

Housing Authority of the City of Laredo
Board of Commissioner Meeting
LHA Board Room
2000 San Francisco Ave.
Laredo, Texas 78040
Friday, January 13, 2017
11:30 a.m.

A-17-R-1

Minutes

January 13, 2017

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 12:04 p.m.
2. **PLEDGE OF ALLEGIANCE** Christy Ramos, LHA Administrative Assistant, lead them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM**

Commissioners Present

Jose L. Ceballos, Chairman

Gina Magallanes, Commissioner

Dr. Marisela Rodriguez, Commissioner

Commissioners Absent

Dr. Sergio Garza, Vice-Chairman

4. **CHAIRMAN'S COMMENTS**

Chairman Ceballos stated that he has no particular comments. He stated he will add some comments to the Casa Verde/Russell Terrace section of the agenda. He stated he would put on the record that the Commissioners had an opportunity to tour the different Public Housing projects with staff, including Senior Citizens Home, Carlos Richter and Russell Terrace, at the beginning of the year in preparing for the PHA Plan. He stated they took the tour to get a taste of how the residents are living and what they are experiencing in terms of the quality of the unit.

Chairman Ceballos also stated that they had the opportunity to visit the warehouse and meet the staff that's there and get a sense of how they are operating. He thanked Commissioner Dr. Rodriguez, Commissioner Magallanes, and Vice-Chairman Dr. Garza, who was not present, for joining them and spending the time that morning to make that visit. He stated that they will visit the other projects as soon as they get a chance. He stated he knows them all but the idea is to get a sense of where they are today. Chairman Ceballos stated he would like to go to South Laredo soon and get a sense of that piece of property. He stated that there's potential for a project there. He stated it has been a while since he's visited Farm Labor.

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)

No Comments.

6. APPROVAL OF MINUTES

A. Approval of minutes for Board of Commissioners meeting on December 22, 2016.

Chairman Ceballos stated there was a correction to the minutes. He stated that "Maricela" was spelled with an "S". He stated that people like him and educators make it hard. Alma Mata replied that she's striving for the perfect minutes. Chairman Ceballos replied that she is almost there.

**Chairman Ceballos motioned to approve the minutes as presented with that edit on Commissioner Dr. Rodriguez's first name.
Commissioner Dr. Rodriguez seconded the motion.
Motion passed unanimously.**

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Chairman Ceballos thanked Maria Morales for attending the meeting. He stated that the Central Resident Council has perfect attendance and when he became aware that Ms. Rios would not be able to attend he asked that Mr. Collazo to invite another member.

Ms. Morales stated that the elections at each project for Resident Council where going to be held.

Chairman Ceballos asked if she felt comfortable with the planning process for the 5 year plan.

Ms. Morales responded that she personally was satisfied with the process.

8. PRESENTATIONS (No Action to be taken)

A. Executive Director's report.

Melissa Ortiz, Acting/Interim Executive Director, presented the report to the Board of Commissioners and stated that several trainings were held with Nelrod for the both Section 8 and Public Housing programs. She stated the site visits for December listed. The elderly waiting list went down as well as Public Housing numbers. Ms. Ortiz stated that two Farm Labor units will be vacating by January 31, 2017.

Ms. Ortiz also stated that there has been outreach in Farm Labor, and Ms. Gutierrez would discuss that.

Ms. Ortiz stated that numerous events were held at Senior Home and the other sites over the holidays.

Ms. Ortiz stated the waiting list for Section 8 is at 503. The numbers are decreasing as the units are being leased. Some of the participants that are called fail to attend there application process.

Ms. Ortiz stated she and the staff have been attending other trainings. She attended Continuum of Care meetings. Jennifer Barrientos has been involved with homeless veterans and is attending weekly at the City.

She also stated that an Accountant and the Director of Housing Management have been hired.

She mentioned that our website is live. It went up on Wednesday January 11, 2017.

Chairman Ceballos asked if the website has a fraud page set up.

Ms. Ortiz replied that a fraud report was received on Thursday 12, 2017.

Robert Peña, IT Coordinator, replied stating yes, there is a link on the website where they can submit their fraud reports.

Chairman Ceballos asked if it's possible, not to add to our legal cost, but to have Doug or Ricardo copied to say that the person complaining understand that the complaint doesn't go to and internal box if there complaining against management and there is a third party looking at it as well. Is there a problem legally from that stand point?

Attorney Ricardo de Anda replied with no.

Chairman Ceballos asked Robert if he can do that.

Mr. Peña replied that he can forward that copy to one of the attorneys and add a statement saying that the complaint is also reviewed by a non-agency third party.

Attorney Doug Poneck replied with he thinks that's fine and doesn't think there's a magic word as long as it conveys that there is someone apart from the staff looking at it.

Commissioner Dr. Rodriguez asked if the report is in Spanish.

Mr. Peña responded that yes the website does have a Spanish feature in the main page you click Spanish.

Mr. Peña took them through the website.

Chairman Ceballos asked if they have informed their Section 8 landlords of the live website and the options they have on it. He suggested that they should put a nice flyer on the next check to let them know and also inform the venders as well.

Ms. Ortiz replied that they will do that. She stated that there is also landlord portal in progress.

Chairman Ceballos asked Robert is he can go to the home page to show him where exactly the fraud page is and Robert asked if it was fine it's located in the bottom of the page.

Chairman Ceballos asked if he felt good with the website knowing the designer took a little longer than expected.

Mr. Peña replied that esthetically it's beautiful and functionally on the administration side, it's great to work with. He stated that he is happy with it.

Chairman Ceballos asked if it will be possible to post contract awards as well.

Robert replied that in the procurement portal, there is currently one RFP that has filled the position and it appears grayed out. It is possible to put who the contract was awarded to and the amount. It is all controlled under the admin panel so it something that can be managed as needed.

Chairman Ceballos replied that it is a good job knowing it was a difficult task, but he thinks the product is a good one. He thanked everyone who was involved in the process.

Attorney De Anda asks Robert if it has a place for job openings.

Mr. Peña replied that it is hard to see because of the size of the screen but there is a place for employment opportunities. All the openings available are listed, translated in Spanish and shows all the personnel duties, qualifications, and all the details on every particular job. In addition, there is also a contact us page where people that may want to contact a particular department or particular office, they can do so by clicking on the tabs Admin, HR, Section 8. These contacts go directly to the departments they are trying to contact.

Chairman Ceballos states that Texas Narho Association has an award for electronic IT advancement and he might want to submit it for the next coming conference. He suggested looking at who has won before and how they were ranked.

Chairman Ceballos asks if Ms. Ortiz had anything else to report.

Ms. Ortiz replied that she was finished with her Executive Director's report.

B. Unaudited Financials for the month of November 2016.

Mauricio Del Barrio, Director of Finance, started with a brief overview the financial statement. He stated that he was glad to say as far as the AMPS are concerned, revenues have exceeded expenditures across the board with one minor exception that he hopes to get into compliance and profitable status as the year progresses. He states that salaries and benefits have exceeded, as well as legal expenses, travel to training line item and administrative office supplies. Carlos has prepared a break down on the legal expense.

Carlos Quiroga, Accountant, states the legal fees break down for this FY starting April to November 2016. He mentions that total charges are \$194,775.74 of which pertain to 619.25 hours accounting for \$191,300.27. There are expenses of \$3,448.24 ranging from travel expenses mostly. The biggest bulk of legal fees came down to Casa Verde Apartments and RAD program accounting for a little over 50% of the total of legal fees. The breakdown of most of these legal fees was actually the Hawkins Delafield and the breakdown reflects each individual law office and cost.

Chairman Ceballos thanked Mr. Quiroga for providing this breakdown. He mentioned that he had asked the attorneys to provide a breakdown by program and project anticipating that there would be large cost associated with Casa Verde and Russell Terrace because of the conversion and the legality involved in the arrival of that project and the demolition of Russell Terrace. He states that he know it's probably difficult to break the costs but it is worthwhile to do because it is important where the charges are made knowing our annual legal fee budget. The PFC's will have to book some of those costs. He states that if Mr. Quiroga needs additional information or the invoice is not clear enough about where the cost goes, to request that from the attorneys so they are able to tell you where it belongs. Casa Verde is going to be a little tricky because it's got its own development budget, and a discussion will be had addressing we are going to have what belongs to the Housing Authority and what belongs to the PFC's and maybe even to the partnership depending to what the work is.

Chairman Ceballos commented that he is unaware if anything that belongs to the partnership has been paid already but that's a conversation be had with the Brownstones group and their absorption of any cost that been paid that directly relate to the partnership. He stated that he knows that Russell Terrace is at the point of defining the development budget and the corporation that is going to be hosting that will have to absorb the cost. He states that we are not done with Russell Terrace and we will keep seeing legal cost.

Chairman Ceballos asked Mr. Del Barrio if the role of Mr. Hawkins, as an attorney doing consultant work, makes any difference where the cost is booked. He stated that some of his work is dealing with HUD although his fee doesn't change.

Mr. Del Barrio stated that Ms. Ortiz is the one that instruct where these costs are expensed. He thinks that it would make a difference based on what type of work he would be performing.

Chairman Ceballos asked if there are restrictions where the attorney's invoice would be booked for gap or accounting purposes. He asked if it could be booked to consulting costs.

Mr. Del Barrio stated that he hesitate to book to consulting cost because we are talking about legal consulting; regardless, we are going have to book it.

Chairman Ceballos recommended Mauricio to be clear on that just from the stand point of how we attribute project cost because not everything he's doing is legal advisement. Some of it is actually consulting work directly with HUD. He states that Casa Verde is pretty much at done with legal issues related to the project. Russell Terrace is probably 75% of the way roughly of the way. Chairman Ceballos referred to Poneck to clarify.

Attorney Poneck responded yes. He stated that he does not foresee a lot of work that still needs to be done.

Attorney De Anda stated that they may be able to pass on Raquel Favela's consultant fees to the project if we characterize at least some Hawkins Delafield expenses as consultant fees. We may be able to use the funding for this project.

Chairman Ceballos stated that he does not think that consultant money was allocated per projects. We may want to do that before the end of the fiscal year and that may be cleaner to close the books. He stated that ultimately it is being charged back to the PFC because that's where it belongs, from what he understands.

Chairman Ceballos stated that Mr. Quiroga did a lot of work and asked if the invoices were ok to get to this point.

Mr. Quiroga stated that he would like a better breakdown as some invoices were a bit vague as to where they charges need to be allocated.

Chairman Ceballos stated that if it needs more clarification, he should send it back up to the attorneys so that they may refine it.

Chairman Ceballos asked how they were able to get AMP 4 back to the black.

Mr. Del Barrio stated that there was an error in the formula that has been corrected.

Ms. Ortiz stated that in October there were also three pay period and that brings up the expenses for that AMP twice a year for administrative salaries.

Chairman Ceballos asked where the Farm labor sheets were.

Ms. Ortiz stated they were on the next page. She stated that Farm labor has a lot of reserves and a good operating account. She has request a physical needs assessment to see what improvements are needed and they can bring the suggestions to the board.

Chairman Ceballos asked if the ending balance included the replacement reserves and all the reserved in that project.

Mr. Del Barrio responded, yes.

Chairman Ceballos asked how many Mod Rehab Vouchers we have.

Ms. Ortiz responded that they have 9 Mod Rehab vouchers.

Chairman Ceballos stated that then there is some reserve money there.

Ms. Ortiz stated that money is taken back by HUD.

Chairman Ceballos asked if they can be converted to vouchers.

Ms. Ortiz stated that they cannot be converted until they are at 5 or below.

Chairman Ceballos asked if they recapture those vouchers.

Ms. Ortiz responded yes they do recapture.

Chairman Ceballos asked for them to research because he would hate to lose \$163,000.

Ms. Ortiz stated that the \$163,000 is administrative fees and they do not recapture those fees.

Mr. Del Barrio stated that staff has met regarding the inventory fixed assets. He stated that they anticipate hiring someone by the end of the month. They have established a delivery schedule.

Chairman Ceballos asked Mr. Del Barrio to clarify for the Commissioners.

Mr. Del Barrio stated that this will inventory every appliance, every stove, refrigerator, water heater at each unit including all those being stored.

Chairman Ceballos stated that there a lot of appliances being stored at the shops and he assumes they are not working. He stated that it is really the problem because someone outside of the AMP should be recording if they are really items that need to be disposed. He stated that he has discussed with the purchasing staff and that someone outside of the AMP management staff should be the one to complete the loop of disposal because it is better to have a third party saying "this is no longer usable" than our own selves saying "well I just prefer to go get a new one."

Chairman Ceballos stated that he is not saying there is fraud issue but there is a quality issue. He stated that it is just easier to get a new one than replace the handle or a broken shelf and closing the loop is a finance and purchasing internal control.

Mr. Del Barrio also stated that they are proceeding with the unclaimed property issue. He stated that they have taken the first 3 steps to analyze what accounts need to be submitted to the state to go ahead and do due diligence on them. He stated that there is a March 1st deadline for this issue.

Chairman Ceballos stated that during the visit to the warehouse they saw a lot of material being stored that is aged and they learned how and why this happened. He stated that it may be good to have an implementation philosophy that everybody observes whether it is items bought in real time and that we don't store these. Those items are bought when needed and that we include CFP in that for example if we don't need lumber we don't store it. He stated that it would resolve a lot of your storage issues because there are stored materials from 2012 based on what they encountered. That mean they are ordering to have and or was what was described which I think most of us work with grants your grant is ending and you need to purchase and close the grant we understand that it happens sometimes and that occurs but at least 90% - 95% of the time you are not storing. So if you need to close your grant it's an opportunity buy appliances it's understood but get them out we shouldn't have 2012 stoves or 2014.

Mr. Del Barrio replied stating that he has had a conversation with Mr. Frank Lopez. He stated that they are going to start replacing units in the AMP's and using the items at the warehouse.

Chairman Ceballos stated to ask people that need the supplies have them understand the philosophy and why you're not going to order and store. Some items are available Home Depot, Lowe's and Clark's Hardware. You don't need to store them you can use them at that time. Implementation guild lines and says these items you can purchase with in one day. Then you clear the warehouse

again it's not a policy but it's an observation that I made when I was there. It will relieve your purchasing people your warehouse people a lot of work.

Mr. Del Barrio said thank you I appreciate that.

Commissioner Dr. Rodriguez states she's not too sure on how the grants work in the Housing Authority's case, but she stated that educational also have to be careful with spending so much because The Feds are being very particular and cautions and will red flag the spending when it should have been done in increments. She suggested to double check the policies and procedures when it comes to special projects especially when its coming from the Feds and the States. She wanted to point out that the warehouse is doing an excellent job with their inventory. She noticed that everything that is there is still being tracked with pencil and paper. She noted that, when dealing with grants in her department, they have to put a special label and have a scanner. They have to have inventory software so when The Feds do come in, they know exactly where that equipment is located. She suggested that the IT Department can help to link what is in inventory and your department. She stated that the Board is open to discuss if this is a job that needs to be subcontract or is something that IT can handle so as to create that accountability and make sure our records are current when dealing with this.

Mauricio stated that he has talked with Mr. Lopez about see how they can improve the functionality in that department.

Commissioner Dr. Rodriguez says they are doing an excellent job. Dr. Rodriguez noted, and thanked Mauricio for his honesty about the previously noted error, that she believes that honesty is the best policy rather than hiding something under the rug. Regarding the agenda since The Board has been getting these reports on a monthly base, she asked if they would need to revise it to make sure, especially now that we are more transparent on the website, that it does not reflect that they were always on the negative amount there.

Mr. Del Barrio replied that they intend to and has conversed with Mr. Quiroga about the way to change the information so it is captured properly and can be more efficient

Chairman Ceballos stated that in order to do that, they would have an agenda item corrects the record for Farm Labor's financials. Next meeting put an agenda item.

Chairman Ceballos reiterated Commissioner Dr. Rodriguez's suggestion to proceed with an automated process and include staff to consider the real time option because some of the stuff that is being stored is readily available in a store and LHA will need a lot of space when reconstructing Russell Terrace.

C. Update of Casa Verde Apartments and Russell Terrace Reconstruction Projects.

Ms. Ortiz stated that HUD approved the Site Selection and Neighborhood Plan as well as the Non-Dwelling Real Property. The items were uploaded to the RAD Resource Desk. She stated that Physical Conditions Assessment will be finalized today and should receive that report. The construction budget and the Performa are 98% completed pending the finalization of the PCA to see if anything else needs to be included in the budget. Ms. Ortiz stated that they are also working on the Conversion Overview Template that also needs to be submitted. She also stated that the Relocation Plan is being worked on and they are hoping to have it ready to present by Tuesday to the Development Team at the weekly conference call. She stated that the Environmental Assessment was turned in to the City of Laredo on the 1/5/2017 and is being advertised from 1/6/2017 through 1/22/2017. The EA will be submitted to HUD for their comment period from 1/25/2017 through 2/13/2017 at which point it should be approved.

Ms. Ortiz stated that they had a BBVA Compass Bank commitment letter submitted on 1/12/2017. She stated that a meeting was held with tenants at Russell Terrace to update them on the status of the RAD conversion on 1/18/2017.

Chairman Ceballos asked that Ms. Ortiz expand on the letter submitted by Compass Bank.

Ms. Ortiz stated that a term sheet was received from the bank for a 5 year loan for \$6.698 M to reconstruct 138 units and remodel 62 units. She stated that the requirement is that LHA have a no less than 18 year loan. She stated that in this case it is a 5 year loan.

Chairman Ceballos stated that the issue is the fixed rate required by HUD. RAD requires that LHA get a fixed rate loan no less than 18 year and in today's market that difficult unless you get a HUD loan which is an extensive more complicated, not complicated it just takes time to that. He stated that we have been working with Compass Bank and they have been very positive, however, when they learned about the restriction, it became a concern for them. They stated that they could give us a 5 year construction and stabilization loan but they cannot offer us the 18 years.

Chairman Ceballos stated that BBVA told us yesterday that they would go back and see if they can treat it like they do a low income tax credit program like Casa Verde. He stated that there may still be a chance to meet the RAD requirements. He also stated that he has already placed some calls to other banks and we understand from our legal counsel that since this is a private venture through a PFC, we are allowed to procure in that manner as opposed to procuring through competition. He stated that if Compass says they can't do it, we will have to move quickly in identifying another vendor that is willing to do an 18 year fixed

term loan. He stated that we can have a balloon payment and refinance for the life of the amortization period but HUD is telling us they want 18 years on the initial terms.

Chairman Ceballos stated that it looks like Compass will come through. He stated that they were calling and asked Ms. Mata to give the latest report as to the latest telephone conversation.

Alma Mata, Administrative Assistant, stated that she was advised that BBVA is working on a possible 18 year fixed rate loan and are hopeful that it will be approved. She was advised that they are only pending a couple of members to be on board and they can provide us with a term sheet. Ms. Mata stated that the loan would be treated similar to the Low Income Tax Credit Loans. She stated that they were looking at a fixed rate based on the treasury vs the libor, the origination fees would change as well as the startup cost. She stated that BBVA should report back to us by Tuesday.

Chairman Ceballos stated that for purposes of prospective, a 1% is a traditional rate that you get on a conventional type loan. On a commercial loan, you negotiate and we requested for 2.35% and 3.75% interest rate. He stated that they came very close to those requests with a 4.27% rate. He asked if the Casa Verde loan is based on treasury.

Bulmaro Cruz, Director of Modernization and Development, responded that he will check.

Chairman Ceballos stated that it is a way for the commodity generates the risk. He noted that the one thing for everyone that is making these decisions is to understand is that we are going to have to move quickly if it doesn't happen early next week because we have to get this submitted to HUD ASAP. He stated that the 1% is probably what the team will be happier with.

Ms. Ortiz replied yes they will take the 1% as long as they have something in writing to submit to HUD.

Chairman Ceballos stated that the HUD products out there do take a while and he still thinks that the rates are going up and we pushed very hard with the terms that we asked for and it's still less than 5% so it's still a good rate.

Ms. Mata noted that they stated it would be handled very much like a LITC.

Ms. Ortiz stated that they have continued to have weekly Development Team calls and calls with the Transaction Manager in HUD. Ms. Ortiz stated that a meeting with LISD has been scheduled to inform them of the latest developments on Tuesday at 9 a.m. She stated that they are maintaining PH units

that become vacant empty in order to use them during the relocation. She stated that the preferences will prove helpful during this transition as well.

Chairman Ceballos asked if the relocation plan needs to be approved by the Board.

Ms. Ortiz stated that she will look into it.

Chairman Ceballos stated that it may be important and for Ms. Ortiz to let them know if it will be necessary so that they may approve before the relocation begins as record for RAD. Chairman Ceballos asked Ms. Ortiz to find out if they need a resolution or an action from the Board regarding this.

Ms. Ortiz stated that for Casa Verde since the early start approval by HUD, the second draw has been processed for \$8,005.63. She stated that the TDHCA report was submitted on 1/10/2017. The plat recording is pending the Maintenance and Procedures Agreement.

Chairman Ceballos commented that the MPA is reported by the civil engineer so he is sure it will get filed.

Ms. Ortiz stated that they have paid for the insurance policy for \$25,967.00, the builders risk premium for \$19,620.00, the letter of credit \$536,696.00. She stated that they have also paid the first construction draw for \$92,067.00. She stated that they are also having weekly calls with the Development Team.

Chairman Ceballos asked if we saved the \$30,000 in permit fees from the city as they thought they would.

Mr. Cruz stated that they need to complete the process.

Chairman Ceballos asked Mr. Cruz to touch bases with the building director to see how we would qualify for a waiver of fees by including us in the Neighborhood Empowerment Zone particularly in Russell Terrace.

D. Presentation of Branding and Media Plan.

Chairman Ceballos began by stating that the State of the City address had been held the day before where there was Laredo Housing Authority representation by himself as well as the staff. Even as the longest serving housing provider in town, LHA was not mentioned during the address. He states that it confirms that the community does not realize how much of an impact this organization plays. He mentions that this plan is to establish LHA's social footprint in the community as serving the hard to reach, the poorest of the poor. He thanked the staff who attended the address.

Julia Orduña, Planning and Community Affairs Specialist, stated that her presentation would be about communication. She quoted Sydney J. Harris a journalist for the Chicago Daily Times from the 1940-80s, saying “the two words “information” and “communication” are often used interchangeably, but they signify quite different things. Information is giving out; communication is getting through.” She continued to explain that we are in an age where information spreads to the masses in milliseconds, and in order to adapt to the changing times, we must mold this organization for the new age. Ms. Orduña states that purpose of the Branding and Media Plan is to educate and inform the community of the Laredo Housing Authority’s programs, collaborations, and services by supporting high-quality engaging content delivered across multiple platforms. She also mentioned that it is meant to deepen the engagement with audiences and users while reflecting the mission and purpose of the Agency. By utilizing multiple platforms, both print and digital, the dissemination of information is more easily accessed by a larger range and demographic. Focused tactics will engage target audiences within the community to drive specific message as well as strategically utilizing the platforms to increase effective communication and community feedback.

Ms. Orduña states there are seven broad objectives that are covered in the plan beginning with the broadening of the presence of LHA by promoting and creating an image by utilizing social media, newscasts, newspapers, and the website. It will also utilize the advertising of job opening, bidding, and public notices to get to the community much more easily and increase feedback. The plan will also support our community and residents during times of tribulation. The plan also will leverage the community’s strength by collaborating with other partners and increasing visibility of all involved.

Chairman Ceballos states we have a huge base of people, from getting them to vote to delivering them an educational message. Social media is currently being underutilized. He states that we are going to figure out a way to communicate with them through social media and deliver a message to a base of people. He states that we talk about solving poverty, but questions if we are even communicating with the intended audience. He states that utilizing the platform will allow us to empower our residents by informing them with accurate information. He states that it is possible to provide more services at minimal cost and be consistent with it.

Ms. Orduña states that there has been higher traffic and an increase in communication with residents through posts and pictures on the Facebook page which becomes an engaging factor that can guide them towards self-help and resources that they might not have sought themselves. She also states that it is promoting our visibility and interacting with our residents to brand the empowerment.

Chairman Ceballos stated that the platform also give partners a medium to interact with the large resident base LHA has. He also states that utilizing it as a communication and education tool to deliver the right messages can tie folks to other resources that are not readily available.

Commissioner Dr. Rodriguez states that she believes a newsletter works well to change an image and let people know in all spectrums in the community of the work being done. She also states that it is important when setting the footprint that the mission and preferences are emphasized so when community members think of housing, they think of the three key elements. Commissioner Dr. Rodriguez congratulated Ms. Orduña on her media plan and commented that she believes it will be effective.

Ms. Orduña stated that the newsletter will be out in a couple of weeks.

Chairman Ceballos mentioned that a piece on Russell Terrace and Casa Verde would be good features for coming newsletters.

9. ACTION ITEMS

- A. Discussion and possible action to adopt the 2017-2021 PHA 5-Year Plan to become effective April 1, 2017 and Resolution No. 17-R-1.

Mr. Cruz stated that Annual Plan is a comprehensive guide to public housing agencies policies, programs, and local housing needs. He stated that there have been significant updates to the Public Housing Admissions & Continued Occupancy Policy (ACOP) and the Section 8 Administrative Plan. He stated that the changes to those plans will be presented to the board in agenda items following. He stated that the Section 8 Administrative Plan will include the RAD vouchers for the RAD conversion that is underway.

Mr. Cruz stated that the 5 year plan also includes an amendment to the Capital Fund 2016 plan. He stated that there is a line item designated for Russell Terrace demolition. He stated that that line item will be re-categorized as Electrical Upgrade.

Mr. Cruz stated that the plan must be submitted to the PHA point of contact in our field office, and he expects to be able to complete that by the end of the day.

Chairman Ceballos stated that he would like to cover the annual statement in detail since he knows it is important for Russell Terrace and the Senior Citizens Home. He asked that Mr. Cruz start with the 2016 year.

Mr. Cruz stated that the line item designated for demolition will now be used for an electrical upgrade in the 38 units whose transfer of assistance is going to Casa Verde. He stated that this upgrade is being made to accomplish the dryer

hookups that the residents have asked for as well as the air condition. He stated that the other items have not changed for the 2016 plan.

Chairman Ceballos stated that prior to them working towards reconstructing Russell Terrace there was a demolition plan so there was money allocated by prior administration. He stated that they are making that change for it to now go towards an electrical upgrade.

Chairman Ceballos stated that in the 2017 plan we are allocating money from the Capital Fund Grant for Resident Relocation Expenses and Mobility Counseling. He stated that as we reconstruct units people will be moving to another unit on site and there will be moving costs that they may be incurring such as deposits and utility transfers that we have to cover based on HUD guidelines. He stated that we are also adding a staff person that will be dedicated to working with each family to help them through the transition. He stated that one person is being added to the existing staff to be designated as the Relocation Specialist. He stated that is also being booked in the \$225,000 and that should hold through the entire period.

Chairman Ceballos asked if we will be able to utilize CFP money after the RAD conversion takes place.

Mr. Cruz stated that with CFP money you have two years to obligate the money and another two years for expenditure. He stated that it is likely that they will expend before the four years maybe even before the two years.

Chairman Ceballos stated that on the other items he had the opportunity to meet with Ms. Ortiz and Mr. Cruz regarding the sewer issues at the Senior Home. He also stated that there are concerns over people jumping the fence so they are requesting to raise the fence. He asked at what point is the electrical upgrade being made.

Mr. Cruz stated that it will be added in the following year.

Chairman Ceballos stated that there is a need to cool the hallways and he really would like to see if there is a way for that to be done this year. He asked if that property has reserves.

Ms. Ortiz responded that there are close to \$1 million in reserves at that property.

Chairman Ceballos asked if staff could get an estimate and bring it back and maybe it can be done outside of this grant. He stated that it is hot and those halls have been hot for years and they really need to prioritize that.

Chairman Ceballos asked if the Electrical Upgrade at Colonia Guadalupe was for 50% of the units only.

Mr. Cruz stated that yes approximately.

Chairman Ceballos stated that the other 50% would be added the following year. He stated to the Commissioners that in this grant they are allowed to transfer a percentage to cover management costs so they are already capped at 10%. He stated that is like an administrative fee. He also stated that there is a line item for the purchase of a vehicle.

Chairman Ceballos stated that there is a lot of money allocated for medicine cabinets. He stated that he is looking at medicine cabinets and is thinking heat in the halls at the Senior Home and also thinking your deadline at 5 p.m.

Chairman Ceballos asked how many units are at that location.

Mr. Cruz responded 164 units.

Chairman Ceballos asked if 164 medicine cabinets require \$55,000.

Mr. Cruz commented that some of units have two restrooms.

He stated that it really isn't a lot of money, its \$340 per unit. He stated that if there was an item added to the Senior Citizen Center that is Electrical Upgrade, you can reprogram and make less medicine cabinets. He asked if they are very necessary or can they just get a mirror.

Mr. Cruz stated that it can be changed.

Chairman Ceballos stated that he would need a line item to make the move. He stated that if they create a line item they can reallocate money to get the electrical work done this year. He stated that \$300 is not a lot of money but maybe they can do fewer units in order to be able to do the electrical upgrade.

Chairman Ceballos asked if the item for the fence can wait and use that money for the electrical upgrade.

Ms. Ortiz and Mr. Cruz agreed that the fence can wait.

Commissioner Dr. Rodriguez stated that she agrees with that and she was being biased being an anatomy instructor and she was really impacted by the fact that these elders can be in a really hot environment during the heat months. She stated that she tends to disagree but in this case she agrees with him that it needs to be a priority for that project.

Chairman Ceballos stated that the challenge at that project is that before they can begin to do the hallways they have to do the main panel transformer upgrade. He asked if we hold the many panel transformers in our property.

Mr. Cruz responded yes.

Chairman Ceballos stated that they have to first do that before they can do the interior.

Commissioner Dr. Rodriguez stated that if they are having security issues then that is important too but if it is minimal then the hallways should be prioritized.

Chairman Ceballos asked that Mr. Cruz think of what line item he wants to add or if he just wants to eliminate fencing and replace with the electrical upgrade before they motion.

Mr. Cruz stated that he wants to remove the fencing and replace it with the electrical upgrade.

Chairman Ceballos motioned to approve Resolution 17-R-1 the 2017-2021 PHA 5 Year Plan as presented with one change that the 2017 annual plan reflects a budget line item for electrical upgrade in the amount of \$25,000 for the TX11-4 Senior Citizens home.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

- B.** Discussion and possible action to adopt the Section 8 Housing Choice Voucher (HCV) Program Administrative Plan and Resolution No. 17-R-2.

Jennifer Barrientos, Section 8 Administrator, stated that the Section 8 Housing Choice Voucher Program is governed by the Department of Housing and Urban Development (HUD). She stated that the Administrative Plan being presented is a program, policy, and procedural manual consistent with the federal regulations. The Administrative plan covers admissions and continued participation in the program. She stated the presented plan is up to date and consistent with the federal regulations. She stated that any changes to the plan need to be approved by the Board of Commissioners. She stated that there have been changes to the plan including the RAD vouchers previously mentioned by Mr. Cruz in Chapter 25 that concerns the Project Based Vouchers.

Chairman Ceballos asked if the preference material that was adopted last month integrated into this updated plan.

Ms. Barrientos responded yes it is included in Chapter 3 page 16.

Chairman Ceballos stated that basically they cleaned up all the other amendments that have been done before and made sure that they were all include.

Ms. Barrientos stated that the last time the Board approved an updated Administrative Plan was in 2007 and of that point there were revisions and amendments that had been added.

Chairman Ceballos stated that this update will happen annually now. He asked if there were any highlights that he would like to share with the Board.

Ms. Barrientos stated that throughout the years there had been regulations that had changed and were not necessarily up to date on the old plan but with the approval of the presented plan they will be up to date and in compliance.

Chairman Ceballos stated that one thing that has come up is when we resequence the list if that is regulatory or a judgement we make.

Ms. Barrientos stated that it is resequenced once a month.

Chairman Ceballos asked if it is at our discretion when we open the waiting list or is it set in regulation.

Ms. Barrientos stated that it is at our discretion and she would have to verify that but the list is opened when the numbers in the waiting list are low.

Chairman Ceballos asked if when the list is opened this next time everyone will need to be updated because of the preferences so that everybody gets the opportunity.

Ms. Barrientos stated that everyone currently on the waiting list is receiving a letter asking them to come and update their application and include the new preferences.

Chairman Ceballos stated that it would be important to have an internal conversation that if you are homeless, homelessness occurs with people suddenly and you are not admitting anybody or the list is closed.

Ms. Barrientos stated that currently if you are on the waiting list you can come in at any time and update your preference if you become homeless.

Chairman Ceballos stated that they are not keeping the waiting list open for homeless people and that is going to have to be discussed.

Commissioner Dr. Rodriguez stated that they could create a separate waiting list.

Chairman Ceballos stated that if homelessness occurs to someone tomorrow having a preference will not help them because they cannot get on the waiting list so there will need to be discussion. He stated that there will be people on the waiting list that are already homeless and they will go up on the list. He stated that to get people off the streets there will need to be a system in place to bring them on the list.

Commissioner Dr. Rodriguez asked where they can find the plan.

Ms. Barrientos stated that it is in the LHA website and if this new plan is approved it will be updated. She also stated that it is available at their offices and every technician has a copy that they use to guide them.

Commissioner Dr. Rodriguez asked if they can search the document online.

Ms. Barrientos responded yes the document is searchable.

Ms. Ortiz stated that it is important that establish when the preferences will take effect.

Chairman Ceballos stated that they are in the plan and if the plan is approved they become effective with the plan.

Commissioner Dr. Rodriguez motioned to adopt the Section 8 Housing Choice Voucher Administrative Plan and the resolution 17-R-2.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

Attorney Poneck made a clarification to the Item 9A motion. He stated that the motion the Board voted on was to add a line item for electrical upgrades at the Senior Home. He clarified that the intent of the action is to replace the line item for the perimeter fencing allotted \$25,000 and rededicate that to the electrical upgrade.

Chairman Ceballos responded yes the intention is to replace and not to add another line item for the record.

- C. Discussion and possible action to adopt the Public Housing Admissions and Continuance Occupancy Policy and Resolution No. 17-R-3.

Eduardo Garcia, Director of Public Housing, stated that they revised and updated the ACOP Policy and added preference points which can be found in Chapter 6.

Ms. Ortiz stated that it complies with all HUD regulations and notices.

He stated that there are preferences for 1 point for homeless unsheltered, 1 point for homeless referrals, 1 point for homeless families, veterans, elderly, disabled and 6 points for displacement.

Chairman Ceballos asked if the definitions for the local preferences are somewhere in the manual. He stated he should have asked that in the Section 8 Administrative Plan too. He stated that the homeless referral is vague and he wants to make sure that it is accurate based on the intention.

Mr. Garcia stated that they are located in Chapter 6 page 29.

Chairman Ceballos stated that the version that was adopted at the last Board meeting had the definitions.

Ms. Barrientos stated that in the Section 8 Administrative Plan they are defined in Chapter 5 page 65.

Mr. Garcia stated that Chapter 8 page 49 in the ACOP has the definitions.

Commissioner Dr. Rodriguez asked if it is possible to reference the page where the definitions are found.

Ms. Hernandez responded yes it can be done.

Chairman Ceballos stated that they the tricky one will be the homeless referral one. He stated that there will need to be an MOU and it cannot just be somebody bringing in a letter. He stated that it will require an MOU with the agency and that will need to come to the board.

Chairman Ceballos asked if the staff worked with Nelrod to achieve this update.

Mr. Garcia responded yes.

Commissioner Dr. Rodriguez stated that if the plan is electronic they may want to refer the definitions on a link or state the chapter and section.

Ms. Ortiz stated that they will work on the MOUs to present at the next board meeting.

Chairman Ceballos asked that they use a standard document for all the MOUs.

Chairman Ceballos motioned to approve the Public Housing Admissions & Continued Occupancy Policy and resolution 17-R-3 with an amendment to include a link with a page number that directs readers to the definitions for the preferences.

Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

10. 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).

Chairman Ceballos motioned to entertain both items 10A and 10B at the same time and enter into Executive Session.

Commissioner Magallanes seconded the motion.

Motion passed unanimously.

Chairman Ceballos asked for all commissioners, Attorney Poneck, Attorney De Anda, Acting/Interim Executive Director Melissa Ortiz, Human Resources Manager Cesar Vasquez, and Interim Section 8 Administrator Jennifer Barrientos to enter into Executive Session.

Board entered into Executive Session at 1:40 p.m.

- A. Consultation with attorney regarding Personnel Policies.
- B. Consultation with attorney regarding Section 8 regulations and their proper implementation.

Board returned from Executive Session at 2:42 p.m.

No action was taken in Executive Session on Items 10A and 10B.

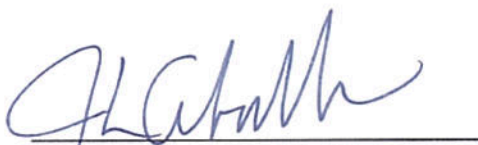
11. ADJOURNMENT

Chairman Ceballos motioned to adjourn.

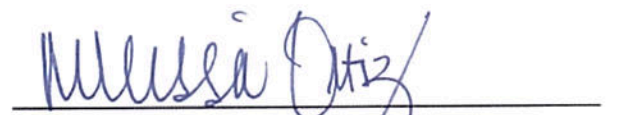
Commissioner Dr. Rodriguez seconded the motion.

Motion passed unanimously.

Meeting adjourned at 2:43 p.m.



Jose L. Ceballos, Board Chairman



Melissa Ortiz, Acting/Interim Executive Director