

Housing Authority of the City of Laredo
Special Board of Commissioner Meeting
LHA Board Room
2000 San Francisco Ave.
Laredo, Texas 78040
Wednesday, March 1, 2017
11:00 a.m.

A-17-S-1

Minutes

March 1, 2017

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 11:10 a.m.
2. **PLEDGE OF ALLEGIANCE** Melissa Ortiz, LHA Acting/Interim Executive Director, lead them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM**

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio Garza, Vice-Chairman
Gina Magallanes, Commissioner
Dr. Marisela Rodriguez, Commissioner

Commissioners Absent

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Christy Ramos, Administrative Assistant
Alma Mata, Modernization Coordinator
Eduardo Garcia, Director of Housing Management
Jennifer Barrientos, Interim Section 8 Administrator
Julia Orduña, Planning & Community Affairs Specialist
Mauricio Del Barrio, Director of Finance
Cesar Vasquez, Human Resources Manager
Alfonso Trevino, CFP Coordinator
Robert Pena, IT Coordinator
Bulmaro Cruz, Director of Modernization and Development
Jose Collazo, Special Projects Coordinator
Frank Lopez, Procurement Officer
Maria Hernandez, Assistant Director of Management
Mario Jasso, Consultant
Ricardo De Anda, Attorney
Doug Poneck, Attorney

Others Present

Rosie Rios, Central Resident Council
Ricardo Solis, Hickey Peña Architects
Mario Peña, Hickey Peña Architects

Robert Sepulveda, Sepulveda Associates Architects Inc.
Rebecca Sepulveda, Sepulveda Associates Architects Inc.

4. CHAIRMAN'S COMMENTS

Chairman Ceballos thanked everyone who attended the meeting.

Chairman Ceballos stated that over the course of the last year they have embarked on a mission to salvage and reconstruct units. There was a prior proposal from a prior Board to revitalize by way of demolition. He stated that they have learned a lot and he hopes that after the meeting's actions they will have a better plan as to actually do that without sacrificing buildings like these that were built to last. He stated that Colonia Guadalupe was built around 1938-39 and these buildings would outlive us if we care for them properly. He stated before they fixed the Administration Building, it was an office that was not providing any service to the agency so they put it to work. He acknowledged that the staff is doing a lot of work to transition into a new model of operating for the agency, which looks at assets in a different way.

5. CITIZENS COMMENTS

This is the opportunity for visitors and guests to address the Board of Commissioners on any issue. The Board may not discuss any presented issue, nor may any action be taken on any issues at this time. There will be a 3-minute limitation per speaker. (Texas Attorney General Opinion-JC-0169)

Julia Orduña, Planning Community Affairs Specialist, stated that the prior week there was a photo contest held through Facebook for the after school program for each development. Each program submitted a photo to be put up on the page and Facebook users were encouraged to like their pictures to vote. There was a great response and Russell Terrace won with over 200 likes on the pictures. There was an increase of 88 likes on the page. In the last 6 or 7 months there had been an increase of 300 likes on the LHA page and a pizza party was scheduled for Friday for the contest winners.

6. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Rosie Rios, President of Central Resident Council, stated her appreciation to the Board for the privilege to have been the President this year. She stated that they will be having the elections for the new Resident Council Officers at all the developments.

Chairman Ceballos thanked Ms. Rios for the Central Resident Council's perfect attendance at each Board of Commissioners meeting throughout the year.

7. ACTION ITEMS

- A. Discussion and possible action to award RFQ Architectural/Engineering Design Services LHA 2016_1218_2 and authorize the Acting/Interim Executive Director to negotiate

terms with the firm(s) selected and return for contract approval from the Board of Commissioners.

Frank Lopez, Procurement Officer, stated that they had 3 responses for the RFQ. The evaluation score was based on 100 points. All the responders had extensive and thorough experience in all phases of architecture resulting in a spread that was very close.

Chairman Ceballos stated that he was present during the meeting and stated that the projects identified resulted from some of the items that have been identified, particularly Senior Home during their tour. He stated that other items have been deferred. The committee clustered items into 3 clusters. The first is the Russell Terrace revitalization and reconstruction involving demolition to the slab of 138 units, 24 rehabilitated units without structural demolition, and more limited renovation of 38 units. The project will not be a full construction set. This project needs to be expedited and construction will be produced by the architect selected and there is really no site development. He mentioned that also included in Item D is the renovation for the Community Center; although there is no funding for it. He believes that the renovation for the Community Center should just be established as a rehab project. He stated that Cluster 2 consisted of the master planning and curbs appeal. He stated that they had talked about curb appeal in the past. Mario Jasso, the current architect, had done some curb appeal planning. The idea is to improve the aesthetics along major borders like Park, I-35, Meadow, and Santa Maria where it would improve the lives of those living there and help beautify the area. The committee identified all the developments to be looked at for curb appeal, and will probably add the walkability of the developments. He stated that the old Colonias were designed with walkability, although there are now some obstructions. He stated that the other portion was to identify projects with haphazard buildings everywhere and a decentralized maintenance. Along with aesthetics, there are large moving trucks inside the residential area. He stated that they are looking at a potential redesign of the Administrative Offices and redesign or suggested schematic for maintenance. Potentially, one option is to centralize maintenance at Carlos Richter. Cluster 3 is work that needs to be done at the Senior Citizens Home which includes long-term sewer line replacement issues and an electrical upgrade. He stated that these are more structural issues than aesthetic. There is some aesthetic work that needs to be done with glass removing and also a restroom that was requested for the staff.

Mr. Lopez asked if he should remove the Senior Citizens restroom from Cluster 2 and move it to Cluster 3.

Chairman Ceballos confirmed.

Chairman Ceballos stated that Asherton has a 32 unit waterline replacement. He stated that he did not know until this meeting that there is an offline unit that floods and it has not been resolved for some time. He stated that they have talked about potential cost reach for the projects. He stated that they believe that there are funds

through Capital Fund or through project reserves. They are not deciding today where the funds are coming from, but there is a suggestion from the Director. He stated that they want to ask Ms. Ortiz to look closely at each project's reserve to see if that is where the money should be taken from. He stated that Russell Terrace has funding. Capital Fund has appropriated funds for infrastructure at Senior Center in a grant that will open April 1st.

Ms. Ortiz stated that she believes that all the items were covered and recommended Architects Plus be awarded Cluster 1, Hickey Peña Architects be awarded Cluster 2, and Sepulveda Associates be awarded Cluster 3.

Chairman Ceballos opened the floor to the architects for any questions.

Mr. Robert Sepulveda, Sepulveda Associates, stated that he is extremely grateful for the opportunity to work with the agency. They have been trying to solicit work with the Housing Authority for over 20 years. He stated that he looks forward to working with staff and, of course, the Board. He knows they do tremendous amounts of volunteer work. Mr. Sepulveda stated that he's not sure what the value of the construction projects are and if they are all based on the equal amount of money being distributed. Mr. Sepulveda asked how the determination of the 1st, 2nd, and 3rd clusters were awarded. He stated that he knows their firm is always ranked 1 or 2 with work that has always been out there, so they appreciate the opportunity. Mr. Sepulveda asked if the Board knew any of the construction budget amounts for any of these clusters.

Chairman Ceballos replied that he doesn't think there is a definite number for each cluster as they are still adding items that can potentially be clustered in. Chairman Ceballos stated yes, that they're going to end up similar. He stated that Russell Terrace is an ongoing project with a driven timeline. It isn't to say that it is a large project. The items in the Senior Citizens Home are deferred items that end up being rather substantial for an organization of LHA's size, which is one reason why it had not been done. He stated that they tried to make it a balance and they are fortunate that they only had 3 firms submit for work. He acknowledged each firm's high qualifications.

Mr. Sepulveda stated that they are grateful for the opportunity.

Mario Peña, Hickey Peña Architects, stated that he echoes Mr. Sepulveda's sentiments. They are grateful to be considered and happy to work alongside an entity that holds the same ideology that they are trying to instill in their firm and create a more equitable Laredo, in terms of walkability, which is a buzzword nowadays. Being more of a new urbanism firm, they believe they can help on that end in planning areas that not only become more walkable, but more equitable and keeping in line with not segregating affordable living from other sectors of the community. He stated that that is one vision they are thinking about constantly.

Chairman Ceballos thanked them for responding.

Mario Jasso, Architects Plus Inc., thanked the Board for allowing them the opportunity to work with this very exciting and challenging project. He stated that he looks forward to working with everybody to make this project a reality for the city.

Chairman Ceballos thanked Mr. Jasso. He asked for any questions or comments from the Board.

Chairman Ceballos stated regarding the segregation that they learned through the Russell Terrace experience where they were going to demolish without a real plan to rebuild. The impact of the school district would see somewhere around 400 kids.

Vice-Chairman Dr. Garza interjected and stated that a whole campus would have been closed down as a result. The school district would lose \$10 million in ADA which is very detrimental. He stated he was very much against it.

Chairman Ceballos stated that the idea was to desegregate poverty and take it to north Laredo, but as you are vacating units, you are also removing funding sources to the school district and you are leaving lots behind where there wasn't a revitalization program that could potentially be funded. He stated they have talked about having an urban renewal because if they don't, their housing stock, especially in the inner city, is very deteriorated, probably from the 50s and 60s all the way to the river. The idea of deconcentrating for Laredo because there is an inside loop. Even though not everything is impoverished or distressed, there is a concentration of distress. He believes that this is the analysis they are trying to make: if it's even beneficial to move people to seemingly better neighborhoods with better aesthetics. He stated that they learned with Russell Terrace that it didn't work to move them out. People didn't want to leave, it wasn't going to improve the neighborhood, the units there are actually better than what is around the neighborhood, and you can argue that on different sides. He thinks that the exercise is to use that thought process instead of "let's vacate." He thinks there needs to be a revival and a renewal and reinvestment for the inner city. He stated even though LHA is not a big organization and doesn't have the funding that nonprofits do, it is the biggest landlord in the city with 2000 plus units between public housing and Section 8. He stated that they are trying to create the revival through social media to reinvigorate the communities. HUD has an initiative to desegregate. There has been talk federally to reinvest, and that is one thing that Ben Carson has been talking about. He believes these concepts will help us. He stated that he is sharing this because he may not get a chance to share these details with them later. Communities, even when you offer them to move, it has been proven that unless they want to move, they will not move. They would prefer to give up the subsidy and then you end up with other social issues. In cities like Chicago it has been tested where, someone gets a voucher to move because someone else has decided, not them, that it's better to desegregate poverty, people are worse off accepting the subsidy. In the housing business, there are all kinds of arguments on all sides. He stated that they haven't closed with Russell Terrace, but hopefully this week they will

close on the reconstruction with HUD. If that doesn't work, what was the school district going to do? With that in mind, he stated that he thinks reinvestment is a better plan. The Housing Authority has never pursued bonds. It has the ability to, but it has never been done and he believes that it is something that can be considered down the road with reorganization. He stated that he would like to get an urban renewal campaign. He stated that the agency isn't the only one doing this in the city. Downtown is doing it. The city has an urban college. If you let the area around it deteriorate, it will deteriorate.

Commissioner Dr. Rodriguez asked if only Cluster 1 involved the specific units.

Ms. Ortiz responded yes.

Commissioner Dr. Rodriguez clarified asking if the 2nd and 3rd cluster did not involve units.

Ms. Ortiz stated that they involve the community centers or office spaces. Items that common areas need.

Chairman Ceballos stated that items such as the corridors at Seniors are hot. Since Mr. Sepulveda is being recommended for the job, he asked if he had been in the building. He stated that the corridors are facing the west so they are hot and there isn't any system, so even though it isn't in the unit, it is affecting their immediate space. There is no central air for those units; they have small window units. The infrastructure for that is critical. He stated that they cannot begin to add central air when the panel cannot handle what they have; it is extremely old. He stated that some of the work in cluster 3 does involve units.

Commissioner Dr. Rodriguez asked to clarify if cluster 1 involved a total of 190 units.

Chairman Ceballos stated that it should be 200 units and they are construction sets.

Commissioner Dr. Rodriguez asked to clarify if the staff restroom in Seniors Citizen would be in project 2.

Chairman Ceballos corrected that it would be in project 3.

Commissioner Dr. Rodriguez asked if that would be the only revision to the clusters.

Ms. Ortiz confirmed.

Chairman Ceballos stated that in project 3, they may have left it out, but they should have included the corridors to establish the cost. They may not have the funds for it currently but he would like to establish it.

Commissioner Dr. Rodriguez asked if for project 2, for No. 4 on Senior Citizen, they were keeping the curb appeal and office space.

Ms. Ortiz confirmed.

Chairman Ceballos wanted to clarify to Dr. Rodriguez when they say "curb appeal." He stated that in Asherton, they have curb appeal but it is not a priority item.

Vice-Chairman Dr. Garza asked what curb appeal was and how is it defined.

Chairman Ceballos stated that they have to define it. Landscape and hardscape is typically curb appeal. They could have all the plumbing expenses, sprinklers, and electrical. He suggests leaving it up to the staff and architects to come back with an agreed upon scope.

Chairman Ceballos asked if there were any other comments.

Chairman Ceballos moved to accept the Executive Director's recommendation and award as described with walkability addition to the entire listing of projects as applicable or possible and the staff restroom changed to Cluster 3 and the third item to look at the corridors at each level to make it more comfortable for the residents. Vice-Commissioner Dr. Garza seconded the motion. Motion passed unanimously.

- B. Discussion and possible action to extend the awarded contract for RFP 16-0604-1 for Salary Comparability Study/Job Descriptions for an additional sixty (60) days.

Cesar Vasquez, Human Resource Manager, stated he is requesting an extra 60-days for the completion of the salary study. The surveys that we received have already been submitted to Nelrod and were received by them today at 7:30 a.m. From this point, they will schedule interviews for our employees beginning March 20-22. They will ask questions that they need to ask our employees.

Chairman Ceballos asked what happened that this was not completed. He stated he asked Ms. Ortiz to put this item on the agenda. He stated that there was a timeline to get this completed of November 30, 2016

Mr. Vasquez responded that there were many obstacles that prevented him from completing this project. First they had employees that did not have the correct position that had to be corrected. They also had surveys that were not submitted. They had an EOC charge along with an unemployment hearing. He also stated he was working on other projects such as driving records check, designated smoking areas, and interviews for vacant positions along with day to day operations.

Chairman Ceballos responded that he was copied on an email related to something else and was told the agency was not responding to information. Chairman Ceballos

added they need to respond to the consultants on a timely matter and asked when this contract was awarded.

Ms. Ortiz stated August 3rd 2016.

Commissioner Dr. Rodriguez added that \$18,000 is a lot of money and then to have a response that is because people didn't answer the questions. She stated she doesn't think that's an appropriate answer. They have to comply with this. She stated that this is the final request; no more opportunities after 60-days to bring back to the Board.

Mr. Vasquez responded that everything will be completed and it will be a complete audit. He stated there are one or two positions that for some reason were not in the data base. He needs to confirm with Mr. Peña.

Vice-Chairman Dr. Garza added he is not happy with this. He stated he understands everyone is busy, but this is not an excuse.

Chairman Ceballos asked if there are any additional comments or if there is a motion.

Chairman Ceballos explained Nelrod is an ongoing consultant. They offer us services. The issue here is that the agency was supposed to get the information by March 31st 2017.

Vice-Chairman Dr. Garza asked when does the two months end.

Ms. Ortiz responded by May 30th. She stated it expires March 31st. They do not have enough time since the information they provided was late. They won't be able to turn it around in a month.

Chairman Ceballos asked how she was keeping track of this. He stated the agency will not be able to adjust salaries because this was important.

Ms. Ortiz responded that they will have to do a budget revision.

Chairman Ceballos stated that the job needs to get done. They didn't do any salary adjustments last year. Chairman Ceballos stated that it is the Board's fiduciary responsibility and the impact on this delay is going to affect everyone because the comparability study is not done and the agency cannot fully assess where salaries are.

Commissioner Dr. Rodriguez stated she understands but the next time this comes up she's not going to vote for another extension if the action item is something like this. She stated it's a lot of money that she doesn't want to hear from the community that the agency is wasting.

Vice-Chairman Dr. Garza moved to approve item 7B.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

- C. Discussion and possible action related to the late submission of the DOJ, OVW grant application. This matter may be discussed in Executive Session as authorized by the Texas Government code 551.074 (personnel matters).

Chairman Ceballos moved to enter into Executive Session.

Chairman Ceballos stated they will be entertaining items 7C, 7D and 8A in Executive Session.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Chairman Ceballos called all Board of Commissioners, Acting/Interim Executive Director Ms. Ortiz, Attorney Doug Poneck and Attorney Ricardo De Anda to enter into Executive Session.

Board entered into Executive Session at 11:49 a.m.

Board returned from Executive Session at 1:47 p.m.

No action was taken in Executive Session.

- D. Discussion and possible action related to the filling the position of Executive Director. This matter may be discussed in Executive Session as authorized by the Texas Government Code 551.074 (consultation with attorney) and 551.074 (personnel matters).

No action taken.

8. EXECUTIVE CLOSED SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE

The Board of Commissioners for the Housing Authority of the City of Laredo reserve the right to adjourn into Executive Closed Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, including Sections 551.071 (consultation with attorneys), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development).

- A. Discussion regarding Casa Verde and Russell Terrace transactions and discussion regarding any required authorizations to be taken in open session.

Chairman Ceballos stated he would be making two motions. The first motion regards Casa Verde and the second motion regards Russell Terrace.

Chairman Ceballos moved to approve for staff to make any or all appropriate action in consultation with our attorneys and consultants to complete the Casa Verde

closing and compliance with HUD and TDHCA requirements including documentation with Hudson Capital Equity Investors and Compass Bank for construction and permanent loan documents.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Chairman Ceballos moved to approve for staff to execute the construction loan with Compass Bank construction and permanent loan documents with Compass Bank for Russell Terrace as presented and to authorize staff to take any and all other actions in consultation with attorneys and consultants to complete the RAD closing for Russell Terrace in compliance with HUD and TDHCA requirements.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

9. ADJOURNMENT

Chairman Ceballos moved to adjourn.

Commissioner Magallanes seconded the motion.

Motion passed unanimously.

Meeting adjourned at 1:50 p.m.



Jose L. Ceballos, Board Chairman



Melissa Ortiz, Acting/Interim Executive Director