

Housing Authority of the City of Laredo
Board of Commissioners Special Meeting and Workshop
Holiday Inn Express & Suites
Laredo-Event Center Area
7223 Bob Bullock Loop
Laredo, Texas 78045
Wednesday, February 10, 2016
8:30 A.M. – 12:00 P.M.

A-16-S-3

MINUTES

February 10, 2016

1. **CALL TO ORDER** Chairman Jose L. Ceballos call the meeting to order at 8:35 A.M.
2. **PLEADGE OF ALLEGIANCE**
3. **ROLL CALL AND DECLARATION OF QUORUM** Roll call and declaration by Melissa Ortiz, Acting/Interim Executive Director/Secretary.

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio Garza, Vice-Chairman
John Solis, Commissioner

Gina Magallanes, Commissioner

Commissioners Absent

Joe Aranda, Commissioner

Staff Present

Melissa Ortiz, Executive Director
Bulmaro Cruz, Director of Public Housing
Orlando Guerrero, Interim Finance Director
Jose Collazo, Resident Services Coordinator
Robert Peña, MIS Coordinator
Maria de Lourdes Hernandez, Asst. Dir. of Public Housing
Alma Mata, Administrative Assistant
Christy Ramos, Administrative Clerk
Jeanette Puyolt, MIS Assistant
Mary De La Rosa, Resident Social Services

Others Present

Arturo Garcia, City of Laredo Community Development
Jennifer Roby, Department of Veteran Affairs
Jed Brown, Brownstone
Doak Brown, Brownstone
Apolonio Flores, Flores Residential
Monica Bautista, Bethany House
Mary Gaona, Bethany House
Claudia Martinez, Central Resident Council
Rosa Perez, Central Resident Council
Rosa Ochoa, Central Resident Council
Bobby Ceballos

4. ACTION ITEM:

Discussion and possible action to approve the use and or transfer of ownership of a modular classroom owned by the Laredo Housing Authority to a non-profit organization, Volunteers Serving the Need, which serves Veterans in the community.

Mr. Ceballos informs that the item dates back to March of 2015 and was initially an item on the December meeting. He stated that he has visited the location, met with founder Gigi Ramos and seen the kind of work that they do to provide services to veterans.

Bulmaro Cruz stated that the structure was acquired in 1990 and upon consulting with HUD there were no restrictions on the donation of such.

Mr. Ceballos stated that he did consult with Doug Poneck, attorney, and he suggested that for State Law we document a use for the modular donation and that will be done through an MOU in which we are requesting that any referrals made by the Laredo Housing Authority be honored.

Chairman Ceballos announced entertaining a motion on Item 4. Action Item

Vice-chairman Dr. Sergio Garza moved to approve item.

Chairman Jose L. Ceballos seconded the motion.

Motion passed.

5. INFORMATIONAL WORKSHOP

The workshop will provide an overview of the Laredo Housing Authority business and operations, including the following topics:

Low Income Public Housing, Capital Fund, Resident Services, Housing Choice Voucher (Section 8), Admission and Waiting List, Finance and Procurement, and Project Based Voucher Program, Public Facility Corporations' activities.

Chairman Ceballos asked that Ms. Ortiz explain the difference between Low Income Public Housing and Section 8.

Ms. Ortiz replied that Low Income Public Housing is developments owned and managed by the Laredo Housing Authority. Currently Laredo Housing Authority has 994 units under Low Income Public Housing. She stated Section 8 differed in that the homes are privately owned and located throughout the city.

Vice-chairman Dr. Garza asked that she explain the voucher.

Ms. Ortiz replied that clients receive a voucher to look for a home in the community. Once a home has been selected, it is inspected to assure that it meets Section 8 standards, HQS, and at that point the tenant and Laredo Housing Authority enter into a contract with the landlord.

Chairman Ceballos asked how many vouchers are allotted to Section 8.

Ms. Ortiz replied that Section 8 has 1383 of which 15 VASH vouchers and currently 1353 vouchers are leased.

Chairman Ceballos asked what the total operating budget for Laredo Housing authority is.

Ms. Ortiz replied the total operating budget is approximately \$21 million for all programs.

Low Income Public Housing-Presenter Bulmaro Cruz

Chairman Ceballos inquired about how the subsidy is received.

Mr. Cruz replied that funding is received by unit per development. Funding is received based on the number of occupied units at the beginning of the month.

Chairman Ceballos inquired if Russell Terrace land property is more than Colonia Guadalupe.

Mr. Cruz replied that it is his belief that indeed Russell Terrace is greater than Colonia Guadalupe.

Vice-Chairman Dr. Garza inquired if the income level of an incoming family is check upon admission, how it is determined if the family ever exceeds or stays within the income limits.

Mr. Cruz replied that once the family is assisted they are required to report any and all income changes to the project manager within a specific timeframe. Also, all families receive an annual re-certification in which their income is reviewed and adjusted if necessary.

Chairman Ceballos inquired how often families being assisted on zero income are checked.

Mr. Cruz replied that those families' income is checked every 30 days.

Chairman Ceballos asked how often the fair market rent and the small area market rent are allowed to be changed.

Mr. Cruz replied once a year.

Chairman Ceballos asked what if it is detrimental to the property.

Mr. Cruz replied that he has being doing research on the topic.

Chairman Ceballos inquired if each property is scored individually or combined.

Mr. Cruz replied that each property is inspected individually and then an overall score is issued.

Chairman Ceballos stated that 40% of rentals need to be extremely low income. He inquired what process is being used to meet this target.

Mr. Cruz replied that the agency tries to follow the income target.

Chairman Ceballos asked if there is anything that the agency should or could be doing to help the people in that extremely low income tier for example homeless or veterans through preferences. He asked if the agency currently has a preference for veterans.

Mr. Cruz replied that there is a preference for displacement but the person or family must be in the waiting list in order for the preference to apply.

Chairman Ceballos asked if the agency had initiated anything to focus on Veterans.

Mr. Cruz replied not in the Public Housing program.

Ms. Roby, Dept. Veteran Affairs, stated that she is aware that there is a minimum rent of \$50 set. If an applicant is admitted into the program with unemployment benefits as their income however, their benefits run out and they are still in the process of receiving SSA and VA benefits, are they allowed to request a hardship waiver.

Mr. Cruz replied that the hardship applies when their only source of income is lost at which point their income is set to zero and minimum rent of \$50 applies. Tenants on zero income are reviewed every 30 days. He stated that the \$50 minimum rent is never waived.

Chairman Ceballos asked if tenant is evicted for not paying minimum rent.

Mr. Cruz replied that he has not seen it but knows that it has occurred in the past.

Vice-Chairman Dr. Garza inquires why Asherton being a small development scored an 84 on their inspection.

Mr. Cruz replied that the focus on inspections is on the outside of the units because that is where the most points are deducted for erosion, tripping hazards and such. Asherton is receiving a low score because of site issues.

Chairman Ceballos asked how often sites are visited.

Mr. Cruz replied that project managers do a walk through on a weekly basis to look for site discrepancies. Asherton is visited once a week.

Vice-Chairman Dr. Garza stated that pictures should be taken by the property manager to advise when repairs need to be made so that they can be addressed.

Capital Fund-Presenter Bulmaro Cruz

Chairman Ceballos asked if a study that helps with a city wide revitalization through CFP funds.

Mr. Cruz replied yes it can be done.

Chairman Ceballos asked how much of the funding is spent through Force account in-house and how much is spent through subcontracting.

Ms. Ortiz replied it is approximately 50 percent.

Chairman Ceballos asked who certifies the obligation of funds.

Mr. Cruz and Ms. Ortiz replied that the Finance Dept. certifies.

Chairman Ceballos asked if there is a process in the event that the board decides it wants to go in a different direction.

Mr. Cruz replied that items can be switch around but they must be part of the 5 year plan.

Ms. Ortiz stated that an amendment of the plan is also a possibility.

Chairman Ceballos asked what timeframe the board should be looking at if they wanted to change any items.

Mr. Cruz stated that the 5 year plan for 2016 had just been approved but it can be reviewed.

Chairman Ceballos inquired about the 2015 5 year plan.

Mr. Cruz replied that it would be the same process.

Chairman Ceballos stated that if the Asherton project is the project that needs the most repair in order to higher the inspection score then they should consider reviewing the plan and amending to repair that location to avoid it from scoring lower.

Ms. Ortiz asked when the Annual plans planning process being.

Mr. Cruz replied that the process starts in September/October by scheduling meeting with the resident and then taking it to the board of commissioners.

Chairman Ceballos requested that am Annual Plan review with the board be scheduled early summer.

Resident Services-Presenter Melissa Ortiz

Chairman Ceballos asked what the average rent for the elderly is and if it is under \$100.

Ms. Ortiz replied yes.

Chairman Ceballos asked who donated the meals to the elderly.

Ms. Ortiz replied that it is donated by HEB Groceries.

Chairman Ceballos asked if there were any Central Resident Council members present.

Melissa replied yes that Rosy Perez from Carlos Richter, Claudia Martinez from South Laredo, Rosa Ochoa from Meadow Acres, and Gina Magallanes from Ana Maria Lozano.

Chairman Ceballos asked residents if they had any comments to make or if they had any suggestions on improvements or services for the youth, elderly, and disabled they should feel free to address them with Ms. Ortiz.

Ms. Perez thanked Mr. Ceballos and the board.

Chairman Ceballos asked what community partners the agency has financial agreements with.

Ms. Ortiz replied Laredo Police Department.

Break at 9:47 a.m.

Resume at 10:06 a.m.

Housing Choice Voucher (Section 8)-Presenter Melissa Ortiz

Chairman Ceballos asked how long the Small Area Fair Market Rent Demonstration Program will last.

Ms. Ortiz replied that the program has been in place as of 2013 and it will continue as there is no end date as of now.

Chairman Ceballos asked Ms. Ortiz to explain UHAP payment.

Ms. Ortiz replied that the UHAP payment is a payment made to the tenant if their rent and utilities is more than they can afford. Approximately 100 tenants are receiving UHAP payments.

Chairman Ceballos asked how voucher overage was covered.

Ms. Ortiz replied it was covered with reserve funds.

Chairman Ceballos asked that Ms. Ortiz inform the board what occurred in 2015 with the reserve funds.

Ms. Ortiz stated that agency has over \$520,000.00 in reserved and approximately \$350,000.00 was spent covering overages in the Housing Choice Voucher Program.

Chairman Ceballos asked what caused the overages.

Ms. Ortiz replied it was the payment standard that was being paid in certain areas was too high, however it has since gone down.

Chairman Ceballos informed the board that HUD will be monitoring the agencies monthly to control the expenditure because the reserve is below \$200,000.00.

Ms. Ortiz informed the board that the agency is on at risk list for the over expenditure.

Mr. Arturo Garcia, City of Laredo Community Development, asked how much of this is associated with the fact that you are paying a higher cost in North Laredo versus South Laredo for similar units.

Mr. Apolonio Flores stated that the Small Area Market Rent Demonstration Program's mission was to decentralize.

Chairman Ceballos stated that based on the financial standing of Section 8 it needed to stop or something needed to change in the next two months or all reserve funds would be depleted.

Public Facility Corporations-Presenter Melissa Ortiz

Chairman Ceballos asked where the money to fund these corporations came from.

Ms. Ortiz replied that it came from the Laredo Housing Authority and the city

Chairman Ceballos asked how much of the certificate of deposit is accessible to the Laredo Housing Authority or is it committed to a project.

Ms. Ortiz replied that it is committed to the River Bank Village project and once its paid it comes back to the PFC.

Chairman Ceballos asked if the money is in a bank account and being administered by the Laredo Housing Authority.

Ms. Ortiz replied yes.

Chairman Ceballos asked who did the legal paperwork for these entities.

Ms. Ortiz replied she was unsure.

Mr. Flores stated that with the creation of these entities counsel from the involved parties participated.

Chairman Ceballos asked if Laredo Housing Authority general counsel was involved.

Mr. Flores replied yes they filed the paperwork for the Secretary of State.

Chairman Ceballos asked if there was an established project for the airport property.

Ms. Ortiz stated that an agreement has been signed and a loan application to be filed with HUD is in the works.

Chairman Ceballos asked if there is a specific property type commitment for that location.

Ms. Ortiz replied that there is two, a multifamily and senior.

Mr. Flores stated that the land at River Bank was given to the PFC by the tax credit partnership.

Chairman Ceballos asked if procurement for these properties will be covered in this presentation.

Ms. Ortiz replied that it will be covered with the finance presentation.

Chairman Ceballos asked who the managing general partner is for River Bank.

Ms. Ortiz replied UAH.

Mr. Flores stated the managing general partner is the LLC.

Chairman Ceballos stated that he wants to make sure that compliance was met when choosing the players and get an understanding of where we stand from compliance stand point. He asked who the members of the general partnership.

Mr. D. Brown replied that it would be the General Partner, Investor, and Special Limited Partner.

Mr. J. Brown stated that the site plan for River Bank shows a road that will be placed by UISD and it is not a cost that will be associated with the project.

Chairman asked what zip code this project is located in.

Ms. Ortiz replied 78045.

Mr. J. Brown stated that of over 30 developments that they have worked on the River Bank Project has been the one that filled the fastest which means that management did a good job and shows the need in our community. People wanted to be there because of the area and schools.

Ms. Flores stated that the area where River Bank is at is a tier 1 income level, school are high performers, and so is Casa Verde and this is what TDHCA required to get the tax credits. The land is granted through the tax credit and 1/3 of the developer fee.

Mr. A. Garcia expressed that the City of Laredo has been very supportive of these tax credits projects through a resolution and a \$1.7 million dollar loan. The city is using the Laredo Finance Corporation to issue the loan to the Laredo Housing Authority. Loan documentation is still pending.

Mr. J. Brown stated that all three projects, River Bank, Casa Verde, and Stone Oaks, have resolutions of support from city council and Mayor Saenz. The schools in the area of these projects are substantially superior in their scores to those by Russell Terrace.

Chairman Ceballos asked if Casa Verde will be a new project or will we be demolishing.

Ms. Ortiz replied that it will be the demolition of Russell Terrace and all is with HUD demolition and disposition approval.

Mr. D. Brown stated that Casa Verde will replace Russell Terrace but tenants will be given a voucher to be used at either Casa Verde or a unit of their choice.

Chairman Ceballos asked if a public hearing has occurred with the residents of Russell Terrace and has HUD been involved with the process.

Ms. Ortiz replied yes.

Mr. Flores stated that once the demolition is approved by HUD, they will issue 200 vouchers to the Section 8 Program for the displaced families and they will have priority preference at Casa Verde.

Chairman Ceballos asked how the team was developed. Was the housing authority approached with this venture or did the housing authority solicit a team to come up with these projects.

Mr. Flores replied that the housing authority advertised a request for qualifications and proposals for a developer. Brownstone and Flores Residential advertised publically as developer and consultant. Flores residential was selected as a consultant and Brownstone was selected as the developer under HUD rules qualified for state law procurement, federal procurement but it was competitive proposals through advertisement.

Chairman Ceballos asked if the housing authority had followed that process.

Ms. Ortiz replied yes and she could provide the minutes for such.

Mr. D. Brown stated that they had a 5 year term and the housing authority can decide if they would like to pursue addition developments.

Chairman Ceballos asked who selects the management company.

Mr. D. Brown replied that it is a joint decision.

Commissioner Solis asked if once the procurement policy has been followed for the developer then the developer contracts everyone else and the procurement policy no longer needs to be followed.

Mr. Flores replied that when the developer is hired under HUD rules qualified for state law and federal then the developer is responsible for bringing in the others. If it isn't done that way then the housing authority would have to follow procurement for every purchase and contractor.

Chairman Ceballos stated that it needs to be clarified that all procurement procedures have been followed and that we are compliant. Once that is established then decision can be made regarding any pending projects.

Commissioner Solis asked Mr. Flores where the material can be found to review that states the procurement policy does not need to be followed.

Mr. Flores replied mixed finance public housing is in the Federal Code Register 941 and 85.

Chairman Ceballos asked what was done to decide that Stone Oak would be dedicated to the elderly. He stated that the location is very attractive for veteran housing development due to the proximity to the VA Clinic.

Ms. Ortiz asked Mr. Flores if the application can be amended to include veteran housing.

Mr. Flores replied that it is being looked into since there is no commitment yet.

Chairman Ceballos stated that resident involvement in the demolition and disposition of Russell Terrace is of utmost importance to avoid any displacement.

Ms. Perez stated the residents concern with costs associated with relocation when it comes to utilities.

Ms. Ortiz stated that there may be some monies available for that kind of assistance and she will be looking into it.

Chairman Ceballos stated that a plan needs to be in place to address all the resident concerns in regards to the Russell Terrance demolition and disposition project.

Chairman Ceballos asked in regards to the South Laredo project who the architect was and if it was procured through an RFQ.

Ms. Ortiz replied that yes it was procured and the architect responded to an RFQ.

Finance & Procurement-Presented Orlando Guerrero

Chairman Ceballos asked what the outlay in payroll monthly.

Mr. Guerrero replied approximately \$36,000.00.

Chairman Ceballos asked if the high performance onus can be used to help relocate public housing tenants.

Mr. Guerrero replied yes.

Chairman Ceballos asked what the internal controls are to ensure that the person purchasing does not do the receiving.

Mr. Guerrero replied the purchasing agent oversees the warehouse and receiving.

6. CITIZENS COMMENTS

This is the opportunity for visitor 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 issue at this time. (Texas Attorney General Opinion-JC-0169). No citizen's comments.

7. ADJOURNMENT

Chairman Ceballos announced entertaining a motion to adjourn.

Vice-chairman Dr. Sergio Garza moved to adjourn.

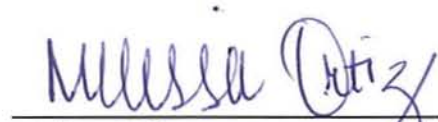
Commissioner Gina Magallanes seconded the motion.

Motion passed.

Meeting adjourned at 11:54 a.m.



Jose L. Ceballos
Board Chairman



Melissa Ortiz
Acting/Interim Executive Director