

Housing Authority of the City of Laredo

Board of Commissioner Meeting
Judge Oscar Liendo Community Hall
2000 San Francisco Ave.
Laredo, Texas 78040
Friday, May 6, 2016
11:10 a.m.

A-16-R-3

Minutes

May 6, 2016

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 11:14 a.m.
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL AND DECLARATION OF QUORUM** Roll call an declaration of quorum by Melissa Ortiz, Acting/Interim Executive Director/Secretary

Commissioners Present

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

Commissioners Absent

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Bulmaro Cruz, Director of Public Housing
Jose Collazo, Residents Services Coordinator
Cesar Vasquez, Human Resource Manager
Robert Peña, MIS Coordinator
John Gloria, Purchasing Agent
Christy Ramos, Administrative Clerk
Alma Mata, Administrative Assistant
Doug Poneck, Escamilla & Poneck
Anita Garcia, Russell Terrace Resident
Maria Ontiveros, Russell Terrace Resident
Maria Morales, Russell Terrace Resident
Laura Ortiz, Russell Terrace Resident
Luz Maria Flores, Russell Terrace Resident
Ricardo De Anda, De Anda Law Firm
Laura Link, De Anda Law Firm
Mario Jasso, Architects Plus, Inc.
Sherri Sengsouvanna, Sengsouvanna Consulting (via telephone)
Raquel Favela, National Development Council
Rod Solomon, Hawkins, Delafield & Wood (via telephone)

4. CHAIRMAN'S COMMENTS

Chairman Ceballos introduced and welcomed Commissioner Dr. Marisela Rodriguez to the Board of Commissioners.

Commissioner Rodriguez thanked the Board and stated that she looked forward to working with them in an effort to better our community.

Chairman Ceballos informed the present that May is Hero Salute month and asked that we take the time to thank those that have served.

He also stated that a group composed of members from Laredo Housing Authority, City of Laredo, Bethany House, Neighbor Works, and Webb County traveled to Dallas, Texas and Austin, Texas to tour two tiny home communities. He stated that the trip served to expose them to alternate affordable housing options that may serve the more economically distressed tier of the community.

Chairman Ceballos wished all mothers a Happy Mother's Day.

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)

6. APPROVAL OF MINUTES:

A. Approval of minutes for Board of Commissioners meeting on March 28, 2016.

Chairman Ceballos stated that the minute's language needed to reflect that he was "calling for a motion" and not "calling for a motion to approve".

Chairman Ceballos called for a motion.

Vice-Chairman Garza motioned to approve the minutes with corrections.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Commissioner Magallanes introduced Russell Terrace residents that were present to address the board regarding the demolition of the Russell Terrace development.

She stated that the residents were very thankful that the development will not be demolished.

Chairman Ceballos stated that the decision to not demolish Russell Terrace was not final and is still being considered. He stated that the lines of communication between the residents and administration should remain open and they are welcome to meet with the Executive Director to voice any concerns.

8. EXECUTIVE DIRECTOR'S REPORT, including presentation of waiting list reports.

Ms. Ortiz advised the board that HUD came to review the Section 8 Program and no findings were listed however there were four items of concern that were listed in the binder provided.

She also informed the board that The Nelrod Company conducted an audit of the Section 8 Program and their preliminary recommendations were listed in the binder provided. She stated that Mark Vogeler would be present at the next board meeting to present the final recommendation to the board.

Ms. Ortiz stated that the Dia de los Niños event was a success with over 200 attendees.

Chairman Ceballos stated that a Rebranding Committee was created to come up with a new logo and tagline that will be presented to the board in the future for approval.

Ms. Ortiz stated that LHA was selected to apply for 7 additional VASH vouchers bringing the total to 22 VASH vouchers once the award letter is received.

Chairman Ceballos clarified that the VASH voucher are allocated to the VA and LHA administers them through the Section 8 Program.

Ms. Ortiz stated that attached to the report was the waiting list numbers for both programs. She stated that the waiting list for Public Housing would be opening on May 11, 2016 and for Section 8 on May 12, 2016.

Vice-Chairman Garza asked how many people apply.

Ms. Ortiz replied that the number varies but it is over 400 per waiting list.

Chairman Ceballos stated that in his opinion the current waiting list numbers are low and it is likely due to the list being closed. He stated that at times when the waiting list is opened there may be over 2000 applicants and there may be no vacancy. He also stated that the problem with having the waiting list closed is that the need is underrepresented.

9. ACTION ITEMS

A. Discussion and possible action to award Request for Qualifications for Legal Counsel.

Chairman Ceballos asked the proponents for the Request for Qualification to step out to the conference room to allow some privacy and comfort to those presenting to the board.

Chairman Ceballos stated that the authority has several ongoing projects and it is important that the board take into consideration the management of "old" housing stock and to be prudent in managing as opposed to demolishing and replacing being that it may be more cost efficient to remodel and repair. He stated that the City of Laredo has an interest to develop more additional housing and that his personal interest is that more affordable housing be developed for the lower tier because there is already a lot of affordable housing in the upper tier such as all the development on Loop 20.

Chairman Ceballos stated that the need for Legal Counsel and Consultant Services is to help analyze what the authority has ongoing and conducting an analysis of any future projects.

Mr. Cruz informed the Board that the authority has solicited a Request for Qualifications for Legal Counsel and received 6 proposals. He stated that a nomination committee composed of 5 members evaluated the proposals and made a recommendation.

Chairman Ceballos stated that the RFQ was drafted to allow for General Counsel, Special Counsel, and or Co-external counsel. He stated that the board would decide how to break up the selection of the firms. He informed the proponents that it also allows the board to select a firm at a later moment if needed from the firms that submitted proposals. He stated that the purpose for this is that there may be cases where a conflict of interest exists and in those cases a different firm may be retained. He stated that of the proponents there is a firm that represents the city and one that represents a consultant that is involved in some authority projects. He stated that, that was not considered during the committee scoring but it was important to inform the board.

Law firm presentations were conducted in alphabetical order and would be allowed 10 minutes to present.

De Anda Law Firm

Mr. De Anda and Ms. Link presented to the board their interest in representing the authority. Mr. De Anda stated that his law firm is located locally in Laredo, Texas and his experience includes working with government entities including Laredo Housing Authority. He stated that he has assisted in the development of the Aldo Tatangalo, South Laredo, Meadow Acres, and Meadow Acres Elderly projects.

Chairman Ceballos asked if they were willing to co-counsel or be selected for as special counsel other than general counsel.

Mr. De Anda stated that yes they were willing to work in any capacity that the authority deemed necessary.

Escamilla & Poneck

Mr. Poneck presented to the board their interest in representing the authority. Mr. Poneck stated that their firm has offices in San Antonio, Houston, Austin, Dallas, Texas and Monroe, Louisiana and Mexico City. He stated that they were a 100 percent minority owned firm with 25 years in existence. He listed San Antonio Housing Authority; the largest authority is South Texas along with over 1000 of their instrumentalities similar to those that LHA has, school districts, cities, counties, and school districts as other governmental entities that they serve. He stated that their firm is a governmental firm serving governmental entities primarily.

Chairman Ceballos asked if they were willing to co-counsel or be selected for as special or limited counsel other than general counsel.

Mr. Poneck stated that they were willing to work in the capacity that the board selected being that LHA would be the client they would be willing to co-counsel.

Vice-Chairman Garza asked how the caseload was divided and how large his own caseload was.

Mr. Poneck replied that 1/3 of his time is dedicated to representing the San Antonio Housing Authority and their firm has the capacity to adjust workload.

Daniels & Daniels

Firm not present for presentation to Board.

Chairman Ceballos informed the board that this firm represents LHA consultant Apolonio Flores as an individual as well as his company, Flores Residential. He advised the board that it was up to them if they chose to proceed with the interview for this firm.

Chairman Ceballos motioned to not proceed with interviewing Daniels & Daniels based on the conflict of interest as a precautionary step.

Commissioner Solis seconded the motion.

Motion passed unanimously.

Hawkins, Delafield & Wood

Firm not present for presentation to Board but was available via telephone.

Mr. Solomon presented to the board their interest in representing the authority. He stated that their firm was not interested in representing the authority as General Counsel but was for Special Counsel pertaining to HUD issues. He listed his experience as a former housing authority executive, counsel for two large housing authorities, HUD Deputy Assistant Secretary in the Office of Public and Indian Housing. He stated the firm specializes in working with Housing Authorities in issues such as RAD, demolition & disposition, Moving to Work, Project based Vouchers...etc. He stated he represents San Antonio, Ft. Worth, El Paso and Dallas in the state of Texas.

Chairman Ceballos asked if they were willing to co-counsel or be selected for as special counsel other than general counsel.

Mr. Solomon stated that being that they are interested in being special counsel they are more than willing to work with other counsel as selected by the board.

Chairman Ceballos asked when the last time he was involved in a demolition disposition project.

Mr. Solomon replied that he was currently working with the Chicago Housing Authority and one of their larger projects was the San Diego Housing Authority converting their Public Housing units into vouchers.

Vice-Chairman Garza asked what forms of technology they use to communicate with clients outside of their local office such as Skype.

Mr. Solomon responded that they are willing to use those forms of communication if need be.

Firm representatives returned to the board room.

Commissioner Solis stated that what the authority needed was to have a multi-party team to represent the authority in the different areas and he recommends the board takes action.

Chairman Ceballos stated that his opinion is to have a general counsel and possibly have a local firm assist with the local tenant issues. He stated that he was pleasantly impressed with the qualifications that Mr. Solomon had, given the situation the authority is in with its special projects.

Vice-Chairman Garza stated that Stephens & Hawkins offers much experience with HUD and demolition and disposition. He stated that Escamilla & Poneck offers a lot of governmental knowledge and De Anda Law is local.

Chairman Ceballos stated that the Board could decide to award the RFQ by category for example the local firm could handle all tenant & HR issues and another could be general counsel and another could handle tax credits or special projects.

Commissioner Rodriguez stated that she agrees that there needs to be a firm that takes the lead as general counsel and the selection could be based on the rankings that the nomination committee submitted.

Chairman Ceballos called for a motion.

Vice-Chairman Garza motioned to award the Request for Qualifications for Legal Services as General Counsel to Escamilla & Poneck and award Special Counsel to Stephens & Hawkins.

Commissioner Solis seconded the motion.

Motion passed unanimously.

Chairman Ceballos called for a motion

Vice-chairman Garza motioned to award the Request for Qualifications for Legal Services for local issues to De Anda Law Firm.

Commissioner Solis seconded he motion.

Commissioner Magallanes voted in favor of motion.

Commissioner Rodriguez voted in favor of motion

Chairman Ceballos abstained.

Motion passed with a 4 ayes, 0 nays, 1 abstain vote.

B. Discussion and possible action to award Request for Qualifications for Outside Consultant.

Mr. Cruz informed the Board the authority has solicited a Request for Qualifications for Outside Consultant for Housing Developments and received 3 proposals. He stated that a nomination committee composed of 5 members to evaluate the proposals and make a recommendation

Chairman Ceballos stated that the same interview format would be used with the RFQ for Outside Consultant. He stated that there are existing and foreseen projects such as tax credits, housing development, project based vouchers.

Consultant presentations were conducted in alphabetical order and would be allowed 10 minutes to present.

Architects Plus, Inc.

Mr. Jasso presented to the board their interest in consulting the authority. He stated that he has been involved in development, construction, and consultant for LISD. He stated that he is familiar with the projects that the housing authority is involved in and he has worked with the authority in the past. Mr. Jasso stated that his company is local.

Chairman Ceballos asked how he can help develop local capacities so that expertise is generated and stays in Laredo in terms of affordable housing projects.

Mr. Jasso stated that in terms of affordable housing projects he has worked tax credit projects and is familiar with what it takes to complete the work and assure that the authority is the one benefited.

Chairman Ceballos asked if he was willing to join a team if necessary and work together with other that the authority may retain in projects.

Mr. Jasso replied that his job would be to give the authority the best value and if that requires working with others he is more than willing to.

Vice-Chairman Garza asked what his idea of something innovative for the authority would be for example like the tiny homes.

Mr. Jasso stated that he has done the tax credit projects and they are excellent vehicles but in his opinion they are not affordable because they are subsidized by the government. He stated that affordability is based on size, quality, and cost and for it to be affordable it has to be efficient and not wasteful in terms of size. He stated that he is familiar with giving the authority the most for their money based on what is needed and not to the developer.

Commissioner Solis stated that the board is informed that it is becoming increasingly difficult to obtain tax credits and asked if they are truly necessary and what is the last project he worked on.

Mr. Jasso stated that they are necessary because it gives you the vehicle to create more affordable housing however they are developed to profit the developer and not necessarily to address the need of the authority.

He stated that tax credits are split into the private and nonprofit sector and what is occurring is that the competition in the private sector is so large that the private developers are teaming up with nonprofit entities and using them to build developments that profit the developer. He stated that in his opinion the housing authority should be the developer and they should develop the expertise to be able to submit the packages and benefit the authority with the 15% developer fees.

Board entered into break at 12:40 p.m.

Board returned from break at 12:47 p.m.

National Development Council

Ms. Favela presented to the board their interest in consulting the authority. She stated that her company was a nonprofit established in 1968 and she is based out of San Antonio, Texas. They provide technical assistance, training, and housing and economic development. She stated that through the Housing and Economic Development program they act as the developer in tax credit programs and train and establish the skills needed in the authority to allow them to undertake these projects themselves. The goal for National Development Councils goal is to ensure to pass on the assets worked on to the authority being that they are a nonprofit organization. She stated that they are the only nonprofit agency that is a Small Business Lender.

Chairman Ceballos asked how they can help develop local capacities so that expertise is generated and stays in Laredo in terms of affordable housing projects.

Ms. Favela stated that their goal mission is for their agency to provide the technical assistance to the authority. She stated that a scholarship is issued to the two point of contacts to ensure that the persons have the basic knowledge of the projects. Also, the two points of contacts are directly involved on a day to day basis with them while the project is ongoing.

Chairman Ceballos asked if they was willing to join a team if necessary and work together with other that the authority may retain in projects.

Ms. Favela replied that working with others is necessary and they are willing to.

Sengsouvanna Consulting LLC

Ms. Sengsouvanna presented to the board their interest in consulting the authority. She stated that her experience included working at housing authorities, procurement, and development mixed financing. She has been involved as a modernization coordinator. She stated her company focuses on building capacity at the authority and being problem solvers. She stated that she partners with other companies based on the need of the authority to cover the base core of what the authority needs. Her co-consultant is a mixed financials analyst and the other has development officer background and the third and fourth brings public housing and section 8 experience.

Chairman Ceballos asked how she can help develop local capacities so that expertise is generated and stays in Laredo in terms of affordable housing projects.

Ms. Sengsouvanna stated that she recommends the agency establish a real estate or redevelopment manager and they can provide the knowledge.

Chairman Ceballos asked if they was willing to join a team if necessary and work together with other that the authority may retain in projects.

Ms. Sengsouvanna replied that they typically do that on projects that they are working on now.

Chairman Ceballos asked if they have worked on any projects in South Texas.

Ms. Sengsouvanna replied that they have worked in Port Arthur following a second OIG audit. She stated that the authority was being consulted by a consultant that is a common denominator at LHA. She stated the outcome was that they reduced the amount to be paid back to HUD of over 8 million to 1 million and redeveloped 350 units.

Commissioner Solis stated that he is pleased with the knowledge that Sengsouvanna offers and Mr. Jasso provided a lot of information that they should have known before.

Chairman Ceballos stated that what they need to deliberate on is who the authority needs on the team now for the ongoing projects. He stated that the RFQ allows selecting consultants as needed and others may be retained as projects materialize.

Chairman Ceballos motioned to negotiate with Architect Plus and National Development Council relating to current projects and restrict that they not be involved in any other interest on the project. Commissioner Rodriguez seconded the motion. Motion passed unanimously.

- C. Discussion and possible action to authorize Executive Director to obtain an agency credit card in the amount of \$5,000.00 for travel expense purposes.

Ms. Ortiz stated that this card would be used to book flights, hotels, and rental cars.

Chairman Ceballos motioned to approve the item with the condition that it be paid in full every 30 days and an expense report be provided to the board monthly.

Vice-Chairman seconded the motion.

Motion passed unanimously.

- D. Discussion and possible action to approve the purchase of 220 entry doors, metal frames, and related hardware for AMP 1 Colonia Guadalupe to lowest bidder NB Door & Specialty, LLC in the amount of \$70,466.00.

Chairman Ceballos motioned to approve as presented.

Vice-Chairman Garza seconded the motion.

Motion passed unanimously.

- E. Discussion and possible action to amend Disposition Policy.

Ms. Ortiz stated that the policy currently allowed for the revenue of sales for disposed items be deposited into the employee organization fund. She stated that she was requesting authorization to donate items under \$1,000.00 to the Central Resident Council for fundraising towards their youth programs.

Chairman Ceballos motioned to approve the item.

Commissioner Rodriguez seconded the motion.

Motion passed unanimously.

- F. Discussion and possible action to create an advisory committee to assist with local preferences in the Section 8 Administrative Plan.

No action necessary to create committee.

- G. Discussion and possible action to authorize Executive Director to fill certain vacant management positions. This item may be discussed in Executive Closed Session, pursuant to Texas Government Code Section 551.074 (personnel matters)

Ms. Ortiz informed the board that at the last meeting she was authorized to hire Gabriel Muñoz as HR Manager however he was unable to come on board. She recommended that Cesar Vasquez be hired as Human Resource Manager.

Chairman Ceballos called for a motion.

Vice-Chairman Garza motioned to hire Cesar Vasquez as HR Manager,

Chairman Ceballos 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).

- A. Discussion related to the South Laredo new housing development project.

- B. Consultation with legal counsel related to agency expenditures and administrative actions currently being reviewed and audited.

- C. Consultation with legal counsel related to ongoing legal matters resulting from action of Board of Commissioners actions from December 2015.
- D. Consultation with legal counsel related to River Bank, Casa Verde and other developments.

Board entered into executive session at 1:33 p.m.

Board returned from executive session at 2:27 p.m.

No action was taken in Executive Session.

Chairman Ceballos stated that they have asked Mr. Poneck to be in contact with parties involved in developments and to keep the board informed.

11. ADJOURNMENT

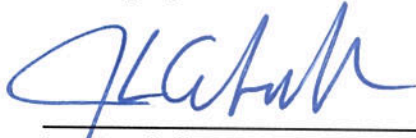
Chairman Ceballos called for a motion.

Vice-Chairman Garza motioned to adjourn.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

Meeting adjourned.



Jose L. Ceballos
Board Chairman



Melissa Ortiz
Acting/Interim Executive Director