

Housing Authority of the City of Laredo

Board of Commissioner Meeting
Judge Oscar Liendo Community Hall
2000 San Francisco Ave.
Laredo, Texas 78040
Tuesday, June 14, 2016
10:00 a.m.

A-16-R-5

Minutes

June 14, 2016

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 10:05 a.m.
2. **PLEDGE OF ALLEGIANCE** and a moment of silence for the victims of the Orlando, FL. mass shooting.
3. **ROLL CALL AND DECLARATION OF QUORUM**

Commissioners Present

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

Commissioners Absent

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Alma Mata, Administrative Assistant
Christy Ramos, Administrative Clerk
Cesar Vasquez, Human Resources
Jose Collazo, Residents Services Coordinator
Bulmaro Cruz, Director of Public Housing
John Gloria, Purchasing Agent
Norma Ybarra, Section 8 Administrator
Orlando Guerrero, interim Finance Director
Aldonso Trevino, CFP Coordinator
Tobert Pena, MIS Coordinator
Doug Poneck, Attorney
Ricardo De Anda, Attorney
Ron Solomon, National Development Council
Stephanie Dugan, National Development Council

Others Present

Bobbie Ramirez, LISD
Flor Ayala, LISD
Sara Rodriguez, Russell Terrace Resident
Gloria A. Freeman, Russell Terrace Resident

Maria De Jesus Morales, Russell Terrace Resident
Cynthia Velma Riley, Russell Terrace Resident
Maria D. Ontiveros, Russell Terrace Resident
Luz Flores, Russell Terrace Resident

4. CHAIRMAN'S COMMENTS

Chairman Ceballos informed the present that the agenda contained items regarding Public Housing and a status update would be provided. He stated that the board's duty is to keep its residents informed and allow them to ask any questions that they may have regarding the projects in place for Russell Terrace. He stated that consultants and professionals have been contracted to assist in such projects.

He stated that members of LISD were also present and welcomed them to ask any questions they may have.

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)

Ms. Sara Rodriguez addressed the board and stated that she was there to speak against the demolition of Russell Terrace. She stated that the project is being kept in very good conditions by the housing authority. She stated that the roofs are in good condition and they do not get rained on, the homes are warm in the winter and cool in the summer. She stated that there are residents that are elderly, youth, disabled; they have schools, grocery stores, and transportation. As a resident of the development she asked the board to reconsider the demolition.

Ms. Gloria Freeman addressed the board and stated that she was the founder of Freeman Project for the Veterans and also an elderly resident of Russell Terrace. She stated that the demolition would be displacing 200 families if it were to go through. The displaced families would consist of elderly, disabled elderly, veterans, disabled veterans, and youth. It would also create a burden on the surrounding community being that the businesses such as grocery stores, tire shops, restaurants, schools in the area rely on the residents of Russell Terrace to stay in operation. She urged the board to find some middle ground in which all these factors be considered.

Ms. Bobbi Ramirez, Human Resources Chief of Staff at Laredo Independent School District, addressed the board and stated that based on their study the demolition of Russell Terrace would displace approximately 400 students from their corresponding LISD schools. She stated that as an urban district already losing enrollment the loss of these students would result in a loss of 6-20 million dollars in funds. She asked that the board consider that this could mean the possibility of a school having to shut down thus impacting employment for teachers and the impact to the surrounding community. She also stated the services that the district and

authority provide to these students are immeasurable. The scores at the schools in the vicinity and their feeder schools are high and the students are doing very well.

Ms. Maria Morales addressed the board and stated that she was a resident of Russell Terrace and the President for the Resident Council at the development. She stated that the last time they addressed the board they thanked them because the demolition had not been approved. She was now present to ask the board as a favor to help them so that they development not be demolished. She stated that the children are the ones that cannot be without a home. She stated that it is sad and difficult for her because the kids ask what's going to happen and I do not have an answer all I can say is I don't know. As the President I am approached and expected to have an answer and I don't have an answer for them.

Chairman Ceballos entertained any other questions or comments.

Ms. Maria De Jesus Ontiveros asked what the rent will be if they are moved because many of them cannot even afford the rent now and she also wants to know what will happen with the undocumented people because it is her understanding that a credit check will be required.

Chairman Ceballos replied that he will answer all the questions but would first like to allow all comments from the public. No further comments were stated.

Chairman Ceballos stated that the demolition project at Russell Terrace was derived from a project for low income housing named Casa Verde. That project in the application made to TDHCA stated that the project would take place contingent to Russell Terrace being demolished. In what the board has gathered in order for that project to take place Russell Terrace must be demolished. He stated that in his personal opinion after visiting the development he does not think it need to be demolished however it does require some maintenance but not deteriorated to the extent of demolishing them. He stated the we should all be concerned and he understands their concern. This board has the duty and responsibility evaluate the impact of such demolition. Chairman Ceballos advised that on April 22, 2016 HUD advised the authority the application to demolish was not accepted as submitted because it did not establish that the unit are in a condition where they need to be demolished and that was what we informed you at the last board meeting. The board is now to dispute or agree with this decision. He stated that contrary to what has been stated by other parties, that we are delaying the project, we did necessary to protect the tenant. The board has retained necessary personnel to assist such as Attorney Doug Poneck, Ron Soloman with National Development Council, Mario Jasso as a consultant to assess if Russell Terrace needs to be demolished.

Chairman Ceballos stated that another issue is that 152 units will be built at Casa Verde and only 38 of those will be exclusive for Public Housing. The rest may apply for another unit within but following their regulations and requirements. He stated that anyone that is elected or appointed as a public officer should be able to look you in the eye and tell you exactly what your situation will be if they are going to displace you from your community. It is our responsibility to give you that security and until we can do that this demolition will not happen. He stated that at this moment Casa Verde will secure 38 units for Public Housing and

at this moment HUD will not allow us to proceed until it is establish that you will be assisted through a program. He stated that at this moment the board cannot guarantee weather Russell Terrace will be demolished or not until we can assure that all these issues are assessed.

He stated that every family will need to be assessed individually which to his knowledge has not been done. He stated that it has been said that this board is delaying project and we will continue to do so if necessary for the wellbeing of the residents of Russell Terrace and we will not sacrifice 200 family homes to create a deficit in housing. He stated that the other two development project, Stone Oak and South Laredo, do not have financing. He stated that he hoped that the resident had trust that the board will consider the impact on you and that any decision made will be made for your benefit. He stated that 500 people that are homeless and to demolish 200 units that are not deteriorated would be illogical. He informed the public that this project has \$3.4 million dollars at its disposition for repairs and such.

Ms. Freeman asked how soon this would take place.

Chairman Ceballos replied that a decision will be made within the next 45 days if a response will be sent to the discontinuance of the initial application. He stated that the Casa Verde project is still on its timeline. He stated that they will host the next board meeting at Russell Terrace to allow everyone to be as informed as possible.

Ms. Rodriguez asked how much tenants will have to pay for rent if Russell Terrace is demolished.

Chairman Ceballos replied that the prior administration budgeted about \$1,100-\$1,200 which he doesn't think is enough but it will need to be reevaluated based on actual costs.

Ms. Rodriguez stated that currently in Public Housing if a member loses their job they get their rent adjusted. She asked if this will be the same.

Chairman Ceballos stated that in the tax credit property no, that would not be the case being that rents are fixed.

Vice- Chairman stated that as he became aware of this demolition he was concerned for the school district being that he is an educator. He understands that the application was also submitted contingent to the students attending a school with better opportunity. He stated he has work for both school districts, LISD and UISD, and there are wonderful people at both school districts and both school districts do beautiful things for their students. He stated that both school districts have challenges like everyone else does all over the world. He stated his concern was when he came on board that we were going to build Casa Verde and he asked what's going to happen to Russell Terrace at which point he became concerned with what would happen with LISD in specific their ADA.

Ms. Morales stated that it is her understanding that this new project will have one, two, and three bedroom units however Russell Terrace also houses four bedroom units. She asked how those families will be handled.

Chairman Ceballos replied that they have become aware of the stated and indeed Casa Verde will not have four bedroom units. He stated that the families will need to be issued a unit that meets their family composition.

He stated that the board is considering some possibilities but they are unable to discuss due to legalities but he would personally like for the families to remain in their community. He stated that the communication between the residents and board and administration needs to be more frequent to be on the same page.

Ms. Freeman asked how Russell Terrace was chosen out of all the developments.

Chairman Ceballos stated that he has seen documents where Colonia Guadalupe, Ana Maria Lozano and Russell Terrace were considered however he is unsure as to how they arrived at their selection. He stated that it was possible due to the schools and census tracts of that area as it would be an interest of the state to try and improve the opportunities for people that live in an economically distressed area. He stated that the other developments are in similar conditions. He stated that the last HUD inspection at Russell Terrace scored an 82 which is passing. He stated that more than likely a combination of all those factors is what was used to select Russell Terrace.

He advised the residents that should they need to contact him personally or any of the board members they are available for them and they can obtain their phone numbers from Ms. Rodriguez.

6. APPROVAL OF MINUTES:

- A. Approval of minutes for Board of Commissioners meeting on May 24, 2016.

Chairman Ceballos motioned to approve minutes as presented.

Vice Chairman Garza seconded the motion.

Motion passed unanimously.

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Chairman Ceballos asked when the next Central Resident Council was scheduled for.

Commissioner Magallanes replied the last Monday of the month.

Chairman Ceballos asked that they be placed on their agenda.

8. ACTION ITEMS

- A. Discussion and possible action regarding participating and partially funding the technical assistance services of Texas A&M International University for the development of a local Homeless Services Continuum of Care study and written plan.

Chairman Ceballos stated that he will be abstaining from this item for continuum care as he Chairs the Homeless Coalition and is the Vice President of Bethany House who is the fiscal agent for this project. He stated that a TAMIU team is interested in preparing an update to the continuum of care for homeless care and he has submitted letter for participation in funding to 7 entities, City of Laredo, SCAN, Bethany House, Laredo Housing Authority, Wes Care, Laredo Veterans Clinic, and Family Endeavors.

Ms. Ortiz proposed that LHA contribute a maximum of \$8,000 towards this project. TAMIU would inventory all the services available to homeless individuals and combine counts as well as coordinate with different components such as housing, mental assessments and such.

Vice Chairman asked what she meant by inventory.

Ms. Ortiz replied that they would get an inventory of all services that are available to all work in conjunction. She stated that this research would also entail travel to other cities to assess how they handle homelessness.

Vice Chairman Garza asked how soon this project would commence.

Ms. Ortiz stated that they are ready to start within the next 30 days and Laredo needs this to get a true number of homeless individuals.

Commissioner Solis asked what other agencies are participating and are they being asked to contribute monetarily.

Ms. Ortiz stated that the agencies are City of Laredo, SCAN, Bethany House, Laredo Housing Authority, Wes Care, Laredo Veterans Clinic, and Family Endeavors and yes a monetary commitment is being asked of them as well.

Vice Chairman Garza motioned to approve the item.

Commissioner Solis seconded the motion.

Commissioner Rodriguez voted to approve item.

Commissioner Magallanes voted to approve item.

Chairman Ceballos abstained.

Motion passed.

- B. Discussion and possible action regarding financing and structure of River Bank Village Apartments.**

No discussion. No action taken.

- C. Discussion and possible action regarding financing and structure of Casa Verde Apartments.**

Attny. Poneck stated that as mentioned the board has retained a team to help guide them through the Casa Verde project. He stated that there are regulatory issues that come from HUD and this board has retained Ron Solomon from D.C. whom is a former HUD official and practices law representing authorities with issues such as Casa Verde

along with Stephanie Dugan from the National Development Council. He stated that both Riverbank and Casa Verde both have issue that will be discussed in Executive Session. He stated that the two have toured to development and will share their comments with restraint to any legal issues that cannot be discussed.

Attny. De Anda stated that he'd like to inform the public that none of the commissioners were involved in the selection of Russell Terrace.

Mr. Solomon stated that he has been working with HUD and authorities with demolition and disposition issues. He stated that he has reviewed the application for Russell Terrace and he has discussed with HUD that certainly we cannot demolish Russell Terrace until more information is provided as they do not deem demolition necessary.

Mr. Solomon stated that the authority submitted the application stating that the development met the definition of obsolete by HUD. HUD measures this by the cost of renovation of development and their test to qualify is 57% of the cost to redevelop. For Russell Terrace the authority submitted that it would take 101% of the HUD test however HUD stated that the authority used the trending factor to escalate its estimate which HUD has not accepted in the past. HUD also stated that they looked at the write up submitted regarding the cost to redevelop Russell Terrace and they found it unusual that it was done by the developer's architect. They advised that in 2012 there was a notice published as to what were eligible costs and some of the items submitted were ineligible such as dwelling equipment and independent studies needed to be submitted and none were. He stated that after reviewing they scored the authority at 20.65%.

Mr. Solomon stated that the authority could go back and submit additional support for the application. He also stated that we could request that HUD come to Laredo to visit the site to reevaluate. He informed the board that they could also resubmit the application with the required documents.

Chairman Ceballos asked if Mr. Solomon has seen or knows if it is possible to demolish and rebuild in the same location.

Mr. Solomon replied that what could be done is request for the demolition approval at once and stagger when it happens.

Chairman Ceballos asked if development reserves can be used for redevelopment.

Mr. Solomon stated that reserves can only be used in Public Housing and the only way they can be used is if you convert to RAD.

Ms. Stephanie Dugan stated that they have been in communication with HUD regarding all the Casa Verde Issues.

Chairman Ceballos asked that they begin to engage in conversation with TDHCA to ensure that all involved parties be on the same wavelength and working in conjunction.

Attny. De Anda asked Mr. Solomon what protection the tenants have to ensure that they have a home and that their rent is comparable.

Mr. Solomon stated the demolition cannot go through until tenants have been relocated and rents are comparable. The authority also has the option to use vouchers but they only count after they are successfully utilized.

Chairman Ceballos asked how many of the Russell Terrace tenants are mixed families.

Mr. Cruz stated that approximately 44% of the tenants.

No action taken.

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. Consultation with legal counsel related to River Bank and Casa Verde housing developments.

Chairman Ceballos motioned to enter into Executive Session.

Vice Chairman Garza seconded the motion.

Board entered into Executive Session at 11:23 a.m.

No action was taken in Executive Session.

Chairman Ceballos motioned to instruct authority's legal team to prepare a letter to HUD and TDHCA in continuing to address and stipulate legal concerns in both projects and begin to discussions to address any concerns related conflicts of interest.

Commissioner Rodriguez seconded the motion.

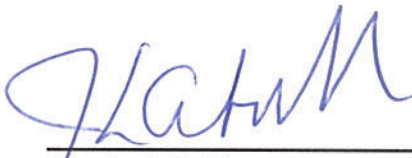
Motion passed unanimously.

Chairman Ceballos motioned to instruct legal and consultant team to prepare a list of options that can be visited in a week to start consulting with HUD and TDHCA to see if there will be a response if any to the demolition of Russell Terrace.

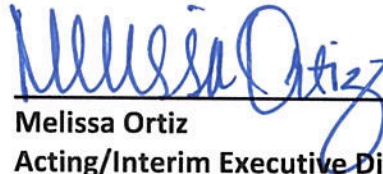
Vice Chairman Garza seconded the motion.
Motion passed unanimously.

9. ADJOURNMENT

Vice Chairman Ceballos motioned to adjourn.
Chairman Ceballos seconded the motion.
Motion passed unanimously.
Meeting adjourned at 1:11



Jose L. Ceballos
Board Chairman



Melissa Ortiz
Acting/Interim Executive Director