

Housing Authority of the City of Laredo
Board of Commissioner Meeting
Russell Terrace Community Hall
500 Richter Court
Laredo, Texas 78040
3:30 P.M.

A-16-R-6

Minutes

June 30, 2016

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 3:38 p.m.
2. **PLEDGE OF ALLEGIANCE** Chairman Ceballos introduced students Leslie Patres form Sanchez Ochoa Elementary School and Jazlyn Guerrero form Leyendecker Elementary School who led them in the Pledge of Allegiance.
3. **ROLL CALL AND DECLARATION OF QUORUM**

Commissioners Present

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

Commissioners Absent

Dr. Marisela Rodriguez, Commissioner

Chairman Ceballos motioned to excuse Dr. Rodriguez from the meeting.
Vice Chairman Garza seconded the motion.
Motion passed unanimously.

Staff Present

Jose Collazo, Resident Services Coordinator
Rolando Lopez, Purchasing
Roberto Peña, MIS Coordinator
Alfonso Treviño, CFP Coordinator
Bulmaro Cruz, Director of Public Housing
Griselda Resendez, Project Manager
Veronica Hinojosa, Project Manager Assistant
Norma Ybarra, Section 8 Administrator
Orlando Guerrero, Interim Finance Director
Christy Ramos, Administrative Clerk
Alma Mata, Administrative Assistant
Cesar Vasquez, Human Resources Manager
Mario Jasso, Consultant
Doug Poneck, Attorney (via telephone)
Ron Solomon, Attorney (via telephone)

Others Present

Marcus Nelson, LISD Superintendent
Veronica Castillon, LISD
Asuncion Santiago, Tenant
Maria Morales, Tenant
Oziel Contreras, Tenant
Olga Huitron, Tenant
Valeria Carmona, Tenant
Alina Sherrod, Tenant
Maria de los Santos Fernandez, Tenant
Maria Hinojosa, Tenant
Irma Palacios, Tenant
Zulema Flores, Tenant
Ralph Flores, Tenant
Gloria Freeman, Tenant
Hortencia Ruiz, Tenant
Angelica Santiago, Tenant
Juan Batres, Tenant
Alicia de la Rosa, Tenant
Yolanda Guzman, Tenant
Ramona Dominguez, Tenant
Elodia Arce, Tenant
Lucia Villarreal, Tenant
Maria Elena Gutierrez, Tenant
Luciano Malacara, Tenant
Gabriela Lopez, Tenant
Gina Magallanes, Tenant
Luz Flores, Tenant
Victoria Molina, Tenant
Sandra Galvan, Tenant
Martha Davila, Tenant
Delia Salinas, Tenant
Thelma Colunga, Tenant
Gricelda Quintanar, Tenant
Adriana Cabrera, Tenant
Linda Lee Casarez, Tenant
Karina Castro, Tenant
Laura Serafin, Tenant
Francisco Munoz, Tenant
Rolanda Mendez, Tenant
Sara Rodriguez, Tenant
Elida Flores, Tenant
Blanca Vicencio, Tenant
Juana Sanchez, Tenant
Juan Neri, Tenant
Zuheidy Neri, Tenant

Lizzete Neri, Tenant
Maria Flores, Tenant
Laura Ortiz, Tenant
Alma Zambrano, Tenant
Maria Perez, Tenant
Pedro Rosales, Tenant
Michelle Perez, Tenant
Karla Guerrero, Tenant
Maria Ontiveros, Tenant
Maria Velasquez, Tenant
Lidia Benitez, Tenant
Mariam Yepez, Tenant
Florescia Esquivel, Tenant
Alma Navarro, Tenant
Dulce Martinez, Tenant
Jesus Pereyra, Tenant
Anita Garcia, Tenant
Tiffany Springer, Tenant
Olivia Colunga, Tenant
San Juana Moreno, Tenant
Blanca Contreras, Tenant

4. CHAIRMAN'S COMMENTS

Chairman Ceballos stated that a majority of the meeting would be held in Spanish to accommodate the Spanish speaking tenants. He stated that he would be giving an update on the Casa Verde project and the demolition of Russell Terrace. He stated that approximately 70 tenants attended the meetings that have been held at Russell Terrace and thanked them for taking the time to attend.

Chairman Ceballos stated that there are two programs involved in Russell Terrace. One of the programs is at a state level being Low Income Tax Credit and the other is at a federal level being Housing and Urban Development which is the one that regulates how public housing projects are managed. He stated that the Casa Verde project was contingent to the demolition of Russell Terrace. However, on April 22, 2016 HUD advised the authority that it denied the demolition application for Russell Terrace because it did not meet its definition of 30bsotele. He stated that the issue was that in order for the construction of Casa Verde to proceed Russell Terrace must be demolished. The Casa Verde project application was submitted with 38 units to be used for public housing and Russell Terrace tenants may transfer to those units. The location of Casa Verde is half a mile away from Loop 20 near TAMU on Casa Verde Rd.

Chairman Ceballos stated that they are aware that many families are concerned with their future and stability. He stated that there are several options the board is considering at the moment. One option would be to ask HUD to reconsider the demolition application, second option would be to convert Russell Terrace to the project based voucher program under

Section 8 and 4 avoid demolition which is what the resident meetings held have been about and the third option is to make a transfer to a housing organization and through the same provide financing for the project. He stated that the last two options would allow residents to remain in their homes and Russell Terrace would not be demolished. He stated that the moment that a demolition was considered it would impact the school district and cost them millions of dollars with the loss of enrollment. The impact would not only be to the school district but also to the stores, shops, and surrounding economic development aside from the contractual obligations that stand with that development.

Chairman Ceballos informed the tenants that a team of attorneys and consultants has been retained including Rod Solomon an attorney out of Washington D.C. whose job is to help the board find a solution that best benefits the tenants, the community, and the school district. Today and this week as advised by their consultants and attorneys the board is proposing conversion of Russell Terrace to a program very similar to Section 8 called Project Based Vouchers. This program would give tenants a voucher that is obligated to the unit allowing you to remain in your homes and rents would be minimally affected, if at all. There would be no additional screening or evaluations to the families and tenants will continue to participate in the resident council as you currently do. HUD has advised the authority that the board will have a response within 30 days if the application is submitted today if approved. If awarded that allows for the Casa Verde construction to continue and meet the October deadline due with TDHCA, for the Russell Terrace community to remain intact, and it allows access to monies for repairs and upgrades at the project. He stated that the 28 tenants that are pay flat rent are the only tenants that would truly be affected by the conversion of Russell Terrace. Section 8 Project Based Voucher does not have a flat rent therefore those tenants would have to go back to being charged 30% of their annual adjusted income. He stated that he will commit the authority staff to meet with every tenant and review their rent so that they are well informed and comfortable.

Chairman Ceballos stated that if the item to convert to this program is voted on favorably then the authority will be able to start discussion in detail of the application with HUD and provide financing information as will and hopefully be able to close. He stated that the technical term for this transition is Rental Assistance Demonstration and is a program that is voluntary and housing authorities do not have to participate but the board considers it a good option given the current situation. He stated that HUD requires that all information that has been discussed in the two prior meetings has been recorded, transcribed, and provided to HUD as per their requirements. He stated that of all the residents that attended the meeting there was only one person that was against the conversion and it was anonymous and without stated reason.

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)

Tenant Pedro Rosales stated that he thinks the conversion to RAD should take place.

Tenant Sara Rodriguez stated that she has been to all the meetings and has read all the information provided and agrees that RAD is the solution to the issue at hand. She stated that as stated before 200 families will be affected and RAD is to the benefit of the families and its community as a whole and the school district.

Tenant Maria Morales stated that she needed clarification to the notice sent out stating that the tenants may need to be relocated.

Chairman Ceballos responded that the notice that was sent out is a general federal notice. It is not foreseen that tenants will need to be relocated. However, should that be required to renovate your unit under RAD then yes the tenant will be required to move and the authority would cover all expenses and once renovation is complete they will be moved back to their unit. The program requires that we pay all expenses if you are asked to move for renovations. The general notice essentially states that you will be given a written notice in the event that a relocation is needed. The board will have to decide what contingencies exist if awarded. Should HUD require that we demolish any number of units then at that point we return to discussion and make a plan for those families, if we agree. He stated that they are not at that point yet and they must first wait to see if we are awarded and then they can go into the detail of it.

Tenant Luciano Malacara stated he does not want to and cannot move from Russell Terrace. He stated this is where he wants to live.

Tenant Maria Morales asked that the notice section stating undocumented aliens are not eligible for relocation be clarified.

Chairman Ceballos responded that if you were given a voucher to relocate and there is members that are undocumented you would not be eligible. He stated that under RAD there is no reevaluation to the family composition or status. If you live here and stay here you will not be reevaluated. The notice states that all tenants requesting relocation will have to be evaluated for legal status and that is not what is being proposed at this time.

Veronica Castillon from LISD stated that Superintendent Marcus Nelson was present to make themselves aware of what was going on with the project and families involved and to inform them that they will be present in the upcoming meetings as well. She stated that they want the best interest for the community and its residents.

6. APPROVAL OF MINUTES:

A. Approval of minutes for Board of Commissioners meeting on June 14, 2016.

Vice Chairman Garza stated that a revision and clarification needed to be made to the minutes for 6/14/2016. He stated that his comment on page 3 should read that he has work for both school districts, LISD and UISD, and there is 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.

Chairman Ceballos motioned to approve the minutes with the stated correction to page 3 as per Vice Chairman Garza.

Commissioner Solis seconded the motion.

Motion passed unanimously.

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL (No action to be taken on these items)

Central Resident Council Representative Alicia Valdez stated that the council is requesting authorization from the board to approve the use of the former Family Planning Building located in Colonia Guadalupe as the Central Resident Council storefront.

She also asked that the board to approve for the construction of a playground in the South Laredo development.

Chairman Ceballos replied that he will ask that those items be added to the next meeting agenda to discuss and take action. He stated that he agrees that the playground is needed. He advised that he has given instructions to have the playgrounds accessible to tenants. He stated that he has also noticed that there are construction yards at all the developments and those need to be eliminated as it is not safe for the children or tenants and they need to be centralized.

Chairman Ceballos stated that in regards to the storefront he would like for them to discuss with Jose Collazo, Bulmaro Cruz and Consultant Mario Jasso to find the best possible location. He stated that the Family Planning building has its restrictions particularly in size. He stated that he thinks the board would want them to have a location that would best benefit them and it would be good to look at other locations that have more traffic. He informed the board that the Central Resident Council is looking for a storefront to sell items that are donated by the authority to fund money for scholarships and youth programs.

Chairman Ceballos stated that the facility they are suggesting does not have any public visibility, any windows, and low ceilings. He stated that it has been 6 months since the initial request and he would like to have recommendations in the next 30 days.

Ms. Ortiz stated that the playground at Russell Terrace will be open the coming week and the playground for South Laredo is already budgeted for in the approved revised operating budget brought to the board in December.

Chairman Ceballos asked if there is a site to centralize the construction material and equipment.

Ms. Ortiz replied that there is and as of yesterday the locations have been visited and pictures have been taken and will be bringing that to the board.

Chairman Ceballos stated that what was happening at Russell Terrace is that with the possibility of demolition the work orders and repairs had stopped or slowed down. He stated that if any repairs need to be made tenants please continue to report them and request work orders.

8. ACTION ITEMS

- A.** Discussion and possible action to authorize the Executive Director to pursue converting Public Housing development Russell Terrace to the Rental Assistance Demonstration (RAD) Program. Consideration and possible action regarding submission of a Rental Assistance Demonstration (RAD) Application to the US Department of Housing and Urban Development for Russell Terrace and Casa Verde projects/developments.
- B.** Consideration and possible action regarding authorizing the implement any alternative strategies regarding Russell Terrace and Casa Verde projects/developments with reports made to the Board of Commissioners as appropriate.

Chairman Ceballos stated that he will be making a motion to enter into executive session and if motion passes they will be discussing with legal counsel legal issues involving third parties involved from the developers to financial discussion that may have implication to the authority. He stated that should anyone choose not to stay for the ending of the meeting he would like them to be aware of what will be deliberated in executive session.

Chairman Ceballos stated that they will discuss what contingencies HUD can place on the authority if approved for RAD and what implication would the contracts that are obligated for Casa Verde would have. He stated that upon returning from executive session the board would vote on Item A and Item B. Should the board vote favorably they will inform tenants and at that point if awarded a meeting will be held with the tenants and an amendment to the Annual Plan will occur.

Superintendent Nelson asked if action will be taken today.

Chairman Ceballos replied that action will take place today however they have a few issues that must be discussed with legal counsel first. He advised that they will be in executive session approximately 30 minutes.

Superintendent Nelson asked what the city voted in regards to this.

Chairman Ceballos replied that the city did not vote on this issue and he may be recalling the item added by the mayor to the City Council Agenda. He stated that there was a staff meeting with the mayor, LHA staff, developer, and himself for an update and then there was an update presented to City Council as well. He stated that things have moved rather quickly and with

this being a good option it needs to be done this week to try and get a response from HUD in the next 30 days.

Superintendent asked if the board votes in favor of the conversion, does that mean that Russell Terrace will be demolished.

Chairman Ceballos replied no the contrary. It will allow us to submit the RAD application and if HUD agrees the units will convert to Section 8 and we will not have to demolish. He stated the key was to get awarded and they should hear from HUD by the end of July. The board is not entertaining 8demolition and if HUD says that any significant number of units need to be demolished then they will have to come back into discussion.

Chairman Ceballos motioned to entertain Item A and Item B in executive session.

Vice Chairman Garza seconded the motion.

Motion passed unanimously.

Board entered into executive session at 4:18 p.m.

Board returned from executive session at 4:55 p.m.

No action was taken in executive session.

Chairman Ceballos motioned that they take action on Items A and Item B by way of Resolution 16-R-7 Russell Terrace Conversion to RAD. Whereas, the Rental Assistance Program RAD may provide the opportunity to 8preserve Russell Terrace and allow the development of Casa Verde to go forward and whereas, the RAD application may be approved promptly by HUD that could provide this opportunity. Now therefore, be it resolved that board authorizes the Executive Director to take all necessary action to promptly submit two Rental Assistance Demonstration applications for the conversion of Russell Terrace. One for 38 units of new construction at Casa Verde and one for 162 units of renovation at Russell Terrace including to make any necessary and appropriate modification to the board approval forms. For the record he stated that he had the two attachment 1A Board Approval Forms for both the 38 and 162 applications before him. He stated that the director is required to certify that he has reviewed them as a commissioner on this board and he stated that he and the board have reviewed them. He stated that they will proceed with this resolution with the intent that no units are demolished and if anything changes they will discuss.

Chairman Ceballos asked if there were any additional comments prior to proceeding.
No comments.

Vice Chairman seconded the motion.

Motion passed unanimously.

Motion passed unanimously.

9. EXECUTIVE CLOSED SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE

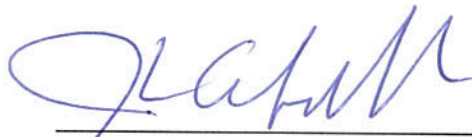
The Board of Commissioners for the Housing Authority of the City of Laredo reserve the right to adjourn into Executive Closed Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, including Sections 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).

10. ADJOURNMENT

Chairman Ceballos stated that part of the team that joined via telephone are attorneys Ron Solomon and Doug Poneck who have worked alongside our consultants Raquel Fabela from the National Development Council and Mario Jasso. He stated that Ms. Ortiz and Mr. Cruz will continue to work on the application to submit by today.

He advised Superintendaent Nelson and Ms. Castillon that the board is at their disposition with any information that they may need for their board meeting or anything they need to make them conforatable with the actions being taken.

Chairman Ceballos motioned to adjourn.
Commissioner Solis seconded the motion.
Motion passed unanimously.
Meeting adjourned at 5:02 p.m.



Jose L. Ceballos
Board Chairman

Melissa Ortiz
Acting/Interim Executive Director