

AUDIO OF JAX HOUSING MEETING

ATTENDEES: Heather Horovitz, Finance Committee Chair  
                  Andre Green  
                  Christopher Shoup  
                  Harriet Brock  
                  Dwayne Alexander, CEO  
                  Denis Lohr, CFO

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1 (Beginning of audio recording.)

2 \* \* \* \* \*

3 MS. HOROVITZ: Good afternoon. It is 2:00 my  
4 time. We will call the meeting to order.

5 Is there any public comment?

6 And there is no one online?

7 (Simultaneous speaking.)

8 (Unintelligible.)

9 MS. HOROVITZ: From my knowledge, do we not  
10 do open meeting anymore?

11 MR. ALEXANDER: What do you mean?

12 MS. HOROVITZ: Like, I think when we first  
13 started, it was still, like, closer to COVID, and  
14 it was requirement. But we aren't required to put  
15 meetings online anymore?

16 MR. ALEXANDER: She's online.

17 MS. HOROVITZ: I mean, like, for the public?

18 MR. ALEXANDER: No. We just have it open.

19 MS. HOROVITZ: Okay. All right. Hearing  
20 none, then we will move on to the approval of last  
21 meeting's minutes.

22 MR. GREEN: There's three of us here, motion  
23 to approve.

24 MR. SHOUP: I second.

25 MS. HOROVITZ: All right. All in favor of

1 approving?

2 THE BOARD: Aye.

3 MS. HOROVITZ: Hearing no opposition, I  
4 apologize, it's been a very long week already,  
5 meeting minutes are approved.

6 Next item, financial overview.

7 Mr. Lohr?

8 MR. GREEN: Can I ask a question before you  
9 get started?

10 MR. LOHR: Yes.

11 MR. GREEN: Can we have you stand up there  
12 where we can see the screen and you at the same  
13 where we're not spinning back and forth. It's on  
14 wireless. Does that mess up everything or just --  
15 I'm not trying to wreck everybody's world. But  
16 it's like -- I get weird, like, spin, spin, spin.

17 MR. LOHR: We're open to new things here.

18 Good afternoon commissioners. We're looking  
19 at our financial statement as of February 2023.  
20 We're into the fifth month of our fiscal year.

21 And looking at our net operating income by  
22 source, for the month we have 1,131,790. And year  
23 to date we have 3,802,665, net income. So we're  
24 doing very good overall.

25 Looking at our central office, we've added

1 some different graphics in here.

2 MS. HOROVITZ: Dennis, I don't want to cut  
3 you off, but can I -- I'm sorry. This is great,  
4 and I think it's absolutely in the right direction.  
5 I was going through the slides and looking at the  
6 data behind them.

7 MR. LOHR: Yes.

8 MS. HOROVITZ: Can you help me understand the  
9 green bar?

10 MR. LOHR: Yes.

11 MS. HOROVITZ: Is that just a trend line or  
12 is that the actual --

13 MR. LOHR: So the green bar is our budget?

14 MS. HOROVITZ: Okay.

15 MR. LOHR: So for fiscal year 2023, we're up  
16 here. For fiscal year 2022 we're down here.

17 MS. HOROVITZ: So --

18 MR. LOHR: So for light blue, we're right  
19 here. For the dark blue, we're right here.

20 MS. HOROVITZ: So '22 -- the first dark blue  
21 bar is our actuals, and the green -- so we're right  
22 on budget there in October?

23 MR. LOHR: Yes.

24 MS. HOROVITZ: Okay.

25 MR. LOHR: Yes. And then in November we're

1 slightly ahead. December we're slightly ahead.  
2 January we're just under. And then February we're  
3 just under.

4 MS. HOROVITZ: I think it's absolutely in the  
5 right direction. I would like to make a change. I  
6 was working with data and can I send it to you?

7 MR. LOHR: Yes, absolutely.

8 MS. HOROVITZ: I think there are just some  
9 slight things.

10 MR. LOHR: Okay.

11 MS. HOROVITZ: Stacking the bars closer  
12 together, making it a little bit more clear where  
13 that trend line is.

14 MR. LOHR: Yes.

15 MS. HOROVITZ: I think that would be really  
16 nice and perfect.

17 MR. LOHR: Okay.

18 MS. HOROVITZ: Commissioner Shoup, you had  
19 feedback also?

20 MR. SHOUP: This is good, yeah.

21 MS. HOROVITZ: Okay. Great. And as we're  
22 going, please -- we talked in our last board  
23 meeting about the kinds of things that we'd like  
24 Mr. Lohr to be sharing with the whole group. So  
25 keep that in mind so we can have a more productive

1 meeting when we're all together. Thank you.

2 MR. LOHR: So for the central office, our  
3 revenue for February is just under our budget,  
4 about \$25,000 or so.

5 Looking at our expenses, we are under budget.  
6 We've been trending under budget for the past two  
7 years. A couple of months we're really close to  
8 it, but we're generally below budget with our  
9 expenses.

10 And looking at our public housing, our  
11 budget's actuals -- our actuals are higher for the  
12 month. We're still doing very well, typically  
13 trending right at or above our budget.

14 And then for our expenses, we're down a  
15 little bit. And you see February '22, that was a  
16 very large spike. That was related to our Jax  
17 Beach property and some additional funding that  
18 received that month.

19 Looking at our Housing Choice Voucher  
20 program, our current month we're doing very well.  
21 We received some extra funding from admin fees for  
22 that. We also, in this graph, are showing the mod  
23 rehab units and our single-remodel units.

24 And then for our expenses, the same thing,  
25 we're trending a little bit higher, but it includes

1           some additional information in there. But our  
2           operations overall are doing very well.

3                   And then for our Gregory West property, we're  
4           right on track with our budget so that property is  
5           doing very well.

6                   And for our expenses, you will see in  
7           December of '21 and December of '22 there is a  
8           spike in our budget for expenses. We were just  
9           getting higher expenses that month, as shown by the  
10          additional graph. Overall, we're right on track  
11          with our expenses.

12                   And for Brentwood Park property, again, our  
13          operating revenue is right on track with our  
14          budget, so we're doing very well.

15                   And for our --

16                   MR. SHOUP: Can we go back to that one real  
17          quickness?

18                   MR. LOHR: Yes.

19                   UNIDENTIFIED SPEAKER: I see February has a  
20          substantial drop in budget, what's the factor for  
21          that?

22                   MR. LOHR: Well, let me take a look at that  
23          and just verify I have answer for you by the end of  
24          the board meeting.

25                   UNIDENTIFIED SPEAKER: No problem.

1 MR. LOHR: And for our expenses, we're right  
2 on track for budgeting, about \$205,000 this year  
3 for expense. We ended up in February at 171,000,  
4 so that's pretty good.

5 Overall, our estimated preserves at the end  
6 of the month were just over 55 million dollars. So  
7 our reserves are very healthy; although, as  
8 reserves, we have about 20 million that are  
9 unrestricted.

10 And then every month we look at our quick  
11 ratio --

12 MS. HOROVITZ: I'm sorry, Dennis, can we go  
13 back? What do we include in other  
14 grants (unintelligible) amendment?

15 MR. LOHR: I'll have to check on that.

16 MR. ALEXANDER: Which one is that? Other  
17 grants?

18 MR. LOHR: Other grants.

19 MR. ALEXANDER: So I believe that would be --

20 MR. LOHR: Capital funds?

21 MR. ALEXANDER: No. It would be some of the  
22 advances that we received.

23 MR. LOHR: Okay.

24 MR. ALEXANDER: The job (unintelligible) we  
25 receive 2.5 million dollars. We received a million

1 at one point from of the Lead Grant. We received  
2 \$500,000 for another grant, I want to say FSS,  
3 somewhere in there. Yeah. So some grants -- we've  
4 received some grant money. Most of them from HUD.  
5 All of the money from HUD. We received very little  
6 from the city.

7 MS. HOROVITZ: So can you help me understand  
8 why it's negative there?

9 MR. LOHR: The negative shows that we've  
10 spent money in that grant. We have a receivable.

11 MS. HOROVITZ: Okay.

12 MR. LOHR: That drops down to the next line.

13 MS. HOROVITZ: Okay. And just because of my  
14 inexperience, how often is that being funded by  
15 HUD? Is it monthly?

16 MR. LOHR: They fund the grants for the  
17 special grants, which are mostly resident services.  
18 We have one grant that's funded every three years  
19 and one that's funded on an annual basis.

20 MS. HOROVITZ: If I were to dig into that  
21 line, is that somewhere else where it shows timing  
22 and amounts of each of the grants per year, or how  
23 do you -- it's consolidated. Where is it broken  
24 out?

25 MR. LOHR: I don't know if we have it in any

1 of our reports that it's broken out specifically.  
2 It's generally included with the public housing  
3 operations, where exactly we used.

4 MS. HOROVITZ: Do you track timing of HUD  
5 disbursements somewhere else, just like in general,  
6 not just --

7 MR. LOHR: In the general ledger.

8 MS. HOROVITZ: Okay.

9 MR. LOHR: And HUD gives us -- all of our  
10 capital fund grants are four-year grants.

11 MS. HOROVITZ: Okay.

12 MR. GREEN: So that gives us two years to  
13 obligate four years to expend, so we keep track of  
14 it that way.

15 MS. HOROVITZ: And then you said if you don't  
16 spend, there's a recapture?

17 MR. LOHR: Yes.

18 MS. HOROVITZ: Thank you.

19 MR. LOHR: You're welcome.

20 So our quick ratio and our MENAR for Victory  
21 Point and Riviera, they're leading right now with  
22 our quick ratio at 23, and also our average MENAR  
23 now is up 14.65 days, so we're up to almost 15  
24 months of operations.

25 Looking at our RAD properties, starting with

1 the Waves, we're right an track with our income.  
2 We ended February with \$145,104. And our expenses  
3 of were under budget at 51,649.

4 And for Centennial Towers, our operating  
5 revenue was right on track at 149,361. And our  
6 expenses are right on track also, a little high,  
7 but at 87,287, but very close to budget.

8 And then for Hogan Creek, we're doing very  
9 well. We're slightly above budget on our revenue.  
10 So that's good after last year where we had lower  
11 revenue. All of the work was complete on that.

12 And for our expenses we're trending just a  
13 little bit high, about \$20,000 above budget.

14 Any additional questions?

15 MS. HOROVITZ: I have one question. Going  
16 back to what we were just talking about, in the  
17 history of the Housing Authority, has there ever  
18 been a recapture?

19 MR. ALEXANDER: No, not that I'm aware of.

20 MS. HOROVITZ: Okay.

21 MR. ALEXANDER: But in the industry, I'm very  
22 familiar --

23 MR. HOROVITZ: Okay.

24 MR. ALEXANDER: -- with (unintelligible)  
25 coming back to recapture the money.

1 MS. HOROVITZ: Okay. So it's not probably  
2 necessary for us to look at that more closely with  
3 more --

4 MR. ALEXANDER: No.

5 MS. HOROVITZ: Okay. Thank you.

6 Any other commissioners?

7 Thank you.

8 MR. LOHR: Thank you.

9 MS. HOROVITZ: Ms. Johnson, do you have any  
10 comments?

11 Do any commissioners have any questions or  
12 comments?

13 MR. GREEN: Through the Chair, so the -- our  
14 free cash reserve is what the central office,  
15 right, the 10.4 -- 10.45 and everything else is  
16 earmarked, correct, for those properties or --

17 MR. ALEXANDER: Say that again.

18 MR. GREEN: The central office at 10.5 -- the  
19 10.45, that's what we'll use for down payments?

20 MR. ALEXANDER: We would use unrestricted  
21 cash.

22 MR. GREEN: Yes. That's our unrestricted  
23 cash, isn't it, right?

24 MR. ALEXANDER: Yes. We have about 20  
25 million unrestricted cash.

1 MR. GREEN: So where is the other 9? What  
2 line item is that coming from?

3 MR. ALEXANDER: Where is the other 9 of the  
4 20 --

5 MR. GREEN: Yes.

6 MR. ALEXANDER: With the whole  
7 (unintelligible), there's about 20 million dollars  
8 in unrestricted cash.

9 MR. GREEN: Got you.

10 MR. ALEXANDER: So if we're using 9 of it,  
11 then the residential would be right in that same  
12 category. But overall we have about 50 -- there is  
13 about 50-million dollars in reserves.

14 MR. LOHR: 55 million in reserves.

15 MR. ALEXANDER: 55 million. And about 30 of  
16 that is restricted.

17 MR. LOHR: Right.

18 MR. GREEN: Okay.

19 MR. ALEXANDER: If that makes sense.

20 MR. GREEN: Yes. No -- that -- yes. That  
21 55.30. So what -- so what I don't see here,  
22 where's the 20 million unrestricted -- or what's  
23 considered unrestricted? I know the central office  
24 is unrestricted. What else is unrestricted?

25 MR. LOHR: Affordable housing is considered

1           unrestricted and then our other business  
2           activities, Brentwood, the Rad entities, our  
3           special purpose entities.

4                   MR. GREEN:   Okay.

5                   MR. ALEXANDER:  Yeah.  And the money gets  
6           generated through -- typically it'd be used to go  
7           through HUD.  They used to just give the Housing  
8           Authority money, and the Housing Authority would  
9           disburse the money back out to the sites.

10                   But when they did an audit, they found out  
11           that these Housing Authorities were looking like  
12           palaces and the sites weren't looking like  
13           anything.  So now they put the money out at the  
14           site.  And the only way the Central Cost Center was  
15           to generate any money is through managing fees, the  
16           bookkeeping fees.  So that's how you generate the  
17           money and it'd become unrestricted cash.

18                   MS. HOROVITZ:  Commissioner?

19                   MS. BROCK:  (Unintelligible) I know we didn't  
20           have this on the agenda, but I remember we were  
21           discussing about the bonds.  And I know we were  
22           going to use the bonds -- through the Chair to  
23           Mr. Alexander, I know we were going to use the  
24           bonds to purchase the properties and develop the  
25           properties as well; right?

1 MR. ALEXANDER: Uh-huh.

2 MS. BROCK: So do we have -- are you bringing  
3 us a date back when we actually got to start, like,  
4 making a payment on those bonds?

5 MR. ALEXANDER: No. We are going through a  
6 whole process. We are looking to close on our  
7 second deal hopefully by tomorrow.

8 MS. HOROVITZ: Is that the Chase deal?

9 MR. ALEXANDER: Ma'am?

10 MS. HOROVITZ: Is that Chase or is it the  
11 additional ten houses from JWB?

12 MR. ALEXANDER: No. We haven't -- we are  
13 still working with JBW [sic]. We've been a little  
14 preoccupied with the Normandy bill going back with  
15 some of the concerns that we have, that -- we're  
16 through.

17 Hopefully we will be able to close on that  
18 deal tomorrow. And once closing on that deal  
19 tomorrow, we will bring back to the board a  
20 resolution. Because you have about 60 days after  
21 you close on those deals before you have the  
22 ability to even issue bonds. But the bonds are  
23 basically just to provide the debt finance for  
24 these deals. So we will come back to the board  
25 once we get these deals to that point.

1 MS. HOROVITZ: Do you have a question? I  
2 have a question?

3 The JWB deal that we signed a few weeks ago  
4 was not funded by bonds.

5 MR. ALEXANDER: No. We -- we -- we haven't  
6 bond off 50 properties. We gave a down payment on  
7 those properties, which came out of unrestricted  
8 cash.

9 MS. HOROVITZ: Right.

10 MR. ALEXANDER: And the same with the deal  
11 tomorrow, it will come out of our unrestrictive  
12 cash. Once we issue the bonds, we will include the  
13 money that we put out and that financing and recoup  
14 the money back once the bond is issued.

15 MS. HOROVITZ: Okay.

16 MR. SHOUP: If I may, if I remember  
17 correctly, folks, correct me if I'm wrong, we  
18 wanted to close on both the Chase property and all  
19 of JWB closings to do one round of bonds to save on  
20 the fees and such for doing the round of bonds. So  
21 only having, what 20 -- I want to say I ran into  
22 Alex Sifakis at lunch today, and he ecstatic  
23 that -- with our -- still with our partnership and  
24 it ongoing. But I know we only have the 20 and  
25 still trying to close on the last few --

1 MR. ALEXANDER: Yes.

2 MR. SHOUP: -- and getting them finalized.  
3 It may take little bit before we can issue the  
4 bonds.

5 MS. HOROVITZ: No. And that makes sense. I  
6 think the last time we were all together we --  
7 there were some conversation around how we were  
8 actually financing the deals. I didn't realize  
9 that we hadn't closed out right on the 20  
10 properties. But that makes sense to me now.

11 MR. SHOUP: I would just add to that Alex did  
12 tell me that some of his investment people he's  
13 been talking to, when he told them that he's doing  
14 this with a Housing Authority, they were just in  
15 shock and awe. And we're basically going to be  
16 looked as a national model now for this type of  
17 idea of public/private partnership. So that's  
18 going to be a great thing for the Housing Authority  
19 going forward.

20 MR. ALEXANDER: I just had a discussion with  
21 our general counsel, Ms. Hodges, and that they are  
22 going to start reaching out to us trying to figure  
23 out how did we put ourselves in a position to do  
24 deals like this, such as the one we're doing.

25 MS. HOROVITZ: Okay.

1                   Did you have any other questions about the  
2                   bonds, Commissioner?

3                   MS. BROCK:   Huh-uh, not right now.

4                   MS. HOROVITZ:  Does anyone else have any  
5                   comments or questions?

6                   MR. GREEN:   So we're closing on the land  
7                   tomorrow?

8                   MR. ALEXANDER:  Yes.

9                   MR. SHOUP:   Sorry, Lane or -- I thought it  
10                  was Normandy.

11                  MR. ALEXANDER:  Land.

12                  MR. SHOUP:   Land.  I thought you said close  
13                  on Lane --

14                  (Simultaneous speaking.)

15                  MS. HOROVITZ:  I said Lane too.  It was a  
16                  poor question.

17                  MR. SHOUP:   I'm like, whoa, we have something  
18                  going on Lane Avenue now.

19                  MS. HOROVITZ:  Yeah.

20                  MR. ALEXANDER:  Yeah.  We have a couple of  
21                  others deals that we are looking to bring down the  
22                  road.  Typically -- everybody had this discussion  
23                  that typically these new deals, the first time  
24                  going through, it's been very cumbersome for  
25                  everyone, you know, get the gesture toured (check).

1           We mentioned that we -- once we get through  
2           these and actually have the process down, those are  
3           the ones that will be coming through a little bit  
4           faster. We do have some in the pipe, but it's  
5           early on those deals. You know, vetting out, doing  
6           the performance on them, and working with our  
7           financial advisor, and all of that will be coming  
8           to the acquisition committee once we get our side  
9           of the deal straightened out, in terms of us doing  
10          the scoring with the rubric scorecard and going  
11          through the financial people.

12           After we go through that process, then we  
13          will bring it to the acquisition committee. We  
14          have them. We know the deals. We like them. But  
15          we -- we've got too many other things going on  
16          right now. We want to get these through the tunnel  
17          first.

18           MS. HOROVITZ: And you said you had a lot of  
19          deals coming through the --

20           MR. ALEXANDER: Yes. We have some very  
21          interesting and very, very profitable deals coming  
22          through that we are looking at, just preliminary,  
23          not going through other, you know, great detail.  
24          But very good deals that we're looking at, seeing  
25          the financial analysis -- I mean, the financial

1           advisor. We will bring it to the committee --  
2           acquisition committee to see what their opinion is  
3           on it.

4           MS. HOROVITZ: Does the Housing Authority  
5           have any goals of -- geographically around  
6           Jacksonville where we want to really focus  
7           development? I know we want to have diverse  
8           options, you know, some of -- you know, the 32256  
9           ZIP codes. But I know there are lots of  
10          opportunities, like, on the Eastside and there are  
11          areas that I think there is a lot of other  
12          activity, like Springfield, for example, where --  
13          are we looking at deals -- it is not on the rubric  
14          scoring or anything that we would prioritize them.  
15          But are we looking at deals there specifically?

16          MR. ALEXANDER: Yes. Very good point. We  
17          have -- we are looking at possibly two deals on the  
18          Eastside. Both of them look pretty good on our  
19          end. One of them we had to go back and look at it  
20          from a different perspective. But there are some  
21          good opportunities on the Eastside, yes.

22          MS. HOROVITZ: Commissioner?

23          MS. BROCK: Ms. Chair.

24          So, Mr. Alexander, I hear you say that we're  
25          closing on the property on Normandy tomorrow?

1 MR. ALEXANDER: Yes.

2 MS. BROCK: When do -- do you know when we  
3 will start those -- the construction of the  
4 buildings -- I mean, you know, the units? Do know  
5 when they will start building?

6 MR. ALEXANDER: I will say probably a year  
7 out.

8 MS. BROCK: A year out.

9 MR. ALEXANDER: Probably a year out. And  
10 that's why -- when we look at these deals, we're  
11 looking two ways. When we look at a deal, we want  
12 to acquire through the acquisition committee some  
13 existing units, provided that we can have a level  
14 of affordability there so we can actually purchase  
15 it or renovate it and have units in hand. And then  
16 when we're on the backend, we are looking at doing  
17 some development.

18 So similar to the JWB, we acquire some  
19 brand-new existing units, which we're doing  
20 extremely well with them. At the same time we're  
21 looking to develop some units on the other side of  
22 Chase. So we want to keep that combination of  
23 acquisition and development.

24 MS. BROCK: Okay.

25 MR. ALEXANDER: Then that way you're not --

1           you've got this vision of putting all of these  
2           units out, but we are two or three units out and we  
3           still have people suffering today.

4           MS. HOROVITZ: Commissioner?

5           Are there any other comments or questions?

6           MR. GREEN: Whatever happened with the  
7           land -- not the land, the maintenance, the lawn  
8           maintenance situation?

9           MR. ALEXANDER: We took that off the agenda.  
10          And we --

11          MR. SHOUP: Mr. A, would it be fair to say  
12          the contractor withdrew their request for increase  
13          in their cost?

14          MR. ALEXANDER: That is 100 percent correct.

15          MR. Shoup: There you go.

16          MR. ALEXANDER: Thank you for that.

17          MR. SHOUP: Now, we probably won't -- they  
18          probably will not agree to the next renewal --  
19          one-year renewal option, so we will have to be done  
20          with it then. But it will be dealt with again at  
21          their time of when their contract actually comes  
22          up.

23          MR. GREEN: Nice.

24          MR. SHOUP: I think they are very much aware  
25          that if they don't like the price on the contract,



CERTIFICATE OF REPORTER

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*Heather Randall*  
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