p> <p>14 what's in this presentation.</p> <p>15 COMMISSIONER GREEN: I second.</p> <p>16 CHAIRMAN WALKER: I have a second.</p> <p>17 Is there any further discussion?</p> <p>18 (no response)</p> <p>19 CHAIRMAN WALKER: Hearing none all those in</p> <p>20 favor signify by saying, "Aye."</p> <p>21 COMMISSIONER BROCK: Aye.</p> <p>22 COMMISSIONER HOROVITZ: Aye.</p> <p>23 COMMISSIONER GREEN: Aye.</p> <p>24 CHAIRMAN WALKER: Any opposition?</p> <p>25 COMMISSIONER BROCK: (shook head negatively)</p>
Page 46	Page 48
<p>1 are move-in ready homes. And it would be a great</p> <p>2 opportunity for a lot of families.</p> <p>3 CHAIRMAN WALKER: Yes. Which, actually,</p> <p>4 next on our list is the score card, and I think</p> <p>5 we should maybe look at that to be sure.</p> <p>6 Just out of curiosity, Mr. Alexander,</p> <p>7 how long do you think it's going to take to lease</p> <p>8 these up?</p> <p>9 CEO: Well, if we got these 50 units today,</p> <p>10 we can lease them up in a month.</p> <p>11 CHAIRMAN WALKER: Okay.</p> <p>12 COMMISSIONER GREEN: It's low-hanging fruit,</p> <p>13 these 50 houses.</p> <p>14 CHAIRMAN WALKER: I'm sorry?</p> <p>15 COMMISSIONER GREEN: It's low-hanging fruit.</p> <p>16 CHAIRMAN WALKER: I agree.</p> <p>17 So, Mr. Alexander, I am correct in assuming</p> <p>18 you are looking for a recommendation from this</p> <p>19 committee to proceed with this acquisition and</p> <p>20 also to direct you to begin negotiating purchase</p> <p>21 and sale documents and arranging documents for the</p> <p>22 full transaction.</p> <p>23 CEO: That is correct.</p> <p>24 CHAIRMAN WALKER: Fantastic. With that,</p> <p>25 I'll entertain a motion, if there is one.</p>	<p>1 COMMISSIONER HOROVITZ: (shook head</p> <p>2 negatively)</p> <p>3 CHAIRMAN WALKER: Hearing none,</p> <p>4 Mr. Alexander, that's two.</p> <p>5 With that, I will say, "Congratulations,"</p> <p>6 to both Chase and to JW.B.</p> <p>7 I know, in conversations with Dwayne and the</p> <p>8 Executive Team, they are extremely excited to</p> <p>9 begin working with groups like yours, highly</p> <p>10 qualified, great community partners,</p> <p>11 and we look forward to this being a long-term</p> <p>12 relationship.</p> <p>13 So good luck over the next 30 days to get</p> <p>14 everything together.</p> <p>15 MR. HICKS: We appreciate it.</p> <p>16 MR. SIFAKIS: It's been amazing working with</p> <p>17 the team. So we're definitely looking forward to</p> <p>18 it continuing.</p> <p>19 CHAIRMAN WALKER: All right. With that,</p> <p>20 Acquisition Committee, I promised Dwayne an hour.</p> <p>21 So I can go longer. We do have the scoring</p> <p>22 rubrics.</p> <p>23 So, Commissioner Green, at the last meeting,</p> <p>24 effectively the board engaged in a policy</p> <p>25 discussion around how we're going to get away from</p>

<p style="text-align: right;">Page 49</p> <p>1 sole sourcing deals, i.e., deals coming to us 2 being brought to us individually, and, instead, 3 put out a rolling, for lack of a better word, 4 "Solicitaion," "Request for Qualifications," 5 whatever. 6 And that qualification would be republished 7 on a -- I think OGC said, "monthly basis." 8 Bassically, we have it go out monthly. There's a 9 deadline. We'll apply for that month for next 10 month's meeting, and then it keeps going month 11 after month. So there's actual deadlines for 12 submissions. 13 And we can confirm that with OGC, obviously, 14 at a later point, but, during the meeting, 15 the board meeting, we went through -- "we," 16 "the then members of the board," went through and 17 began nitpicking what is essentially the scoring 18 rubrics. 19 And the direction from that meeting was to 20 Mr. Alexander and the rest of the Legal Team and 21 everybody else to bring a revised rubrics and 22 how a proposal form would look like to this 23 meeting for our initial comments to be made before 24 this rubrics is rolled out to the board for 25 approval to be used going forward on the various</p>	<p style="text-align: right;">Page 51</p> <p>1 Because the question was, "How do these deals 2 get to you, and how are you scoring these deals?" 3 So we actually went back. It was recommended 4 that we talk about the Houston Housing Authority's 5 score card. We went back and went through some of 6 the best practices, and, out of some of the best 7 practices, we found that Denver Housing Authority 8 has a pretty good program. And Chicago Housing 9 Authority has a very good program. 10 So we went back, and we actually compiled all 11 the information in here to create a score card. 12 So, if someone walks up to us and wants to present 13 a deal to us, we will give them this and score 14 them. 15 And, if you get 10 or 15 people, we'll score 16 them and take the best ones, and, when we get the 17 best ones, we will actually take them back and 18 actually use the Special Limited Development 19 Participation Proposal Form so that the 20 Acquisition Team can review and score them. 21 And, at that point, we can have them to come 22 to the board and possibly give a presentation, 23 and then we will go back and diligently try to 24 pencil the deal out and send it off to our 25 consultants to be able to bring it back to the</p>
<p style="text-align: right;">Page 50</p> <p>1 deals. 2 So that's where I understand we sit relative 3 to the posture of this matter. 4 Does anybody have questions? 5 I think, I recall correctly from the meeting 6 minutes that's where we're at, but feel free to 7 correct me. Okay. 8 COMMISSIONER BROCK: That's where we were at. 9 CHAIRMAN WALKER: I'm sorry, Commissioner. 10 COMMISSIONER BROCK: That's where we were at. 11 CHAIRMAN WALKER: Okay. First question, 12 Mr. Alexander, were the changes that the board 13 requested at the board meeting incorporated into 14 this document? 15 CEO: Yes. Thank you, Commissioner. 16 CHAIRMAN WALKER: After we build our homes, 17 we're going to like redo the technology so we can 18 just ... 19 CEO: Yes. Thank you, Commissioner. 20 Yes. So we actually incorporated -- we went back 21 through the meeting minutes to make sure we didn't 22 miss anything, and, basically, we was looking for 23 a score cord to be able to score these deals 24 coming to us, similar to like the JWB deal and 25 Chase deals.</p>	<p style="text-align: right;">Page 52</p> <p>1 board, and, providing that the board likes it and 2 they enjoyed the presentation that the developer 3 presents them. 4 But, instead of us going through all these 5 different deals on a constant basis, this score 6 card will flush them out -- the good ones, 7 the bad ones, or the ones we're looking for, 8 the ones we want to do deals with. 9 And this is outside. These mainly were sole 10 source deals. It's outside our normal process 11 or what we do with our developers that we have 12 under the contract using HUD money. 13 CHAIRMAN WALKER: Okay. So this is not 14 applicable to HUD projects. 15 CEO: No. 16 CHAIRMAN WALKER: This is solely -- 17 we've confirmed internally that we're only using 18 this, for lack of a better word, "for non-HUD 19 developments." 20 CEO: That's correct. That is correct. 21 We wanted to have -- as suggested at the last 22 board meeting, we went back, went through the 23 document, added some components in there so that 24 we can evaluate every single deal that we come 25 to.</p>

<p style="text-align: right;">Page 53</p> <p>1 We get them every day. We get two or three 2 deals every day, and, by giving them the score 3 card, filling it out and bringing it back to us, 4 we can take a look at it. 5 Provided they reach a certain score, 6 we can move it on to the Development Participation 7 Proposal Form and have the Finance Team and 8 myself, along with a few others, look at it and 9 look at the project itself before we present it to 10 the committee, who would then review it and make a 11 decision before it went to the full board. 12 CHAIRMAN WALKER: Understood. 13 Okay. With that, how would this committee 14 like to do this? 15 We can walk through this, again, or answer 16 questions or ask questions amongst each other. 17 Considering that the board gave some initial 18 direction, I think it might be best to pick out as 19 opposed to going line-by-line and maybe ask any 20 follow-up questions. 21 Mr. Alexander. 22 CEO: Yes. So, for clarity, we were 23 underneath the assumption that this document was 24 created so we can be able to flush out the 25 developers so that the board knows, when they ask</p>	<p style="text-align: right;">Page 55</p> <p>1 this rubrics be adopted by the full board for use 2 in the RFQ that will be put out on a rolling 3 basis. 4 Is that what you're looking for? 5 CEO: That's correct. 6 CHAIRMAN WALKER: This one is new to me. 7 This is just to provide the -- you know, 8 this is essentially the deliverables packet 9 that will be included in the RFQ? 10 CEO: Yes. This document is -- basically, 11 when they give it back to us, we can actually do 12 our own due diligence and look at it. 13 CHAIRMAN WALKER: Okay. So, just right off 14 the top -- the lawyers in the room will thank me 15 later for this -- on that one, "Special Limited 16 Partnership," we aren't going to say those words. 17 CEO: Right. 18 CHAIRMAN WALKER: This is just a good old 19 Development Participation Proposal. 20 CEO: Right. 21 CHAIRMAN WALKER: So, other than that, 22 Commissioner Green. 23 COMMISSIONER GREEN: I was going back to the 24 rubric. 25 Are there other housing authorities you said</p>
<p style="text-align: right;">Page 54</p> <p>1 the question, "Where do they come from? How do we 2 get to them --" I think the criteria we have here 3 is set. 4 And I don't know if it's the best, 5 if we choose to, but we already vetted this whole 6 process. So, instead of taking you-all through 7 the process -- because all you're basically doing 8 is looking at the end product. 9 CHAIRMAN WALKER: Yes. 10 CEO: Do you know what I mean? 11 "How did we get here?" 12 The question was asked several times at 13 several meetings. 14 "How do we get to this point?" 15 And now we have a document to say that we 16 actually took them through the score sheet. 17 CHAIRMAN WALKER: Commissioner Green? 18 COMMISSIONER GREEN: But this is public 19 knowledge? 20 CHAIRMAN WALKER: It will be. 21 So, technically, hearing what Mr. Alexander 22 is saying, I think what he's looking at is -- 23 correct me if I'm wrong -- a recommendation from 24 us based on the last board meeting, seeing this, 25 having any discussion about it to recommend that</p>	<p style="text-align: right;">Page 56</p> <p>1 that had a rubric like this? 2 CEO: Yes. Houston, Denver, Chicago. 3 Several housing authorities out there use a score 4 card. 5 COMMISSIONER GREEN: Yes. 6 CEO: And, originally, the format came from 7 Houston Housing Authority, and we went back and 8 saw that Denver has a very good system there. 9 So we incorporated some of the language from their 10 score card into this and as well as Chicago. 11 COMMISSIONER GREEN: Okay. And then, what is 12 a good score? 13 What is the ideal minimum score you would 14 need to -- 15 CEO: 70 is the minimum score. 16 COMMISSIONER GREEN: -- 70. Okay. 17 CHAIRMAN WALKER: 70. That's a great 18 question, Commissioner. 70 is the minimum score 19 before it would ever make it to us. 20 CEO: Yes. 21 CHAIRMAN WALKER: Okay. But 70 doesn't mean 22 that we're good with the project, to be clear. 23 CEO: Right. 24 CHAIRMAN WALKER: Okay. I think I'm fine 25 with that. I can't imagine -- you know, with due</p>

Page 57	Page 59
<p>1 respect, I can't imagine this committee wanting to 2 vet through deals at 50, 60. 3 Commissioner Brock, yes. 4 COMMISSIONER BROCK: And then to Commissioner 5 Green, I know you wasn't at the meeting, 6 but we had went through them. And we had changed 7 some of the scoring on them. 8 COMMISSIONER GREEN: You did? 9 COMMISSIONER BROCK: Yeah. So we had changed 10 some of them and made some -- you know, like the 11 10s to 5s and like that. 12 COMMISSIONER GREEN: And, what about this 13 Chase project? 14 What would this score be? 15 CHAIRMAN WALKER: Have you scored it? 16 See, we were -- good question. 17 COMMISSIONER BROCK: We didn't have it then. 18 CHAIRMAN WALKER: Because we're under a 19 timeline crunch and this hasn't been formally 20 adopted -- 21 COMMISSIONER GREEN: I'm just curious if you 22 were to put it in here. 23 CHAIRMAN WALKER: -- go ahead. 24 MR. CHASE BALANKY: Based on the information 25 that was provided, we attended the last meeting</p>	<p>1 COMMISSIONER HOROVITZ: Yes. On, "Location," 2 there is 10 points, and then separately there's 3 10 points for schools. 4 To me, that's the same thing, but, 5 with listing in the description opportunity zones 6 as an opportunity to get a hiring scoring, 7 you're kind of incentivising investing in higher 8 distressed areas, which is very important, 9 but it kind of goes against what we were talking 10 about before, with putting developments in areas 11 like 32256 and -7 in the Mandarin areas or the 12 Baymeadows areas. 13 So I don't know if we are really 14 accomplishing what we're trying to with that 15 score. 16 CHAIRMAN WALKER: Good point. 17 COMMISSIONER HOROVITZ: And, also, if you're 18 investing in opportunity zones, the nature of that 19 is the schools are typically lower scoring. 20 So I think that maybe we should rethink how that's 21 laid out. 22 CHAIRMAN WALKER: Okay. 23 COMMISSIONER HOROVITZ: And then there's one 24 more. Sorry. We have bonus points for access to 25 public transportation and then bonus points for</p>
Page 58	Page 60
<p>1 and delivered a presentation going through the 2 nuts and bolts of the project based on the scoring 3 system as it was presented the last time. 4 And, you know, I handwrote some changes based 5 on the conversations. It would be just under a 6 90, around an 87. So, you know, that's what we 7 came up with based on this criteria. 8 COMMISSIONER HOROVITZ: I apologize. 9 I had to leave early. So I know one of the things 10 we talked about was energy efficiency, and I see 11 that it kind of made it into the bonus point 12 section. 13 But it was listed here for appliances, 14 and so what I really meant was actually in the 15 construction of a housing project where there are 16 greater opportunities to lower utility expenses. 17 I actually think that especially with rising 18 utility costs and when we talk about the total 19 costs of living -- I think that is more important 20 than a bonus point area. And I'd love to discuss 21 that, and I had some other points. 22 CHAIRMAN WALKER: Why don't you? 23 This is actually an efficient way to do it. 24 So we want to talk about energy efficiency 25 in the construction.</p>	<p>1 places where there is workforce development. 2 But, if we're talking about wealth building 3 and increased wages, you have to have access to 4 places where you can earn a degree or a 5 certification to get a higher paying job. 6 And a lot of low and medium-income people 7 need to live on a transportation line. So that 8 goes back to, "Location." So I think that both of 9 those are more important than bonus points. 10 CHAIRMAN WALKER: Any other concerns you want 11 to put out? 12 COMMISSIONER HOROVITZ: (shook head 13 negatively) 14 CHAIRMAN WALKER: I have two, as well, 15 that I thought of after we were doing this. 16 Commissioner Green? 17 COMMISSIONER GREEN: No. 18 CHAIRMAN WALKER: Commissioner Brock, any 19 other ones you want to add? 20 COMMISSIONER BROCK: No. I agree. 21 CHAIRMAN WALKER: I wanted to add to the 22 scoring matrix, because I do believe this is 23 important. 24 Is the developer willing to sign a completion 25 guarantee or carve-out guarantee for the first</p>

<p style="text-align: right;">Page 61</p> <p>1 probably two years of the project, i.e., 2 "We're relying on you to put this pro forma 3 together and tell us you should be able to have 4 your name behind it?" 5 CEO: Okay. 6 CHAIRMAN WALKER: So I think that's something 7 that we would want to talk about that we can talk 8 about, which is routine -- correct me if I'm 9 wrong, Michael -- fairly routine in the industry. 10 LIHTC development has to do it. Nonprofit 11 deals have to do it. So we can talk about 12 that. 13 So, unless there are any other options we 14 want to talk about, I think it's important that we 15 get these comments into this so Dwayne can 16 finalize it, and then we can move it forward. 17 Let's take the schools and locations first, 18 because I think that's -- to me, that's an easier 19 one, because I tend to agree hearing your thought 20 process, Commissioner. 21 I think you're right. I think we're almost 22 double dipping in scoring in the sense that, 23 you know, if we're developing in high opportunity 24 areas, you know, you get a 10, but the schools 25 there are probably, you know, Ds or Fs,</p>	<p style="text-align: right;">Page 63</p> <p>1 And then clearly, from the standpoint if you 2 were to submit for a 9-percent tax credit deal, 3 you get the 130-percent base to approve some 4 eligible, allocable costs or total development 5 costs. 6 It's a long way of saying, "I'm going to get 7 more tax credits into the deal. I need less soft 8 funding." 9 So it accomplishes both things. 10 COMMISSIONER HOROVITZ: I understand that, 11 but I would say that that first statement is 12 incorrect, that the high opportunity area -- 13 when anyone reads, "opportunity area," it doesn't 14 mean low poverty, high income. 15 It would always mean low-income opportunity 16 to invest in a distressed community. 17 MR. EDGAR: I would agree on that, too. 18 CHAIRMAN WALKER: So, is it terminology 19 we want to tweak? 20 I actually think we need to consider tweaking 21 both. 22 COMMISSIONER HOROVITZ: I do, too. 23 CHAIRMAN WALKER: As a matter of fact, 24 you know, the more I'm sitting here thinking about 25 it, maybe, "Location," goes to 5. "Schools," go</p>
<p style="text-align: right;">Page 62</p> <p>1 potentially, which means you're a zero, 2 which means you're getting 10 out of 20. 3 So I don't know how to meld the two, 4 but I see the point. 5 COMMISSIONER HOROVITZ: What was the thinking 6 in making location in an opportunity zone a 10? 7 Was there a reason to do that? 8 CEO: For basically diversity. That's why. 9 We wanted to make sure that we were getting into 10 the areas of the high opportunities. So that's 11 why we wanted to make sure we put something out 12 there. 13 So, if somebody wanted to build there, 14 they would get more points, if that makes sense. 15 CHAIRMAN WALKER: So this isn't an 16 opportunity zone. This is a high opportunity 17 area, i.e., low poverty, high median household 18 income, things like that. 19 MR. SIFAKIS: It does say 8 points for 20 opportunity zones below that. 21 CHAIRMAN WALKER: Yes. 22 MR. EDGAR: HUD does define what an economic 23 opportunity zone is, difficult to develop areas. 24 And, again, Dwayne is exactly right it is for 25 diversity.</p>	<p style="text-align: right;">Page 64</p> <p>1 to 5, which leaves us 10 to play with specifically 2 around the energy efficiency and guarantees. 3 I think that's a -- and then the question 4 becomes, "How do we define the subset of the 5 location criteria for what we're looking for?" 6 COMMISSIONER HOROVITZ: Right. 7 CHAIRMAN WALKER: I think that's where -- 8 because I don't think there is a way we can truly 9 meld, "Location," and, "Schools," together in one 10 scoring component. 11 Because they are two, very distinct pieces to 12 a development, but I do think that, you know -- 13 I think we should -- I'd be in favor of lowering 14 each of those to 5. 15 And then, to your point, you know, 16 high opportunity areas -- I think of an 17 opportunity zone, which typically means lower 18 income, less development. 19 I think we need to somehow phrase it 20 differently to make it clear we're looking to 21 invest in the very areas that Dwayne says. 22 Like I think that's the right goal. 23 I think the question is, "How do we phrase it 24 to get there?" 25 COMMISSIONER HOROVITZ: I think you said,</p>

<p style="text-align: right;">Page 65</p> <p>1 "subset," and I think that's the answer. I think 2 it's location in that you get a point for a 3 certain school rating. You get, you know, 4 a certain number of points if it's on a 5 transportation line. 6 So we define what, "location," means and why 7 that's important and then assign points under each 8 of those categories. 9 CHAIRMAN WALKER: So thinking maybe we stay 10 at -- let's say that we use 10 total points, 11 for example, for everything. 12 And we say, "You know, okay. If you're in a 13 -- quote -- "high opportunity area," that's 1 14 point, and we reassign point values. 15 COMMISSIONER HOROVITZ: Yes. 16 CHAIRMAN WALKER: Yes. I like that, because 17 I do think we need to place some emphasis around 18 energy efficiency, which should be points. 19 It doesn't have to be 5 or 10, but I think 20 there needs to be some conversation about that. 21 The guarantee can be 2 or 3 points. That's more 22 of an indicator to me, when we review a deal, 23 whether or not they're really committed, 24 but I see the point. So I think -- I think that's 25 right.</p>	<p style="text-align: right;">Page 67</p> <p>1 developer when we're asking for this that, 2 when we say, "Location," we mean not just the 3 physical site of the real estate, but also 4 globally what's around it and everything else, 5 which I think we're getting in the other criteria. 6 It's just not lumped together. 7 COMMISSIONER HOROVITZ: Maybe we need to get 8 more direction on how far is it from a grocery 9 store or a health center or an employer. 10 Those are all very important. 11 CHAIRMAN WALKER: No. I think that's 12 something, though, that we can have the C Team 13 give us direction on and just come back, 14 and say, "Hearing this committee's recommendation, 15 we've looked at it." 16 Zero points if you're 5 miles from a grocery 17 store, 1 point if you're 2 miles, you know, 18 3 points if you're within a mile, something like 19 that. 20 But I don't want to -- that's -- 21 in my opinion, that's Dwayne and the Executive 22 Team to come up with that criteria and bring it 23 back to us for consideration. 24 I like that a lot, actually. 25 COMMISSIONER GREEN: What?</p>
<p style="text-align: right;">Page 66</p> <p>1 I think, Dwayne, what we'd like to see -- 2 and, again, policy -- I'm not doing it -- is 3 taking -- correct me if I'm wrong, Commissioner -- 4 taking the location criteria and the school 5 criteria, and just call it -- you can call it, 6 "Location," still. 7 But, for a maximum of 10 points using the 8 same metrics that are in there, it's a combined 9 10 points for both. 10 Does that make sense? 11 And you get a point for schools, or, 12 you know, an A school or a B school derives 13 points. A high opportunity area or a consolidated 14 plan area derives points. Access to public 15 transportation derives points -- so just being a 16 little more specific in that location criteria. 17 COMMISSIONER HOROVITZ: I think that's 18 exactly right, but I think that we look at more 19 like 20 points total. Because location is really 20 everything. 21 CHAIRMAN WALKER: That's true. 22 COMMISSIONER HOROVITZ: Location is -- 23 CHAIRMAN WALKER: That's true, and we can do 24 20 points total. But I guess, bringing it all 25 under one umbrella to give clarity to the</p>	<p style="text-align: right;">Page 68</p> <p>1 CHAIRMAN WALKER: Doing it that way. 2 COMMISSIONER GREEN: Is there anything -- 3 I'm assuming this could be for rehabs or new 4 projects? 5 CHAIRMAN WALKER: I believe that's the way it 6 was drafted, correct, Dwayne? 7 CEO: Yes. 8 COMMISSIONER GREEN: I would think we would 9 prefer new stuff, right? 10 CHAIRMAN WALKER: I think, ideally, 11 that would be great, but I think it depends. 12 I mean -- 13 COMMISSIONER GREEN: 3 bonus points for new 14 construction? 15 CHAIRMAN WALKER: I guess it doesn't matter. 16 To me, it wouldn't matter, if it's, you know -- 17 I would think that we would be very disappointed 18 if they went out and bought something and then it 19 was not habitable living. 20 But that's -- again, that is a policy 21 question. 22 Do we want to incentivise new construction? 23 And that could be a bonus point criteria. 24 By the way, there is nothing that says -- policy 25 -- that this has to equal 100. It can equal 130.</p>

<p style="text-align: right;">Page 69</p> <p>1 COMMISSIONER HOROVITZ: To me, it doesn't 2 matter if it's new construction. I think there is 3 lots of creative construction now. We have 4 motels, hotels. There's so many different things, 5 and we need to explore all of the different 6 creative solutions if we're going to be moving 7 housing in a positive direction. So ... 8 CHAIRMAN WALKER: Rumor has it somebody in 9 Jacksonville is building shipping container 10 homes. 11 COMMISSIONER HOROVITZ: I heard that. 12 MR. SIFAKIS: That's crazy. 13 COMMISSIONER HOROVITZ: Do we want to give 14 bonus points for developers that are actively 15 working with like the JTAs to adjust the lines? 16 CHAIRMAN WALKER: I like that. 17 COMMISSIONER HOROVITZ: Like, do they have 18 partners that are -- 19 CHAIRMAN WALKER: I mean I like -- I mean 20 I think we should scrap the idea of 100 points, 21 because I think it's going to be hard to figure 22 out how to get to 100 if we do that. 23 I think the better thing to do is add points 24 to specific things we think are important, 25 because that's just bonus.</p>	<p style="text-align: right;">Page 71</p> <p>1 I think it was Chase -- talked about how you're 2 working with JTA. 3 I know we're not talking about any other 4 deals before, but I think that should be something 5 that we're considering. 6 You can't build a development out in the 7 woods where there's no school, grocery store or 8 opportunity to get to a job. We have to 9 not penalize, but we certainly shouldn't give 10 points for that. 11 CHAIRMAN WALKER: We should incentivize. 12 COMMISSIONER HOROVITZ: Absolutely. 13 CHAIRMAN WALKER: Yes. 14 So I think, Dwayne, we're looking for your 15 team to come up with some criteria that says, 16 you know -- and maybe the word is, "committed --" 17 "Do you have committed participation from, 18 you know, other independent agencies, whether that 19 be JTA or DIA or Florida Housing Finance Corp?" 20 "Or, is there another commitment from another 21 group that's driving benefit to this project?" 22 I think that's an easy way to -- I mean 23 it's kind of a, "Yes," or, "No," question. 24 Either you do have it, or you don't have it. 25 You're shaking your head not excitedly.</p>
<p style="text-align: right;">Page 70</p> <p>1 But I think, you know, the access to public 2 transportation should go kind of under that, 3 "Location," but then I take, to your point, 4 Commissioner, maybe there's -- again, Dwayne 5 you're going to have to phrase this and figure out 6 the allocation. 7 But I like the idea of, "Is the developer 8 engaged in other community development projects 9 not necessarily related to real estate 10 development?" 11 Meaning, are they actively engaged with the 12 community to bring, "social benefit value," 13 for lack of a better phrase, as opposed to just 14 driving profits? 15 So, again, do you know? 16 Do they sponsor, you know, food banks on 17 their properties? 18 Do they, you know, do things like that? 19 Is that what you're -- 20 COMMISSIONER HOROVITZ: That's a great 21 example. 22 I meant specifically working with like -- 23 CHAIRMAN WALKER: Transportation authorities. 24 COMMISSIONER HOROVITZ: -- absolutely. 25 And I think that one of the other developers --</p>	<p style="text-align: right;">Page 72</p> <p>1 CEO: Well, I think we went through a 2 process, and what I basically wanted to do 3 was to bring the score card. 4 I think, if we come back each meeting, 5 we will find something creative to score on, 6 and we'll never get to the point. 7 I think we just need to set something and 8 just move forward. I mean we deal with deals all 9 the time. We put \$15,000,000 or \$70,000,000 a 10 year underneath contracts. So we understand the 11 process. 12 We just want to satisfy your appetite, 13 that we went through a good process on how we got 14 here, and I thought this had enough of it. 15 Because we are the subject matter experts. 16 We know what it is to build a development. 17 We know what it is to work with contractors. 18 We know what it is to work with developers. 19 We sort of know what we're looking for and our 20 vision for the agency and what direction we want 21 to go in. 22 So, will this ever be enough, in a sense? 23 Do you get what I'm saying? 24 We can go back and forth, but I think we got 25 something for the sake of moving forward.</p>

<p style="text-align: right;">Page 73</p> <p>1 Because, as we often talk about, these government 2 agencies take forever to get something done. 3 I think we got something. We vetted it. 4 We went through the process. We can use this, 5 and, if you have these questions on how you want 6 to measure them or how you want to score them, 7 I think bring them up when we bring them back. 8 CHAIRMAN WALKER: So you're thinking -- 9 okay. So you want this approved at the next board 10 meeting -- 11 CEO: Yes -- 12 CHAIRMAN WALKER: -- or some version of it. 13 CEO: -- yes. Whatever you have that you'd 14 like to tweak -- we can incorporate that in here, 15 and we can move forward with it. 16 CHAIRMAN WALKER: Okay. So I wouldn't be 17 opposed to bringing it to the full board 18 at the January meeting for discussion and approval 19 understanding you might have a couple other 20 tweaks. 21 But I do think the conversation today that we 22 need to incorporate this in so that the board 23 knows that this committee had additional debate 24 and made additional changes, which I think is in 25 furtherance.</p>	<p style="text-align: right;">Page 75</p> <p>1 say that?" 2 COMMISSIONER BROCK: Exactly. 3 COMMISSIONER GREEN: But what we could do, 4 which I don't know if I've seen this. 5 Do we have to post a minimum score? 6 Why couldn't that be somewhat internal? 7 CHAIRMAN WALKER: Well, because I don't -- 8 personally, I don't want to -- I mean I don't know 9 if you can do that. That is a legal question or a 10 procurement question. 11 Can we just not tell the public what our 12 minimum score is before it gets here? 13 MS. ORSINI: In our normal RFPs, RFQs, 14 we do tell them what the score is -- what the 15 maximum score is. 16 CHAIRMAN WALKER: But, what about a minimum 17 score to be presented? 18 MS. ORSINI: Yes. 19 CHAIRMAN WALKER: You do tell them the 20 maximum and minimum? 21 MS. ORSINI: Yes. 22 CHAIRMAN WALKER: 1 second, Dwayne. 23 Maybe another thing we could do is, why don't 24 we just -- the bonus points -- why don't we just 25 allocate 30 points to the bonus points and list</p>
<p style="text-align: right;">Page 74</p> <p>1 I understand you're trying to move with, 2 "alacrity," as they say, relative to these 3 things, and I appreciate that. So I certainly 4 don't want to stomp on that momentum. 5 In the same vein, I want to make sure that we 6 don't inadvertently create policy that six months 7 down the road we're going to regret. 8 CEO: Right. 9 CHAIRMAN WALKER: So I mean I'll open it up 10 to the commissioners. 11 What are your thoughts on that? 12 COMMISSIONER GREEN: Going off of the way 13 that Dwayne explained it, this is basically a 14 filter, you know, to bring to his staff to see if 15 the project is viable. 16 And I guess, you know, he is right. 17 We can get as nitpicky as we want, and it's just 18 going to create more time. 19 CHAIRMAN WALKER: I would say, normally, 20 I would agree. The concern I have is this is 21 going out with an RFQ, a Request for 22 Solicitation. 23 So the public is going to be relying on this 24 scoring to say, "We met this criteria. So now you 25 have concerns about other things. Why didn't you</p>	<p style="text-align: right;">Page 76</p> <p>1 these other things? 2 Because those are completely discretionary, 3 are they not, from a procurement -- and you can 4 assign the values how we deem fit. 5 CEO: Yes, yes. So Ms. Colene is correct, 6 but, typically, when we have an RFQ or bid out 7 there, it's on a specific job. 8 And the scoring is applicable, because 9 everyone is granted a fair opportunity to bid on 10 that specific job. 11 In this case, there is no specific job. 12 These are people that are bringing jobs to us. 13 So no one job is identical to another one. 14 Do you understand what I'm saying? 15 So it's totally two, different things. 16 Yes. We have a score, but you have 30 people 17 bidding on one, specific task. 18 CHAIRMAN WALKER: Yes. 19 CEO: In this case, we had everyone -- 20 same thing. JWB brought this up, that it's 21 totally different -- the opposite of what Chase 22 brought us. 23 COMMISSIONER GREEN: And my agreement with 24 Dwayne is just because they meet the minimum 25 score it doesn't mean we have to go ahead with the</p>

Page 77	Page 79
<p>1 project. It's just to present it to the board.</p> <p>2 CHAIRMAN WALKER: Commissioner Brock.</p> <p>3 COMMISSIONER BROCK: I like the Chair's</p> <p>4 idea, and I hear what you're saying,</p> <p>5 Commissioner Green. I do. And I hear</p> <p>6 Mr. Alexander, but I like his idea of just putting</p> <p>7 it up under the bonus and changing it from 100 to,</p> <p>8 like you were saying, 130.</p> <p>9 CHAIRMAN WALKER: Yes. I mean I really would</p> <p>10 like -- Mr. Alexander, if we're going to --</p> <p>11 if you're asking where I sit on this, I really</p> <p>12 would like to see a separate section or the,</p> <p>13 "Location," section condensed to account for the</p> <p>14 schools and the location together.</p> <p>15 Because I think it's very difficult the more</p> <p>16 that I'm sitting here thinking about it. I just</p> <p>17 think it's going to be really difficult from a</p> <p>18 policy standpoint for us to try and justify --</p> <p>19 "You know, we're giving you scores for one thing</p> <p>20 over here but for something different over here,"</p> <p>21 when it all ties into the location.</p> <p>22 I think that's practical and not that big of</p> <p>23 a change.</p> <p>24 CEO: Okay. So, if it's okay then,</p> <p>25 what I'll do is take all the suggested changes</p>	<p>1 CHAIRMAN WALKER: So I think, just to be</p> <p>2 clear, we've got this, but, for sure, we want to</p> <p>3 look at you somehow combining the location scores</p> <p>4 with schools.</p> <p>5 CEO: Yes.</p> <p>6 CHAIRMAN WALKER: Make sure that that fits</p> <p>7 for a total of 20 points.</p> <p>8 CEO: Right.</p> <p>9 CHAIRMAN WALKER: Definitely adding an energy</p> <p>10 efficiency section, which is a pretty -- I mean</p> <p>11 you can go get -- policy. "Energy Efficient,"</p> <p>12 section. You guys figure out what that means.</p> <p>13 CEO: Yes.</p> <p>14 CHAIRMAN WALKER: And then I'd like to see</p> <p>15 in the, "Bonus Point," category, the guarantee and</p> <p>16 then things around, you know, food deserts.</p> <p>17 The one thing I did see, which I looked in</p> <p>18 the minutes and I just noticed -- in our,</p> <p>19 "Bonus," Section -- Point 6, "Access to</p> <p>20 workforce development programs, community programs</p> <p>21 --" is 5 points.</p> <p>22 I think we said community colleges or,</p> <p>23 you know, degree programs. I just want to make</p> <p>24 sure we clarify that, because I think that's</p> <p>25 important.</p>
<p>Page 78</p> <p>1 that Commissioner Horovitz, Commissioner Brock,</p> <p>2 Commissioner Green suggested, including yourself,</p> <p>3 and incorporate it in it, and then I'll send it to</p> <p>4 all of you and highlight the section of comments</p> <p>5 that you made after going through the specific</p> <p>6 minutes.</p> <p>7 And, if you want to add something else to it</p> <p>8 --</p> <p>9 CHAIRMAN WALKER: Email you back?</p> <p>10 CEO: -- yes. Email it back to me,</p> <p>11 and I will put it in. So, when we get to the</p> <p>12 board meeting, you can actually look at it and see</p> <p>13 if it's acceptable to you.</p> <p>14 CHAIRMAN WALKER: That I would be fine with.</p> <p>15 I have no problem if that's the process you'd</p> <p>16 like to undertake, as long as the other --</p> <p>17 I'll take the time to do that before the next</p> <p>18 board meeting as long as the other committee</p> <p>19 members feel they have the time to do it.</p> <p>20 I'm comfortable with that process.</p> <p>21 CEO: Okay.</p> <p>22 CHAIRMAN WALKER: That's a reasonable --</p> <p>23 that's a reasonable way to deal with it.</p> <p>24 CEO: They may think of something in between</p> <p>25 then that they may want to include in there.</p>	<p>Page 80</p> <p>1 But I'm onboard with that approach provided</p> <p>2 those changes can be made before the next board</p> <p>3 meeting and circulated.</p> <p>4 CEO: Good.</p> <p>5 CHAIRMAN WALKER: I don't think you need a</p> <p>6 recommendation from us for this, because really</p> <p>7 we're just going to comment on it and bring it</p> <p>8 before the full board.</p> <p>9 And I'll summarize for the board that this is</p> <p>10 what this committee elected to do, because we're</p> <p>11 not really recommending this. We're going to wait</p> <p>12 until our changes are in, unless you feel you need</p> <p>13 a vote for some reason.</p> <p>14 CEO: No.</p> <p>15 CHAIRMAN WALKER: Okay. Any other comments</p> <p>16 on our rubric score card?</p> <p>17 (no response)</p> <p>18 CHAIRMAN WALKER: I'm late 20 minutes.</p> <p>19 I knew it.</p> <p>20 Is there any other business to come before</p> <p>21 the committee today?</p> <p>22 (no response)</p> <p>23 CHAIRMAN WALKER: Hearing none I will call</p> <p>24 the committee in adjournment.</p> <p>25 Thank you-all very much for your time.</p>

1 (Whereupon, the JHA BOC Acquisition Committee
2 Meeting concluded at 3:18 p.m.)

3 ---
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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
9 my stenographic notes.

10 Dated this 15th day of January, 2023.

11
12 
13

14 Carol DeBee Martin
Notary Public State of Florida
My Commission: HH 038064
Expires: 12-29-2024
15
16
17
18
19
20
21
22
23
24
25