

HOUSING AUTHORITY OF THE CITY OF LAREDO

Regular Board of Commissioners Meeting
2000 San Francisco Avenue
Administration Building Conference Room 1st Floor
Laredo, Texas 78040
Wednesday October 28, 2015
11:00 A.M.

A-15-R-4

MINUTES

October 28, 2015

1. **CALL TO ORDER** Chairman Raymond A. Bruni called the meeting to order at 11:00 a.m.
2. **ROLL CALL AND DECLARATION OF QUORUM** Roll call and declaration of quorum by Laura Llanes, Executive Director/Secretary.

Commissioners Present

Raymond A. Bruni, Chairman
Robert Simpson, Vice-Chairman
Joe Aranda, Commissioner
Martha Castro, Commissioner
John R. Solis, Commissioner

Commissioners Absent

Staff Present

Laura Llanes, Executive Director/Secretary
Luis Calderon, Interim Assistant Director
Melissa Ortiz, Director of Finance
John Gloria, Purchase Agent
Bulmaro Cruz, Director of Public Housing
Mary De La Rosa, Executive Secretary
Christy Ramos, Administration Secretary

Others Present

Emiliano Tijerina

3. **CITIZENS COMMENTS**

This is the opportunity for visitors and guest 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. (Texas Attorney General Opinion-JC-0169). No citizens comment.

4. **Communications:**

A. Procurement Policy Revisions

John Gloria, Purchase Agent stated HUD had issued a notice they would discontinue using the 24 CFR 85.36 and implement the use of 2 CFR 200.317-300. The notice stated the purpose of the changes is to streamline the federal government guidance on administrative requirements, cost principles, and audit requirements to serve more effectively focusing on federal resources on improving the overall performance, and outcomes, but still ensuring the financial integrity of the taxpayer's dollar in the partnership with non-Federal stakeholders. He stated this change would be effect 12/31/2015 and would be presented in the next board meeting.

Mrs. Llanes also mentioned Mr. Gloria had been in contact with Mr. Mike Gifford who is a procurement specialist. This is mandated and will be effective 12/31/2015.

Vice- President Simpson stressed he wanted the corporation and all entities to utilize the change of this implementation.

John Gloria stated the corporations and all entities would use the implementation of the CFR change.

Chairman Bruni inquired if Commissioner Solis had any questions.

Commissioner Solis replied he had spoken to Mr. Le Moss from the HUD Office of Strategic Planning and Grant Management to better understand this change.

End of discussion.

Chairman Bruni requested a motion to move up communication item 4C and discuss in Executive Session.

Vice-President Simpson made a motion to move up item 4C.

Commissioners Solis seconded the motion.

Motion passed.

Executive Session began at 11:17 a.m.

Executive Session reconvened at 12:18 p.m.

Chairman Bruni replied there was no action take.

B. Discussion and direction on all current and prospective affordable housing projects; including Riverbank Village, Casa Verde Development, Stone Oaks Development, South Laredo Development, Hamilton Hotel.

Laura Llanes discussed Casa Verde will be receiving \$1.6 million x 10 years will be \$16 million dollars in tax credits and that project is right on target.. This project will consist of 152-units. She stated she had been waiting to be notified from TDHCA regarding the tax credits. She then proceeded to contact TDHCA to inquire about the notification of the commitment to the tax credits. She mentioned they had called in and made changes. The first ones to be notified would be Apolonio Flores, Doak Brown, Leslie Holleman, and then the agency.

Chairman Bruni stated Casa Verde is related to Russell Terrace and had been discussed earlier. He stated Luis Calderon is working on the demolition application and everything is on target.

Laura Llanes stated Stone Oaks is not a tax credit project. This is connected to a 221 (d) (4) loan which the agency will apply at HUD and be funded through one the PFC's.

Vice-President Simpson mentioned if it will be reviewed by the agency's attorney.

Laura Llanes stated the documents were sent to the attorneys for review. The demolition/disposition application is about 85% complete. This project will consist of units for the elderly and some for multifamily.

South Laredo is lacking in the deliverable area. They are still waiting for information to be sent to the agency before Laura Llanes signs off on that future project. They have to be sure the checks and balances are in order before proceeding.

Chairman Bruni inquired exactly what the status with the Hamilton Hotel Project was. He stated if the project wouldn't go thru Mr. Flores would have to paid with monies from one of the PFC's.

Laura Llanes mentioned in 2013 while driving to Austin, to attend a TDHCA meeting with Mr. Flores, he approached her to consider taking over the Hamilton Hotel. The Hamilton Hotel was rehabilitated with tax credits under Larry Dovalina, City Manager, and Erasmo Villarreal with Bill Skeen, who is a developer like the Browns. She mentioned Carlos Villarreal wanted to get the Hamilton off the city hands. She mentioned to Mr. Flores why the agency would want to take the Hamilton since the housing authority already had a high rise and she knows how much it requires in terms of repairs. Jim Plummer called Laura Llanes around 3-month later letting her know Bill Skeen he was under the impression the agency was going to purchase the Hamilton Hotel for \$5-million dollars. She called Mr. Flores and asked to please do not speak on behalf of the Laredo Housing Authority on housing authority business. She said to please refrain talking about the Hamilton since they were under the impression the agency was going to purchase it. She attended a meeting with the city and Councilman Roque Vela asked Laura Llanes if she was at least willing to entertain the possibility of acquiring the Hamilton and even Ronnie Acosta was under that impression. Laura Llanes replied they would entertain the possibility. Laura Llanes stated the agency was not in the position of paying the \$5,000. If there was a possibility of even taking this seriously it would have to be refinanced. Laura Llanes mentioned it has been referred as a sinking ship in quick sand.

Chairman Bruni asked how much money has been to Mr. Flores for the Hamilton agreement as of that day. She asked Melissa Ortiz, the Director of Finance. She replied she was doing the calculations. Chairman Bruni asked if Mr. Flores was even working on the project. He stated they could call him since it was an open session.

Vice-Chairman Simpson replied no. He stated the agency shouldn't even be moving on the Hamilton Hotel project.

Chairman Bruni stated in future board meeting they need to clarify what the board intends on doing with the Hamilton Hotel project.

Vice-Chairman Simpson replied there should be an action item regarding the Hamilton Hotel for the next board meeting.

Chairman Bruni stated in the meantime the agreement has to either be amended or agree to some changes because as it reads the agency would be liable for a lot of money being paid to Apolonio Flores.

Laura Llanes stated perhaps sending Mr. Flores to stop all work regarding the Hamilton Hotel.

Chairman Bruni stated there could be no action, and couldn't authorize the executive director to send a letter because there is no action on this item.

Laura Llanes replied that was correct.

Commissioner Solis inquired if Mr. Flores would invoice for substantial amount of work on this project.

Laura Llanes replied if she thought Mr. Flores would invoice for a substantial amount. She replied yes, he would.

Mr. Aranda stated if this was not up to the Executive Director to send a letter. He stated if Mrs. Llanes felt it's something that is not in compliance within the contract then she should act on it. He mentioned Mr. Flores can come to the board and state that Mrs. Llanes is not right then they will review. He stated it seems like Mrs. Llanes is saying the project is going nowhere, and the clock is running and he will be collecting. He stated again she was the Executive Director it was her decision.

Commissioner Solis also stated it's her opinion if she needs to make the call to proceed.

Mrs. Llanes mentioned before the board dropped the subject of Hamilton Hotel she needed input or directive from the board. Mrs. Llanes stated if she will be making decisions on her own regarding the Hamilton Hotel.

Commissioner Aranda stated all he was mentioning was since she was the Executive Director if she reviewed the books and they are asking for 5 million dollars and the agency does not have the monies. Then she should respond that the agency doesn't have that kind of money for that investment. They may not like it and may come back to the board and ask if the agency can find another way or redirect other monies from other projects to get it done. And the board will review at that time. But at the present time there is a contract that has several items that should have been done and haven't been done and the clock is running. They will meet at the next meeting and have it as an action item with a status and options.

C. Update on status of Russel Terrace Project

Laura Llanes, Executive Director reported Commissioners Solis had requested this item be place in the agenda to further discuss the project. She stated the residents had been confused by the information that was published in the newspaper. A meeting had taken place on May 2015 to explain the demolition/disposition and the construction of the new units. The residents were taken to the River Bank Village Apartments to see the units that were being built there. She stated initially there has been some resistance from some of the residents but once they looked at the complex inquired when they could move into the River Bank Apartments. She stated this would be a nervous reeking change for any family. The agency is flexible with the tenants when they fail to pay their rents. They are counseled and placed on a payment plant to help them get back on track. She stated initially when she entered the agency there were rents as far back as 9-months to a year. Today with the budget education and payment plan, the rents are approximately two week late. This has taught the tenants to pay their rents on time.

Another concern they presented was the credit reports. Laura Llanes stated she had spoken to the managing agency UAH's owner, and stated the agency could serve as the credit reporting entity. She will be talking to him at a later date and will request he provide it in writing. She also mentioned in the private sector the day you fail to pay the rent, you receive your eviction notice, which is their biggest fears. The biggest confusion was they thought they would have to be out of the housing project by October 21 which read in the Public Notice article in the newspaper.

Chairman Bruni asked if the city council and city manager were aware of the demolition/disposition since residents had spoken at the city council meeting voicing

their concerns about being displaced. He mentioned Jesus Olivares, City Manager and the Mayor Saenz said they weren't aware, when in fact they were aware of the future plans for Russell Terrace.

Laura Llanes replied they were aware of the project. She had requested to speak to Mr. Olivares but failed to answer her call. She later spoke to Councilman Juan Narvaez who also questioned what the status was with that development. She went onto reintegrate to Councilman Narvaez that no resident was going to be displaced, that the agency was moving forward with the project. She stated she still had a concern because there were not enough 3 & 4 bedrooms being built. The client sometimes does not get to tell the builder that work for the agency what they want. They insist on building what they want, and this is an issue with her.

Commissioner Solis commended Laura Llanes on how she handled to media given the pressure she was in. He mentioned he had heard Mr. Olivares mentioned that. This was the reason he wanted to meet, to figure out why they were not on the same page or contradicting what the agency was stating.

Commissioner Aranda if these families will be relocating to the Mines Road apartments.

Laura Llanes replied no. River Bank was not a demolition/disposition proposal.

Commissioner Aranda informed Laura Llanes Mike Garza, from UISD would like to visit with staff to study the demographics of the families. This would help in preparing and planning for future schools in that school district. He mentioned anytime you are moving 20-30 children it's creating another classroom, teacher and also monetary impact.

Laura Llanes said they would have all the information and demographics needed for their study thru an open records request.

5. **Consent Agenda: (All items in the Consent Agenda may be approved with a single motion. A Commissioner may request any item to be withdrawn from the Consent Agenda to be considered individually).**
 - A. Discussion and possible action to approve the minutes for meetings :
Regular meetings 6/10/2015, 7/22/2015, Special meeting 8/18/2015, 8/25/2015.
 - B. Discussion and possible action to adopt the Utility Allowance Schedules for the Public Housing Program effective January 1, 2016.
 - C. Discussion and possible action to approve and adopt the 2015 Public Housing Maximum Rents effective January 1, 2016.
 - D. Discussion and possible action to approve and adopt the 2015 Public Housing adopt Flat Rents.
 - E. Discussion and possible action to amend the Section 8 Administrative Plan to revise Section III (B) Local Preferences.

Commissioner Aranda made a motion to approve Consent Agenda items A-E.
Vice-President Simpson seconded the motion.
Motion passed.

- F. Discussion and possible action to request that the City of Laredo annex the Del Mar Boulevard that leads to the old detention center, where the Laredo Housing Authority has 12 acres to be used for affordable housing.

**Commissioner Aranda made a motion to approve consent agendas A-F.
Commissioner Solis seconded the motion.
Motion passed.**

- G. Discussion and possible action to adopt The Handbook for Commissioners [A resource guide for Public Housing and Community Development Agency Commissioners – published by National Association of Housing and Redevelopment Officials (NAHRO)] as a guide or policy for Laredo Housing Authority Board of Commissioners.

**Vice-President Simpson made a motion to table the item.
Commissioner Solis seconded the motion.
Motion passed.**

6. EXECUTIVE SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE

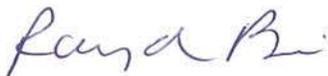
- A. Pursuant to Texas Government Code Section 551.071 (consultation with attorneys) the Commissioners shall convene in executive session to receive legal advice from its legal counsel regarding the loan of money to River Bank Village LTD., and future loan for the Casa Verde Development and related matters.

- B. At the conclusion of the executive session, the Commissioners shall reconvene in open session and may take action on any matter legally discussed in executive session.

7. ITEMS OF COMMUNITY INTEREST:

(Note: These items may include expressions of thanks, congratulations, or condolence; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or city employee; and announcements involving imminent threats to the public health and safety of the city. No specific items will be listed under this section, and no discussion or action will take place.)

8. ADJOURNMENT:



Raymond A. Bruni
Board Chairman



Laura Llanes
Executive Director