

Housing Authority of the City of Laredo

Regular

Board of Commissioners Meeting

LHA Board Room

2000 San Francisco Ave.

Laredo, Texas 78040

Monday, July 31, 2017

9:00 a.m.

A-17-R-7

Minutes

July 31, 2017

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 9:12 a.m.
2. **PLEDGE OF ALLEGIANCE** Azeneth Fructuoso and Itzel Contreras from Memorial Middle School led them in the recital of the pledge.

Chairman Ceballos welcomed everybody and mentioned it would be a long meeting.

3. ROLL CALL AND DECLARATION OF QUORUM

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio Garza, Vice-Chairman
Anita Guerra, Commissioner
Gina Magallanes, Commissioner

Commissioners Absent

Dr. Marisela Rodriguez, Commissioner

Staff Present

Melissa Ortiz, Acting/Interim Executive Director
Christy Ramos, Administrative Assistant
Cesar Vasquez, Human Resources Manager
Jennifer Barrientos, Section 8 Administrator
Mauricio Del Barrio, Director of Finance
Bulmaro Cruz, Director of Modernization and Development
Maria Hernandez, Assistant Director of Housing Management
Alina Rios, Quality Control
Esmie Leyva, Farm Labor Manager
Carlos Quiroga, Accountant
Alma Mata, Modernization Coordinator
Frank Lopez, Procurement Officer
Jose Collazo, Special Projects Coordinator
Roberto Pena, IT Coordinator
Leticia Sosa, Administration Office Clerk
Mario Jasso, Consultant
Attorney Doug Poneck
Attorney Ricardo De Anda

Others Present

Max Silva, Mayor of the City of Asherton
Amy Hernandez, Villa Del Reposo Apartments
Rosa L. Rios, Central Resident Council
Carol Sherwood, Habitat for Humanity of Laredo, Inc.
Alfredo Castillo, Habitat for Humanity of Laredo, Inc.
Efren Quinones, River City Environmental
Bellkiss Rodriguez
Rose Herrera
Mike A. Smith
Azeneth Fructuoso
Itzel Contreras

4. PUBLIC HEARING

The Housing Authority of the City of Laredo, TX (LHA) is proposing changes to its Section 8 Administrative Plan and 2016 Capital Fund Program (CFP). These proposed changes to the Section 8 Administrative Plan and 2016 CFP are being processed as is required for a significant amendment to the 2017 LHA Annual and/or Five Year Plan.

Chairman Ceballos stated this was a public hearing and asked if anybody had any comments.

Ms. Amy Hernandez, Project Manager for Villa del Reposo in Asherton Community Service Agency, stated that her recommendation was that the Housing Authority would reinstate 38 plus Section 8 Vouchers which had been in place when the Housing Authority of the City of Laredo took over the operations of the Asherton Housing Authority. She stated the Housing Authority of the City of Laredo had over 1,000 Section 8 Vouchers and giving this small amount of vouchers back to Asherton would not hurt them much with their existing services. She was also requesting if the Housing Authority would grant their elderly rental housing in Asherton 16 project based Section 8 Vouchers which would allow the elderly housing project to be at full capacity at all times without having to compete for elderly vouchers with the large waiting list and said the Laredo Housing Authority would still be in control of the vouchers because they would still have to approve the application before the tenant could be certified for participation. Ms. Hernandez stated that as a last resort they would ask Laredo Housing Authority to enter into an Interlocal agreement with the Carrizo Springs Housing Authority so that they could assist the community of Asherton with the Section 8 vouchers. She stated that they had approached the Carrizo Springs Housing Authority and had asked them for help with the elderly potential tenants and they were informed they could not provide assistance unless the Laredo Housing Authority would enter into such an agreement; therefore, she respectfully requested that the Laredo Housing Authority Board would approve such an agreement.

Chairman Ceballos thanked Ms. Hernandez for making the trip and acknowledged Mr. Max Silva, the Mayor for the City of Asherton, being present and thanked him for making the trip. He stated that Mayor Silva had done a lot of work in Asherton and had previously served in the Asherton Housing Authority.

Chairman Ceballos mentioned that their comments would be recorded and documented. He said they would not take any action but he would address all three items. He said that in terms of Ms. Hernandez' request, he had worked with Mayor Silva during the transfer of the Asherton Housing Authority to the Laredo Housing Authority and the staff had alerted him of that request and said he personally worked on writing that agreement when he was a staff person with Laredo Housing and added that he did not see why they would not reinstate and in fact he did not remember ever not doing that if there was less utilization. He mentioned they had 32 Section 8 vouchers that belonged to that community and that there had not been a change, that it would just be a matter of staff getting them up to that level and utilizing them. Chairman Ceballos stated they would try to lease up as high as possible to 100% of the vouchers, which was what they also did in Zapata with the Section 8 program, so they would lease up to 32 if the need would call for it. Chairman Ceballos stated he had met with the staff to remind them it was part of the cooperative agreement with the City of Asherton. He stated he remembered Attorney De Anda working with them and that it took a Resolution by the City of Asherton and a Resolution by the Laredo Housing Authority; therefore, that should not be an issue. In reference to the project based voucher request, Chairman Ceballos stated it required a competition or an RFP, he added they had one recently and when they would have another one they would invite her to respond and submit her request. He said it would be 25% of their units by regulation, with the exception for disabled and elderly she would go up to the full 16 units they had. Chairman Ceballos recommended her to keep in touch with Frank Lopez. He stated they had a competition and only one responded from Laredo.

In reference to the Interlocal Agreement, Chairman Ceballos asked Ms. Hernandez what she would like them to do whether she would like them to work with the Carrizo Housing Authority in order to get more vouchers from them. Ms. Hernandez confirmed and stated that she thought their potential tenants were in Laredo's waiting list because they had potential tenants in Laredo's waiting list in October. Chairman Ceballos said that it was not the way it should have been and thanked Ms. Hernandez for letting him know because he was not aware. He stated they should have their own site waiting list; if they had 32 vouchers they would go with their locality waiting list and the project based and if it would require a change, then they would discuss it with the legal department to prepare it. He added it was done that way from the beginning, they were not integrated because if people would not want to go live in Asherton and their applicants would be down in the waiting list, it was a very long waiting list. Ms. Hernandez stated they should have their own list. Chairman Ceballos confirmed. Ms. Hernandez asked what the reason was for not getting the vouchers. Chairman Ceballos stated that it could have been because they were too low on the list. Chairman Ceballos asked Ms. Ortiz how many persons they had on the list and how many vouchers had been used. Ms. Ortiz responded they had used 11. Chairman Ceballos stated that they had capacity and now they would have a separate waiting list only for Asherton so people would be ready to be issued vouchers. Chairman Ceballos stated that he had been with this Board for 16 months and he was glad they had brought up that issue.

Chairman Ceballos asked if there were any questions.

Mayor Silva stated he had come to see what they could do at Asherton. Chairman Ceballos responded they had 32 tenant based vouchers and that the organization would set them up so they would be able to use them, that they were available and they had capacity to use them. Chairman Ceballos mentioned that once they established their waiting list, they would need to open it and would have people that could apply.

Mayor Silva thanked the Board for their consideration.

Chairman Ceballos thanked Mayor Silva for making the trip and asked if anybody else had a comment for the Public Hearing.

Chairman Ceballos mentioned that even though it did not necessarily called for a vote he wanted to move to close the Public Hearing.

Chairman Ceballos moved to close the Public Hearing.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

5. CHAIRMAN'S COMMENTS

Chairman Ceballos mentioned it would be a long meeting and would share his comments as he would go along with the meeting.

6. 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 the time. There will be a 3-minute limitation per speaker. (Texas Attorney General Opinion-JC-0169)

No public comments.

7. APPROVAL OF MINUTES

A. Approval of minutes for Board of Commissioners meeting on May 10, 2017.

B. Approval of minutes for Board of Commissioners meeting on May 26, 2017.

Chairman Ceballos moved to approve the minutes as presented.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

8. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Ms. Rosa Rios, Central Resident Council President, thanked the Board for giving her the opportunity to provide them with information on the activities they have at the centers. She mentioned the LISD food nutrition program would end Aug. 4, 2017 and also that they were in the process of providing school supplies and awarding some scholarships. Ms. Rios thanked the Board for their support.

Chairman Ceballos informed Ms. Rios that they were in the process of programming a digital library and said that he had asked Mr. Collazo, Special Projects Coordinator, to communicate with the councils. He said that they would start with a pilot program and recommended her to share that information with the coordinators and if possible to include this item in the next Central Resident Council meeting. Chairman Ceballos mentioned that the program would be on a long term basis because everything in the future would be digital whether they liked it or not and while they liked to flip the pages they would not stop technology, so they needed to make conversions at the centers and that was the reason they had some items for consideration in the agenda. Ms. Rios stated that they would be available to support the program and she thanked the Board for making the program available to the different centers.

9. PRESENTATIONS (No Action to be taken)

Chairman Ceballos moved to skip and go the Item 10A and then come back to Item 9B.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

- A. Executive Director's Report
- B. Unaudited Financials for the month of April 2017
- C. Unaudited Financials for the month of May 2017

Ms. Ortiz presented to the Board and mentioned it was the beginning of the fiscal year and the budget was at about 7% for only one month and she said all programs were in black except Asherton which was due to the materials that were bought for the REAC inspection to make sure the units met the inspection level. Chairman Ceballos asked if it was for the year. Ms. Ortiz stated it was for the year, in April they were in the red and also for May they were in the red. Chairman Ceballos asked if they were fully leased up in Asherton. Ms. Ortiz responded they had 9 vacancies and that they had hired a Project Manager who was part time, hoping to become full time. Ms. Ortiz stated that they were able to get six families in the waiting list. She mentioned they hired a part time maintenance person and a maintenance aide as well. Chairman Ceballos asked if they were residents of Asherton. Ms. Ortiz responded she believed one was a resident of Carrizo and the other one a resident of Asherton.

Mr. Mauricio Del Barrio, Director of Finance, presented and mentioned that as Ms. Ortiz has stated regarding Asherton, it was the only fund currently in the negative or that had not generated a profit yet for the two months and Mr. Del Barrio said it was attributed to the ongoing effort of having to bring the facility up to standard and

referred to the previous meeting where it was discussed to authorize additional expenditures from Reserves to cover those efforts and stated it was his understanding that Ms. Hernandez was monitoring those expenses on an ongoing basis to report to them at a later date how much the overall effort would be and address it. Chairman Ceballos asked how much had been spent in the renovation. Ms. Hernandez mentioned it was \$16,000. Chairman Ceballos asked if anything had been spent from Capital Fund for the Renovation and what were the Reserves in Asherton. Ms. Ortiz mentioned Reserves were \$489,000. Chairman Ceballos asked if that included Restricted Reserves. Ms. Ortiz responded they were all Restricted Reserves.

Chairman Ceballos directed to Mayor Silva and stated that he might have questions over Reserves and said they were happy to reconcile from when they took over the project to where they were now and wanted to share that information with Mayor Silva. Chairman Ceballos stated that as a follow up they would provide Mayor Silva with information when they took it over to where they were now and anything he would need to look at like the flooding and that with the work that has been done, most of it had been resolved except for the channel issue and if Mayor Silva thought there was anything they needed to look at for him to feel free to let them know.

Chairman Ceballos stated that they needed to provide Mayor Silva copies of the Reserves current information and also where they were when they took over the project. Chairman Ceballos stated that he thought they were doing better than when they took it over and wanted for Mayor Silva to be aware.

Chairman Ceballos asked if anybody had any questions for Mr. Del Barrio. Commissioner Ms. Guerra mentioned she was wondering what it would take for the budget to be back in the black. Mr. Del Barrio stated that he was confident once the project would be brought to a standard situation it would be profitable and added that the expenses had been over and above of what was anticipated. Commissioner Ms. Guerra mentioned it was like the money was invested into the property and that was why they were in the red, so basically it was being brought up to standard and improving it. Chairman Ceballos stated that one thing they could do was a journal entry to bring it back to the black, that it was not really maintenance, they were deferred repairs that were never done and they could probably book an entry in deferred repairs or Reserves to bring them back into the black and he added that it was not a lot of money, it was only \$5,000 and he added that it was really deferred repairs not maintenance. Vice-Chairman Dr. Garza mentioned that with the six families coming in would make it better. Chairman Ceballos stated that it was a good point because the income would go up and they would be very close to being in the black in the next two months.

Mr. Del Barrio mentioned he wanted to point out it was \$5,000 for the month of April and \$15,000 for the month of May and added it was an ongoing effort. Chairman Ceballos mentioned they might need to separate it from operations and have it in a Capital account. Mr. Del Barrio added that they could certainly do something like that. Ms. Ortiz mentioned they would come back to request to use the Reserves.

Chairman Ceballos asked if there were any comments, if there was anything they would like to highlight like in Farm Labor. Mr. Del Barrio mentioned Farm Labor was doing fine and that some of the materials and supplies for the tenant services had been on the high side and that it had been brought to the attention of the Manager to monitor the situation and that they expected for it to improve.

Chairman Ceballos mentioned in reference to the conversion of Russell Terrace to RAD, there would be less staff under the new system and recommended Mr. Del Barrio to get it structured and in the black. He added Russell Terrace was doing well considering all things they had undergone.

Chairman Ceballos thanked Mr. Del Barrio for the presentation.

Chairman Ceballos stated they would go back Item 10B.

10. ACTION ITEMS

- A. Discussion and possible action to contribute/support towards the Habitat for Humanity housing reconstruction efforts resulting from the local storm of May 21, 2017.

Chairman Ceballos mentioned he had asked for this item to be placed on the agenda due to the recent storms. People living in Dellwood were being assisted by a City of Laredo program, but there were other property owners and tenants who suffered damages, but the City did not have an emergency preparedness plan to address housing issues so non-profits were coming in to assist along with the City of Laredo. He stated there were many low income households in the area that were hit and Habitat for Humanity's leadership decided to get involved. He said it was their mission to be supportive and that Habitat for Humanity had just held an event. He mentioned Carol Sherwood, Executive Director for Habitat for Humanity, was present and Alfredo Castillo was joining her. Chairman Ceballos stated that Mr. Castillo had been the Food Bank Director for a long time and he had worked together with him in setting up the Kids Café which served the community. Chairman Ceballos thanked both of them for coming.

Mrs. Sherwood mentioned that after the storm of May 21, a City Council Member along with the Mayor had approached her to ask if they could participate in helping to repair homes. She said they had no money because their funds were designated for new construction, but they said they would help if they would help them raise funds. Mrs. Sherwood mentioned they had not met the FEMA threshold nor the State emergency threshold which left the City without funds to adequately help people.

Mrs. Sherwood mentioned she thought people did not understand the gravity of the situation because there were homes damaged not only on Mines Road but all over Laredo. She mentioned that generally speaking it was the low income and elderly people, especially the elderly who were hit, many people's roofs had collapsed, there were many damages on roofs of older homes which were home for some families who

had no place else to go and they were still waiting for help because most of them did not have insurance and some people's insurance plans did not cover wind driven rain and even some people who were moderate to high income were faced with some of those realities. Mrs. Sherwood said Habitat's intention was to help low income families, that was their mission, and they planned to use their volunteer force, which last year was over 5,000 volunteer builders, to train them and the homeowners if they were able, homeowners would help repair their own home. She said they would host some clinics for people to know how to repair properly.

Mrs. Sherwood said she received a call over the weekend which she had not investigated because they had a big fundraiser, but she heard of a family that was living in mold and said she suspected there were many families living in mold which would require a specialist and it would be something they would not be able to do, so they would have to look at each case.

Mrs. Sherwood mentioned they had asked the City of Laredo to do what they do best, to do the assessment and then to go back to them with a plan since now they had a little bit of money they raised and were also looking for more money, they would be starting the process to identify the particular households they would be helping.

Vice-Chairman Dr. Garza joined the meeting at this time, 9:33 a.m.

Chairman Ceballos asked Mrs. Sherwood how many homes they estimated to assist. Mrs. Sherwood responded it would be case by case, she said you might have a roof that would need to be replaced, but if it's a small home and considering using volunteer labor, it could be \$2,000 to \$3,000, but they could also look at a roof that was not properly fixed to the structure, which could be \$10,000, \$15,000 to \$20,000 very easily, they would be looking at repairs like replacing sheetrock and insulation, checking electricity and plumbing as well. Chairman Ceballos asked if it would be more than 20 homes. Mrs. Sherwood responded she thought so and added they were doing as much as they could with as much money they could get. Chairman Ceballos asked if they had started any work. Mrs. Sherwood responded they did not because they did not have any money until the previous Saturday.

Chairman Ceballos asked if anybody had any questions and added they would want to be helpful, but did not want to add more red tape, that they would have to establish a public purpose which obviously that was. He mentioned they had previously helped Gigi Ramos with the Veterans Serving the Need program and established a public purpose agreement. Chairman Ceballos asked what the highest level of the fundraiser they had was. Mrs. Sherwood responded one person donated \$15,000. Chairman Ceballos said they could start at that level and then Mrs. Sherwood would report back as to how they used the money and Chairman Ceballos said that for public purpose it could be used on construction, staff or materials and that they would probably use unrestricted federalized monies which would allow them to do so and stated they would enter into an MOU agreement. Mrs. Sherwood agreed and said she appreciated the fact that they had reached out to her and added they were a small staff with many volunteers and

sometimes just to do their daily work could feel it was more than they could handle and they did it because of their volunteers. She stated that they have started to look at more collaborative efforts from other entities because they would expect less federal funds coming in. Mrs. Sherwood thanked the Board for their time and kindness.

Commissioner Ms. Guerra motioned to approve the agreement and requested they would state in detail how many families were assisted. Chairman Ceballos stated that they would establish in the agreement to serve low income families, the location served and whether it would be labor or materials and he asked Mrs. Sherwood if that would be fine with her. She responded they kept very detailed records and that every project was identified individually, they would not mix funds. She mentioned they would not anticipate using the funds for staffing or administration, but anticipated hiring some electricians and skilled people, especially if they would get into mold remediation. Chairman Ceballos mentioned they were in the process of bidding a large project for the Russell Terrace Reconstruction, so there might be people that might want to help that they would be hiring for a sizable contract that would want to be generous with Habitat whether it would be with manpower or supplies, so he would get the word out to them. Mrs. Sherwood mentioned it would be wonderful.

Mrs. Sherwood said she would like to mention they had a Habitat store where they would sell new and used building materials and household goods, and she was not sure whether the community was aware, but it would be a good time for them to tour the facility and see what they have. She said they might have some things people could use to repair their homes and they also had lots of doors both exterior and interior.

Commissioner Ms. Guerra moved to approve donation of \$15,000 to Habitat for Humanity.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

Chairman Ceballos thanked Mrs. Sherwood and said they were happy to support and would keep in touch with her.

Chairman Ceballos stated, for the record, that Vice-Chairman Dr. Garza had come in approximately 10 – 15 minutes ago.

Chairman Ceballos moved to go back to Item 9B & 9C for the Unaudited Financials for April and May of 2017.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- B. Discussion and possible action to adopt the amendments to the Section 8 Administrative Plan and the 2017 LHA Annual and /or Five Year Plan an adopt Resolution No. 17-R-14 as presented by staff.

Chairman Ceballos mentioned the item related to Russell Terrace.

Jennifer Barrientos, Section 8 Administrator, presented to the Board and mentioned that the Administrative Plan did not have all the required revisions to incorporate changes for the RAD conversion and the HOTMA which was the Housing Opportunity through Modernization Act of 2016, signed by President Obama, so the changes that would be presented were the verification requirements and displacement preference and would like to add demolition, disposition and/or rehabilitation or whose relocation would facilitate demolition disposition and/or rehabilitation as determined in LHA's sole discretion and the other change would be from the HOTMA Housing Quality Standards and Inspections, they would have to incorporate some of the revisions such as exposed electrical wiring/electrical hazards, gas leaks or fumes, interior air quality, gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting, lack of alternative means of exit in case of fire or blocked egress, other interior hazards, deteriorated paint, as defined by 24 CFR 35.110, that need to be added to the Administrative Plan, the HOTMA Act and also to the RAD, Rental Demonstration Program Conversion.

Vice-Chairman Dr. Garza asked on other interior hazards to explain what that could be. Ms. Barrientos explained it would be something like leaks close to the kitchen, any electrical or tile hazards, if tile was broken, it would need to be replaced.

Chairman Ceballos referred to the RAD Project-Based Voucher Program and said it would specifically apply to Russell Terrace, when tenants would get moved because of reconstruction, they would have a right to return. It would protect them to be able to come back. Chairman Ceballos asked if all were written by Attorney Rod Solomon. Ms. Barrientos confirmed, they were prepared by Attorney Solomon. Chairman Ceballos added that Mr. Rod Solomon was the Attorney for the RAD Conversion.

Chairman Ceballos moved to approve Item 10B as presented.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- C. Discussion and possible action to approve the revised 2017 Section 8 Housing Choice Voucher (HCV) Program Payment Standard amounts effective September 1, 2017 using the published Fair Market Rents as presented by staff.

Ms. Barrientos presented to the Board and mentioned she recommended to do a change in the one bedroom and three bedroom payment standards so that they could have them at 100% of the published Fair Market Rent. Ms. Barrientos stated that they had been struggling with the vouchers, the one bedroom and three bedroom are low, they qualify for a lower amount and the families were having a hard time to find a unit to relocate. She stated that currently in the program for the one bedroom if they were to change to 100%, they would see about 46 participants that would change their rental assistance, and on the three bedroom it would be 74 for a total of 120 families and would give an increase of the utilization which at the time was 97% and for the fiscal year to date was 96 %.

Chairman Ceballos congratulated Ms. Barrientos for her work because she had been working very hard and he added that the leasing rate she would need to keep needed to be 97% or above to be a high performer. Chairman Ceballos asked if they had the money to do the changes. Ms. Barrientos confirmed. Chairman Ceballos asked what rate would be estimated for the end of the year. Ms. Barrientos responded hopefully 98%. Chairman Ceballos asked if that was high performance rate. She confirmed. Chairman Ceballos asked if 97% was standard. Ms. Barrientos confirmed and added 98% and above was high performance.

Vice-Chairman Dr. Garza moved to approve Item 10C as presented.

Chairman Ceballos seconded the motion.

Motion passed unanimously.

- D. Discussion and possible action to approve the Capital Fund Program Amendment to the Consolidated Annual Contributions Contract for Fiscal Year 2017 and to adopt Resolution No. 17-R-15 as presented by staff.

Ms. Ortiz presented and stated HUD had recently published the new ACC's for 2017 and they were expecting to receive \$1,380,645 which was an increase of about \$100,000 from what they had budgeted and it included the 3% for being high performer, so they needed to increase the budget and approve the ACC.

Chairman Ceballos asked what was being increased in the budget. Ms. Ortiz replied what they were increasing was the electrical upgrade at Senior Home to \$90,000, A & E fees increasing to \$75,000 and also the sewer line replacement at Senior Home.

Chairman Ceballos asked Mr. Bulmaro Cruz if they would be permitted to use this for the Russell Terrace resident relocation expenses and mobility while converting. Mr. Cruz responded that according to the Capital Fund Guide Book approved last year, it would be permitted. Mr. Cruz stated he did not know if they would be able to spend it if they converted to RAD next month, whether they might be able to use the money. Chairman Ceballos recommended Mr. Cruz consult this with Attorney Rod Solomon, because they would be allocating \$225,000 to the relocation and he would not like to be beyond the right mark if they were to approve it. Chairman Ceballos asked if the Commissioners would wait to consider this after they would hear from Attorney Solomon. The Commissioners agreed.

Ms. Ortiz mentioned that the resident relocation also included expenses for salaries. Chairman Ceballos mentioned it was important and asked how they would be able to spend this on Russell Terrace if it was already converting. He stated there would be a way to do it, but he just wanted to be sure if they would be voting on it, so they would also come back to it later in the meeting. Chairman Ceballos asked if there were any questions on the changes.

Chairman Ceballos asked Ms. Ortiz that since they had more money, had they added it to the Senior Citizens and the architect. Ms. Ortiz confirmed.

Chairman Ceballos mentioned he felt \$38,000 for vanity cabinet's replacement at Carlos Richter was too much. Vice-Chairman Dr. Garza asked why it was so much. Commissioner Guerra asked how many cabinets were being replaced. Mr. Cruz responded there were 226 cabinets. Chairman Ceballos mentioned the amount was correct for the number of cabinets.

Chairman Ceballos asked about the medicine cabinets at Meadow Acres. Mr. Cruz mentioned they had estimated \$416 per unit taking into consideration the four bedroom units had two bathrooms. Ms. Ortiz stated it would be the price plus labor. Mr. Cruz confirmed and added it would be two cabinets per unit. Commissioner Guerra asked where they would get the cabinets, if they were bidded out. Ms. Ortiz mentioned it would be bidded out. Vice-Chairman Dr. Garza asked if it would be three bids for sure. Ms. Ortiz responded it was three bids because it was over \$2,000. Commissioner Guerra asked who would be the usual vendors. Ms. Ortiz responded it would usually be Lowe's, Dr. Ike's and Home Depot. Vice-Chairman Dr. Garza suggested whether it could be one vendor one year and a different vendor the following year. Ms. Ortiz mentioned the decision would be made depending on the cost. Commissioner Guerra asked who had replaced them the previous year. Mr. Cruz responded they did not replace them the previous year. Chairman Ceballos mentioned another approach would be to ask a contractor to bid it out and see what would be cheaper whether the staff or the contractor. Mr. Cruz responded they could consider that. Chairman Ceballos added it would be smart to do it and if they would be produced out of their cabinet shop, it would be more expensive than buying them from the store. Mr. Cruz mentioned they had considered buying them. Ms. Ortiz stated that when it was over \$15,000, they would need to come to the Board. Vice-Chairman Dr. Garza mentioned he was grateful for attending the commissioners training in Indianapolis recently and remembered they had been warned about being careful with bidders as to the materials they would use, whether it would be good quality, he said that they got educated at the training. Commissioner Ms. Guerra also thanked the Board for attending the commissioners training. Chairman Ceballos mentioned Indianapolis was a very nice place and that they had a homeless protection ordinance they would try to mirror.

Ms. Ortiz mentioned they would first select the model of the cabinet, something decent that would last, and then put it up for bids.

Chairman Ceballos mentioned they would come back to this item, thanked Mr. Cruz for his presentation and stated they would go back to Item 10E.

The Board came back to consider Items 10D and 10E related to the Capital Fund. Chairman Ceballos asked in reference to the Capital Fund, if they would be able to use it after they convert. Bulmaro Cruz responded that for 2017 they would not, but for 2016 they would and they needed the change on the account number and the description, also the amount advised on Russell Terrace in order to balance everything.

Chairman Ceballos asked how they would handle 10D, 2017. Mr. Cruz mentioned he had talked to the Consultant about doing two fungibilities, once it would be approved by HUD, if they were to do that it would change the sources and uses on the actual pro forma they had submitted already and he was advised that if they needed the money, they could do it. Chairman Ceballos asked how much of the \$225,000 they really needed and if there was enough in contingency in the project. Mr. Cruz mentioned that they might be able to absorb it through the contingency. Chairman Ceballos asked if that was all the relocation of families as they would be going through reconstruction. Mr. Cruz mentioned they had some money in the development budget. He said for relocation they had \$150,000. In reference to the staff salary Chairman Ceballos mentioned that for two years it was too much and he asked how much they really needed. Mr. Cruz responded he did not know exactly what the salary would be. Chairman Ceballos mentioned that they needed to appropriate those funds elsewhere. Mr. Cruz confirmed.

Chairman Ceballos stated he thought the contingency could handle the relocation of staff and asked which were the other items they had cut back so that they could apply the \$225,000.

Chairman Ceballos mentioned that Asherton had very healthy reserves and he was trying not to use 2016 funds. He said that Asherton did not generate a lot of capital funds and through the years they had spent more than the share of Asherton in Capital Funds, so he was not too sure that was where it should go.

Chairman Ceballos asked Mr. Cruz to explain to the Board how they could move from account to account and the amount. Mr. Cruz stated they had this process called fungibility by which they could have work items in the five year plan and they could bring from future years to the current year and some items they could move from the current year to future years, but the item would need to be part of the five year plan. He mentioned that they were doing the amendment because asbestos was not included. Mr. Cruz mentioned that with fungibility they would not have to do an amendment to the plan, they could just move items back and forth, but they needed to be part of the five year plan. Vice-Chairman Dr. Garza asked if in Capital Fund they could only move 25%. Chairman Ceballos asked Mr. Cruz to explain how they would move from one project to another and added that was the reason they were having that significant amendment because the changes were more than 25% of the budget. Chairman Ceballos asked Mr. Cruz to explain how they would move from one project to another within the same CFP for that year. Mr. Ceballos stated they needed to have the work item in order to move the funds, but if it would exceed 25% they would have to call another public hearing and a significant amendment.

Chairman Ceballos asked Mr. Cruz for his recommendation. Mr. Cruz stated they would not need to amend the budget, but just move items. Chairman Ceballos stated they could insert back Asherton shower renovations at \$92,000 which was in 2016. Mr. Cruz mentioned they could also increase architectural engineering fees a little more.

Chairman Ceballos said they could use some of the money too and increase the A&E fees and add computer labs because he had a feeling the residents would come back and would want a digital library which he thought in fairness if they were doing the digital library in one site, the other sites would need to get one too.

Chairman Ceballos mentioned they would increase \$75,000 to A & E and zero out Russell Terrace. He asked where they would put money for the demolition of one of the maintenance buildings. He asked if it would be under PHA wide and whether it could be together with the computer lab or separate. Ms. Ortiz stated it should be separate. Chairman Ceballos asked Commissioner Ms. Guerra how much she would consider for computer labs, he said they did not have an idea how much it would cost, but estimated that just the technology would be approximately \$15,000 - \$20,000 at each site. Vice-Chairman Dr. Garza mentioned they could consider something generic, but they would also need to consider the lab setup. Chairman Ceballos stated that was the reason they had the item regarding the consultant coming up for consideration. Commissioner Ms. Guerra stated they also needed to consider the software, the networking and the licensing. Chairman Ceballos stated it was where the fees were going to be, on the licensing for the curriculums on the computers and the notebooks.

Chairman Ceballos mentioned if they were to take A & E to \$125,000 and \$125,000 for computer labs, and the rest for demolition of the maintenance area. He said they could include more for computer labs because he did not think demolition of the maintenance building would be significant. He said maybe \$50,000 for demolition which he thought would be high because he considered they would not need that much. Mr. Cruz said there was \$125,000 for computer lab. Chairman Ceballos asked if they needed to separate equipment from construction. Mr. Cruz confirmed and stated he was increasing A & E from \$75,000 to \$125,000.

Chairman Ceballos mentioned they would give them directives to set amounts where they would need to be and if the amendment would need to come back, it would come back, but they would need to accept the ACC, so if they would accept the ACC with the old numbers, basically they would not be able to spend on Russell Terrace, they would need to go back to the Board, but at least they would know where to place the numbers. Chairman Ceballos stated they were more concerned with getting the ACCs signed. Ms. Ortiz stated they were due the following Thursday.

Chairman Ceballos asked Mr. Cruz to repeat the changes. Mr. Cruz stated the changes would be to zero out Russell Terrace, adding PHA wide computer equipment \$50,000, Demolition/Reconstruction \$125,000, and A & E fees increasing from \$75,000 to \$125,000. Chairman Ceballos recommended that if there was any difference to add it to computer lab technology, which was the lowest.

Chairman Ceballos mentioned they would entertain both Items 10D & 10E together.

Chairman Ceballos moved to approve the item for FY 2016 as presented and FY 2017 with the changes just described that Bulmaro Cruz read out and if they needed to bring

back the amendment, if HUD would require to bring it back, they would bring back 2017.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Chairman Ceballos mentioned that Commissioner Ms. Guerra had mentioned something to him which would be a good practice which would be to have the policies, the Five Year Plan in front of them when discussing the items so that they would not have to speculate and that staff would have it available, so they could pull it up and verify it.

Chairman Ceballos mentioned they would go to Item 10H.

- E. Discussion and possible action to approve the Significant Amendment to the 2017 Five Year/Annual PHA Plan regarding the 2016 Capital Fund Program (CFP) as presented by staff.

Mr. Cruz presented to the Board and mentioned that for Russell Terrace they had electrical upgrade for 38 units and according to the need filed with the Limited Asbestos Survey and Remediation they were proposing to change the description of the work item, they account No. might need to be changed. Chairman Ceballos asked if Mr. Cruz had already talked to Attorney Rod Solomon about it. Mr. Cruz responded he had not been able to talk to Attorney Rod Solomon that morning. Chairman Ceballos mentioned they also needed to come back to this item later because he wondered whether they could approve it and still have access to it once they convert Russell Terrace to RAD. Mr. Cruz mentioned he needed to talk to Attorney Rod Solomon.

Chairman Ceballos asked if they were doing ramps in South Laredo and also mentioned that he was looking at shower renovations in Asherton and he thought that had already been changed. Ms. Ortiz mentioned that the Revised 1 column showed zero. Chairman Ceballos mentioned in his packet it was showing both columns. Ms. Ortiz mentioned they had to include both the original and the revised.

Chairman Ceballos suggested to utilize some reserves to get those items done. He asked about the money that went to architectural fees. Mr. Cruz confirmed it went to architectural fees. Chairman Ceballos stated that for Asherton they could do the wall surface gypsum board for the 32 units, exterior storage doors and smoke detectors. He asked what they would be repairing there because \$22,000 seemed kind of low. Mr. Cruz mentioned it would be ceilings and walls in the living rooms. He said they had had problems with the bathrooms upstairs, when they leaked, it would damage the ceiling in the living room and they would need to replace sheetrock in the living room. Chairman Ceballos asked whether that would be in all of them. Mr. Cruz responded not in all of them.

Chairman Ceballos mentioned to go ahead and do the adjustment. He asked if the exterior doors needed to be replaced. Mr. Cruz confirmed and stated they were wood

and were recommending to be metal. Chairman Ceballos added that smoke detectors for sure and recommended to put the items back in the final budget and to take it out of the A & E amount. Chairman Ceballos asked if the shower renovation was a tub or tile. Mr. Cruz responded it was tile and said that sometimes they would have to knock the wall down and redo everything including the plumbing.

Chairman Ceballos asked if there were any comments or suggestions. He stated that what they saw in the first revision was what they had approved or voted on in April.

Chairman Ceballos mentioned they would go back to this item after Mr. Cruz had talked to Attorney Rod Solomon.

Vice-Chairman Dr. Garza asked in reference to the \$52,000 for computer lab at Carlos Richter and Ana Maria Lozano and said that he had not exactly heard what it was for. Ms. Ortiz mentioned it was for the bibliotech being proposed. Mr. Cruz mentioned it was for computer equipment. Chairman Ceballos mentioned it was for the digital library and added that they had also allocated a little bit of funds in the amendment. Chairman Ceballos mentioned he was telling Ms. Rios, Central Resident Council president, that they would probably model something that would be used at every site. Vice-Chairman Dr. Garza said he had taken some pictures that he thought would be good and doable for Laredo. Chairman Ceballos mentioned it was not his original idea and that actually Councilwoman Vielma had called him and had mentioned she had seen the one in San Antonio and that it would be a great idea to develop one, but Chairman Ceballos said that every colonia would be asking for one so they would need to have a plan as to how they would model something that would be doable because they would not have \$50,000 every year for each site. Vice-Chairman Dr. Garza suggested a mobile one. Commissioner Ms. Guerra mentioned it would be a good idea because computers get so advanced and change so fast, so that way they would not have to replace all computers every five years. Chairman Ceballos mentioned they would probably have a consultant later on to look into it and he also said they did not exactly know how they would be using the \$50,000 because they had not designed the space yet and the plan was to have a pilot at Lozano.

- F. Discussion and possible action to award RFP No. LHA2017_0709_3, Hazardous Materials Removal Services for the Russell Terrace Revitalization Project and authorize the Acting/Interim Executive Director to negotiate and/or contract with the recommended firm.

Ms. Ortiz presented to the Board and mentioned that for the hazardous materials removal services at Russell Terrace they were recommending River City Environmental out of four firms that had submitted a proposal.

Chairman Ceballos mentioned Russell Terrace had some hazardous materials that had to be removed before it gets demolished. Chairman Ceballos mentioned closing was scheduled for August 3, and he thought the work would start right after closing. Chairman Ceballos mentioned he noticed there was a fee spread on the amount. Ms.

Ortiz mentioned the pricing was far out, and decided to go with River City because on the evaluations no other one came on top.

Chairman Ceballos stated they would try to automate the RFP process because it would be a lot of paperwork and very tedious and hopefully they would get it done within 45 days. He said there were a lot of certifications and said they could be done electronically. Vice-Chairman Dr. Garza mentioned the certifications would be done within so many days. Chairman Ceballos responded the time frame for the job would be 207 days and would be done in phases, they would start with 30 units, they would move tenants into the new units and then they would start on the next set, it would be a rolling demolition to get people in the community. Chairman Ceballos mentioned it was really a reconstruction and not so much a demolition.

Chairman Ceballos moved to approve item 10F as recommended to River City Environmental

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

- G. Discussion and possible action to award RFP No. LHA2017_0709_4, Monitoring Services for Hazardous Materials removal for the Russell Terrace Revitalization Project and authorize the Acting/Interim Executive Director to negotiate and/or contract with the recommended firm.

Chairman Ceballos mentioned this item was about the work that was being done prior to reconstruction and the entity would be monitoring the removal of hazardous materials

Ms. Melissa Ortiz presented to the Board and stated that they had contacted six firms, but only one responded, which was O'Connor Engineering.

Chairman Ceballos asked Mr. Frank Lopez if they had documented the outreach.

Mr. Lopez mentioned he had reached out to 12 firms which were the same firms he had contacted for the hazardous materials removal. He said that out of the 12 he talked to six of them by phone and out of those six only one responded, which was O'Connor.

Chairman Ceballos recommended to document it. Vice-Chairman Dr. Garza asked how Mr. Lopez would document it. Mr. Lopez stated that he kept a reach out log that would have detailed documentation. Commissioner Ms. Guerra asked if interested people would be able to download the information from the website or if he had to follow up by phone because the job would be so specialized. She said that at the County people would download the information from the website. Mr. Lopez mentioned the way he would do it was to reach out by e-mail, then by phone and whoever would seem interested, he would document it and then he would keep in contact by phone to see if they would submit or not. Sometimes they would not return phone calls, but he would always send them the documentation, the same e-mails to each prospective

respondent. Vice-Chairman Dr. Garza asked if he would send separate e-mails. Mr. Lopez confirmed it would be separate e-mails.

Chairman Ceballos moved to approve and authorize the Acting/Interim Executive Director to negotiate and contract O'Connor Engineering as the sole respondent and recommended to keep records of the solicitations in the file. Mr. Lopez confirmed.

Chairman Ceballos moved to approve item 10G to contract O'Conner Engineering.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

Chairman Ceballos called for a short 5-10 minute break.

The Board reconvened from a short break at 10:37 a.m.

Chairman Ceballos mentioned they would skip a couple items and would go to Item 10K.

- H. Discussion and possible action to award RFP No. LHA2017_0709_6, Technical Assistance Consultant for Digital Library Project and authorize the Acting/Interim Executive Director to negotiate and/or contract with the recommended firm.

Chairman Ceballos stated that as mentioned earlier he had received a call from Council Member Vielma after she had an opportunity to be in San Antonio and by chance ended up at this bibliotech project and mentioned Ms. Vielma had said they were partnering with the Housing Authority there. Chairman Ceballos took Ms. Vielma to see Lozano and Casa Verde. He said Ms. Vielma was very excited and interested in bringing a digital library to Laredo. Chairman Ceballos mentioned he traveled to San Antonio the next day and went to see the digital library at the Housing Authority and said he was impressed, it was very nicely developed, it was not a very big place, it was only about 2,000 sq. ft., it had computers similar to our labs, but they had more resources, they had a business meeting room and a lounge for the students, there was not a single book, everything was all digital, they had music on the learning tablets and depending on the age group they had all kinds of learning activities the kids could follow, so he said Ms. Vielma was very excited. They visited Casa Verde which was still in construction and they had the opportunity to look at the space that was supposed to be a fitness center that could be converted to a library which would probably be better for the residents. Chairman Ceballos mentioned in reference to Casa Verde, he mentioned there was misinformation as to what the project really was and said it was not public housing, but a mixed income development. Ms. Vielma alerted Chairman Ceballos that there was a lot of confusion and he thought that the bibliotech would offer a resource to the community around Casa Verde. Chairman Ceballos said that kids would probably have a computer at home, but the residents in the complex might not. He mentioned that space at Casa Verde might be less than 2,000 sq. ft. but it would be enough if distribution would be good. Chairman Ceballos mentioned there was a lot of space at Lozano that was unused. There was a computer lab, but at the office site there was unused space, they have an office person and a maintenance person, so they would be redistributing that space to make it the pilot. He stated they would entertain having somebody as a

consultant to help and learn from what they had done in San Antonio, since they had been very open and sharing, and designing a model knowing that tenants in other projects would ask for it.

Chairman Ceballos stated that since they did not have a technical expertise in house, the purpose would be to bring somebody that would start modeling something and bringing all the stakeholders together including the Commissioners. He stated he had talked to Commissioner Dr. Rodriguez about it and said she was also very interested in the site. He stated it would be a good pilot to analyze the effectiveness in public housing and said there were only two sites in San Antonio. He also said it would be a good exercise for academic research too. Chairman Ceballos mentioned they had the PILOT agreement in the agenda too, payment in lieu of taxes to entities that they had to pay and that that they would encourage them to use for this project. He said the Lozano development was very centrally located; therefore, it would get a lot of exposure and whatever they would do would need to look nice because it would set the tone for the project.

Chairman Ceballos said that they should also consider what they could do at Russell Terrace while its being reconstructed. He said the reason it would start in Lozano was due to Councilwoman Vielma approaching him and that she was also looking for funds for that kind of initiative.

Chairman Ceballos asked if anybody had any questions. Vice-Chairman Dr. Garza stated it would be good to do an assessment with the people in the neighborhood as to what they might be looking for. Commissioner Ms. Guerra mentioned that what happened sometimes with the kids wanting to go to the public library was that parents were working and by the time they would get out of work they would probably be just one hour to use the public library. She suggested to have staggered hours available for use of the bibliotech.

Ms. Ortiz mentioned they had received two proposals, one local and one from San Antonio and she was recommending BPR be awarded the contract.

Chairman Ceballos mentioned that Ms. Rodriguez from BPR was present and he stated that they had served together in Boards, not in Laredo, but in the region; therefore, he would probably abstain from voting, though he thought he might not have to because it was charitable work.

Attorney De Anda mentioned that unless she would do work for Chairman Ceballos at a business level or if they were financially tied to each other, there would be no need to abstain from voting.

Ms. Belkiss Rodriguez presented to the Board and said she had talked to Ms. Ortiz, Mr. Lopez and Chairman Ceballos. She mentioned she had extensive years of experience working in the San Antonio region and said she could help expedite the initiative. She stated she recently worked with a workforce training center and was the leader for

about 18 months with about 12 of the largest entities in San Antonio implementing their internal procedures and legal covenants.

Vice-Chairman Dr. Garza asked Ms. Rodriguez about her educational background.

Ms. Rodriguez mentioned she had been in the workforce for 27 years. She said she had been an academic advisor and recently director of workforce training centers, overseeing three centers that were collaborative with multiple entities in San Antonio.

Commissioner Ms. Guerra asked that based on her experience with the workforce, what would be the three biggest main things she would need to focus on to make the bibliotech a success. She responded that basically she would need to sit with Ms. Ortiz to look at the timeframes, resources and objectives and her focus would be to take those resources and parameters and work closely with the entities in San Antonio and kind of bringing them together as to what difficulties they had overcome, the similarities, the resources and what would be best for Laredo. Vice-Chairman Dr. Garza asked if she had a needs assessment that she had done with the San Antonio schools or entities. She confirmed and said a lot would have to do with the parameters and that her job would be to represent Laredo and to focus on their needs.

Commissioner Ms. Guerra asked if it would be possible to do an assessment in the area, especially the children and the parents in Laredo Housing. Chairman Ceballos mentioned the one in the San Antonio Housing Authority was a mixed tax credit development, but opened to the community because part of it was to give back something to the community. Ms. Rodriguez mentioned she would start by doing an analysis and compare the similarities and resources because the needs might be the same across any region, but she would see what would be best fit for Laredo Housing Authority. Vice-Chairman Dr. Garza asked what type of needs she had seen in the region. She responded that number one would be housing and low income families that did not have the income or access to technology, also single parents that did not have the time because they would be working two or three jobs and did not have access to resources or transportation to go to the local library, so whatever resources they would set up, they would need to make sure they would be accessible and user friendly, that the community and city would feel welcomed, that the technology would be the highest quality as what they would get at the best school district. She added that since it would be a pilot project, they would take it as they go. Ms. Rodriguez said it would be good to have it accessible to the community, but they would also need to be smart, practical, and do it in phases and target the objectives, resources and the partnerships and said all of that would need to be analyzed.

Vice-Chairman Dr. Garza mentioned that technology was great and he asked if there were any major issues or problems she would expect and if she would be ready with solutions. Ms. Rodriguez responded there would always be some problems and said that was why it was important to be collaborative in identifying and establishing rights and ownership. She said it was very important to have inclusion, open discussion and analysis of the resources.

Chairman Ceballos mentioned that at Lozano they would have to consider some design in the area of the hall and restroom. He stated that he would not want them to do something that would look as if they had patched it. Vice-Chairman Dr. Garza mentioned lighting was very important and that it would need to be inviting for people doing research. Ms. Rodriguez stated they would need to have some feedback by talking to parents, students and residents because if the environment would be nice, and if it would feel good, the kids would feel good being there, and they would be empowered to use it, then the return would be great and what she would recommend would depend on the perimeters and the resources. She recommended to start small, but with high quality because they would like families to feel good about it.

Commissioner Ms. Guerra recommended to consider separate areas for people to talk or for story time. Chairman Ceballos mentioned that the one he saw had a lounge, two big screen TV's and modern lounge tables. He said that when the food bank would bring the food they would not eat where the computers were, they would go to the lounge which was different from what they had at Russell Terrace. He said a resident Commissioner worked at the community hall in Russell Terrace, so when it would be eating time, the food would come in and everybody would eat it and that would need to be converted at Russell Terrace. Ms. Rodriguez recommended to customize to the community, to have different scenarios depending on the usage like have a room for studying, a room for tutoring, and a room for after school depending on the consensus. Vice-Chairman Dr. Garza mentioned tutoring was a big concern in the school districts with all the required testing they had. Chairman Ceballos mentioned the finance side of it would be going to the school districts to see if they would be willing to contribute the payment in lieu of taxes for that project, and maybe they would be willing to do it, UISD and maybe the college. Ms. Rodriguez mentioned that they could consider some feedback from the school districts to go into partnership addressing the state's testing requirements and maybe dedicate some time for test prep or tutorials. Vice-Chairman Dr. Garza mentioned that another concern would be an ESL lab because it would build up the language especially among older adults. Ms. Rodriguez mentioned they would also have to consider staff if they were to have people with needs at different levels. Commissioner Ms. Guerra mentioned ESL was very much in demand, just because of the recent change in the new administration. She said the Literacy Volunteers of Laredo were very busy because all of the sudden there was a big need and for citizenship preparation too. Ms. Rodriguez mentioned that with the ESL population they would have other issues that would come with it. She said she had experience with ESL population too, that they would get them ready for work, school, drafting, vocational, ESL, especially in the region and she added that ESL was not a limitation because once they would be prepared, they would actually be double qualified because of being bilingual, so she did not see it as a barrier. Vice-Chairman Dr. Garza mentioned that to be technically correct, now ESL was changing to Language Learners.

Attorney De Anda mentioned there was a budget of \$25,000 with an hourly rate of \$125 and asked if the \$25,000 was an estimate of what she expected. Ms. Rodriguez responded that it would encompass any travel and additional expenses and that it was

based on a time period and that once they would sit down and would get directives and objectives, but that it would honestly be the timelines, the deadlines, the hours of driving per week and how often. She said the first 90 days would be intense. She mentioned she did not expect to exceed the amount if they stayed on contract, but it was an hourly rate estimate. Chairman Ceballos asked Ms. Rodriguez if she would be willing to travel once a week. She confirmed and said she expected to travel once a week even after the 90 days and that she would be here Monday all day and would plan accordingly with what would be going on and maybe two days the first 90 days. Vice-Chairman Dr. Garza asked if she would have somebody come in case she would not be able to come. Ms. Rodriguez confirmed and added that she had a partner that would support her.

Chairman Ceballos recommended to work all the details of the contract with Ms. Ortiz in case of any overnight needed.

**Vice-Chairman Dr. Garza moved to approve Item 10H as recommended.
Commissioner Ms. Guerra seconded the motion.
Motion passed unanimously.**

- I. Discussion and possible action to award RFQ No. LHA2017_0528_3 Housing Development Consulting Services and authorize the Acting/Interim Executive Directors to negotiate and/or contract with the recommended firm.

Chairman Ceballos mentioned he was hoping they would have brought somebody in because this item would be more challenging. He said they did not know any of the three bidders and would need some time to get to know them because they were from Austin and if they would like to make tens of thousands dollars, then they needed to come and if they needed to be reimbursed for gas or something else, they would do it.

Chairman Ceballos stated that the person would be assisting with tax credits potential deals in the future. He said they had had the gap of this expert for about six months. Chairman Ceballos had been serving in the roll of that person, but they needed somebody who would be available to the staff more regularly because he started traveling more and he was not sure whether he would be available for the next Commissioner's meeting on August 11, 2017. He added that they needed somebody with strong relations with the state because the last time they did not have that and they were struggling to communicate and break through some barriers they had with the state to get to board members in terms of being available to deliver the presentations. Chairman Ceballos said it would need to be somebody that had internal knowledge or experience working with TDHCA. He mentioned that the three proponents were big firms, big names, but Chairman Ceballos stated he was not interested on big names, but on someone who would be working with TDHCA and that would be willing to come down to assist the staff, which was a concern in the past. He said they would not be able to do it through conference calls only, they needed somebody that would be willing to drive to Laredo. Chairman Ceballos mentioned he was hoping they would have taken care of the item, but they had not met any of the

bidders. He mentioned he had talked to the Consultant, Attorney Rod Solomon, who gave him some feedback because he knew somebody from two of the three teams, but Chairman Ceballos said it would be best to meet them if they were really willing to drive down to Laredo from Austin. Commissioner Ms. Guerra stated that if they were not interested when they were trying to get the job, then what kind of commitment would they have once they signed the contract. Ms. Ortiz mentioned she would contact them to set up interviews and she said they were all from Texas, two of them from Austin and one from Fort Worth. Chairman Ceballos added they were also expensive groups. He mentioned there was a potential project at the Airport coming up and it would be very important that the person would be available to assist with that project. He said there would probably be a grant that they would need to pursue.

No action was taken. Item was tabled.

- J. Discussion and possible action to award RFP No. LHA2017_0709_5, Campaign Marketing Consultant and authorize the Acting/Interim Executive Director to negotiate and/or contract with the recommended firm.

Chairman Ceballos mentioned this item 10J would also be tabled.

- K. Discussion and possible action to adopt procurement procedure and guidelines regarding contractor bonding and insurance requirements for the Russell Terrace RAD project.

Mr. Lopez presented to the Board. Chairman Ceballos asked Attorney Poneck if he had looked at the supportive documentation for this item. Attorney Poneck mentioned that he was talking to Mario Jasso about the feasibility, considering the market, whether they would have any particular difficulties to establish the particular standards for the local market. Chairman Ceballos asked Mr. Jasso if they were still too restrictive.

Mario Jasso, Consultant, stated that they were fine, but his concern was how they would bid the project for carpentry and for the line items because for any of those bidders, if it were to be less than \$100,000, they would have to get at least six workers trying to get it done and the marketplace might not have six capable workers to bid on. He mentioned his other concern was that if they would want to meet the construction schedule, it would hurt them if there were to bid 30 units at a time. He said every time they would bid, they would have to wait two weeks for advertising and scoring and they would probably lose six months in the interim trying to change them. He said the ideal would be to bid out 138 units and they would be able to work on 30 units at a time and continue without stopping the contract and there would not be any bid for less than \$100,000. Mr. Jasso said that they needed to look at how they would structure it, whether to go with the bonding requirements or the construction schedule. He said timeframe was critical in getting enough interested participants. Chairman Ceballos mentioned that he had asked Ms. Ortiz to check with the bank in reference to the letter of credit to see if they would roll an umbrella over the entire project so that the exposure would be on the agency and not on the subcontractor. Chairman Ceballos asked Ms.

Ortiz about the bank's response. Ms. Ortiz stated the bank had not responded yet, but it seemed they could do it. She added she would be contacting the bank that afternoon.

Attorney Poneck stated that he did not think the time for the approval was as critical as it might appear. He said the remediation would take 30 – 60 days. Mr. Jasso mentioned the remediation and demolition combined would take about 60 days before they would start the construction.

Chairman Ceballos mentioned he was talking to Commissioner Dr. Rodriguez hoping to have another meeting to consider all these items and said that Commissioner Dr. Rodriguez would be available August 11 in the afternoon. Mr. Jasso mentioned that what they were asking would work fine for the electrical, mechanical and plumbing licensed subcontractors, but not for the tradesmen that would do the masonry, carpentry or cabinetry. Chairman Ceballos mentioned that Mr. Lopez would appreciate not having to rebid for every 30 units.

Chairman Ceballos stated that they would loosen up on federal requirements for Russell Terrace becoming a RAD converted project, no longer public housing and in consultation with the Attorneys they would try to loosen the bonding requirements, not so much the liability requirement, just the bonding because for a subcontractor to get bonded it would require financial statements and all kinds of insurance to the bonding companies that smaller subcontractors could not get and if they were to move to a higher bracket of subcontractors, the price would go up. He mentioned that they had discussed that by Russell Terrace bonding itself and protecting the performance and the risk in the project, then through that protection they would get subcontractors that would not have as much bonding requirements or letter of credit requirements. Commissioner Ms. Guerra asked about protection through the bank. Chairman Ceballos mentioned they already had a letter of credit that required them to buy \$1.3M protection. Ms. Ortiz mentioned it would cost 4% for a 12-month period which would be about \$30,000.

Chairman Ceballos mentioned that if they were not to adopt a different schedule, they would be subject to the federal requirements and policies so it would be a cost saving measure; it would need to be practical and they would need to be sure they would be protected, so it would be a separate policy as to how they would treat Russell Terrace.

Chairman Ceballos mentioned they would bring back this item at the next meeting and thanked Mr. Jasso and Mr. Lopez for their presentation and hard work.

Chairman Ceballos mentioned they would now go back to Items 10D and 10E.

No Action taken.

- L. Discussion and possible action to authorize Acting/Interim Executive Director to establish two depository accounts with Falcon International Bank, one for the Russell Terrace Relocation Costs Project and a second account for the Russell Terrace PBV Conversion Project (38 Units).

Ms. Ortiz presented to the Board and mentioned they would need to separate the transactions for this item. She stated they needed two accounts, one for the Relocation to keep track of all the expenses and they would be transferring \$20,000 before they close because she believed the total budget would be \$150,000 and they would be transferring \$20,000 from the Laredo Housing Facilities Corporation to create the account. She stated the second account would be for the Section 8 Project Based Vouchers at Russell Terrace (38), which would be generating revenues from the rents and for the HAP payment that was supposed to occur from HUD. Ms. Ortiz was proposing to start the account with \$1,000.

Chairman Ceballos moved to approve Item 10L.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- M. Discussion and possible action related to the PILOT Interlocal agreements and allocate program reserve funds of \$3,500,000 from Russell Terrace reserves, \$1,002,952.60 from LHFC, and \$947,489.41 from LHDC for the Russell Terrace Revitalization project to fund \$5,450,442 of the construction phase and allocate them at BBVA Compass Bank pursuant to the finance agreement.

Ms. Ortiz presented to the Board and stated that the 40% they needed to come up for the construction cost of about \$12.1 million was \$5,450,442, and based on the finance agreement with the bank they would need to have this on another account so they would start drawing and then the loan would be added. She said they had \$3,500,000 of Russell Terrace reserves that was strictly for Russell Terrace. She added they had \$1,002,952.60 coming from the Laredo Housing Facilities Corporation. Chairman Ceballos asked Ms. Ortiz to explain that account. Chairman Ceballos stated that it was replenishment of one million land acquisition for Casa Verde that needed to be paid back. Ms. Ortiz mentioned that account had \$4.2 million and they would be using \$1,000,000 for that purpose. Ms. Ortiz stated that the Executive Director's report included that they closed on June 20th, and they got the proceeds on June 21st. Ms. Ortiz mentioned they received about \$3.8 million back and the \$947,489.41 would be from Laredo Housing Development Corporation which had part of the PILOT monies, so they would be using part of the money from the City of Laredo plus part of LISD. Chairman Ceballos mentioned that they had asked LISD to contribute what the agency had as PILOT and requested to use the entire funds. He mentioned that HUD had requested for Laredo Housing to make a check to the taxing entities and enter into an agreement to receive it back in the form of a public purpose which Russell Terrace was and that after a lot of work and meetings with LISD, they informally agreed to fund half of the money back and the rest would be used for other public purposes. Chairman Ceballos stated that LISD had indicated their appreciation for their work in saving Russell Terrace. He said half of the funds was the most they could get and that LISD legally had the authority to decide how to use those funds like any other entity, so when they issue the check, they would only see half of it back.

Chairman Ceballos mentioned that with the City, they would hope to get all of the portion back. He said the funds were in the Laredo Housing Development Corporation, so if they would add the City amount and half of LISD funds, it would give the amount of \$947,489.41. Chairman Ceballos stated he did all he could to get LISD to fund at the highest level and said they had presentations to LISD Board and separate small group meetings and since LISD still had not voted on it, they were still waiting for them to execute and agree, so they along with Attorney De Anda and Attorney Poneck were working on a final agreement. Chairman Ceballos also mentioned that after LISD decided on how to use the funds, if everybody agreed, they would ask to use some of the funds for the bibliotech, digital or computer lab improvements. They all agreed and Chairman Ceballos added they would do the same with UISD and LCC. He said he had met with Ms. Ortiz, Mr. Cruz, and Ms. Mata and the Attorneys and had decided that with the County it would be better to do a Veterans initiative. Chairman Ceballos said that they would love for them to put it into education and digital, but they might not like that and it would be up to them. They said they would have to mutually agree, but they did not have a lot of leverage to tell them exactly where to put their money. Vice-Chairman Dr. Garza stated that maybe they could try to see if they would agree to use the remaining funds from LISD in digital or computer lab at Russell Terrace which is LISD property. Chairman Ceballos mentioned he tried all kinds of angles and he had about six meetings in the last eight months, three in the last two weeks with different people and leadership and the new Superintendent who he said he really liked and that she had been a great choice. He said he was hoping they would come thru with half of it, if not, he would come back and report to the Board.

Attorney De Anda mentioned there were two parts of money from LISD, \$782,000 that was past years taxes that had been accumulating and whatever money they would get from them could go into Russell Terrace Conversion and there was another part of money for future tax years which would be in the agreement they were working on which they would call for collaboration as to the use of those monies, and at that point they would talk about the educational initiatives.

Chairman Ceballos stated that they had reached a point where there was willingness to get half of the money back and that top priority was to save units that had ADA, so they would get to a point where they would collaborate and ultimately the funds were meant for the taxing entity and they would get to decide. He said that with the County, they would start by trying to put money into Russell Terrace, go to education, or the veterans. Chairman Ceballos said the County was very interested in serving the veterans, and it would be new money for them and they would be happy to get it. He stated that everybody was in budgetary times and wanting to consume it in general fund. He added that they had learned they did not have a lot of leverage.

Chairman Ceballos mentioned the \$5.4 million on the action item was their contribution when they totaled the amounts which he said was roughly 50% of the total cost of Russell Terrace which was a very conservative project, usually it would be 80% of loans on the value and they would be looking at 60% or borrowing \$6 million.

Chairman Ceballos asked if anybody had any questions and said that just to be clear, they did not have a final agreement with LISD, but were getting very close and that LISD was supposed to call a special board meeting that week to deal with the item and regardless, the funds were available and he wanted for the record to make an acknowledgment in the action item that those funds would replenish the corporations once they would get paid because obviously they were using their own resources from the same corporations that are not PILOT and added that he did not know how it would be done legally. Attorney Poneck recommended Chairman Ceballos to make it in the form of a motion so there would be official Board acknowledgment and agreement.

Chairman Ceballos moved that the agreement be set up as indicated with the numbers stated in the item, but that there would be documentation that the proceeds from PILOT agreements replenish the funds used as stated in the item from each corporation.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Attorney Poneck mentioned that the City of Laredo in 2012 approved an Interlocal agreement, which they called it an agreement for use of payment in lieu of taxes for affordable housing purposes, so in 2012 the City agreed with the Housing Authority at that time that the PILOT monies paid to the City would be used by the Housing Authority for affordable housing purposes. He stated that there was already an agreement between the parties and the issue was that in that agreement they said essentially that the Housing Authority instead of paying the City those PILOT funds, they would just keep them in the related non-profit they had and to use them in that way. Attorney Poneck added that they had come to learn from the auditors, in reviewing the financial transactions, that HUD required an actual payment of the PILOT funds to the taxing entity. He said they could not hold the funds as they and the City agreed, so now they would go to the City to ask them to amend the original agreement they had in 2012 to allow Laredo Housing to pay them the money and have their understanding that they would pay it back, which was the spirit of the original agreement to begin with, and that there had to be an expense of those items. Attorney Poneck stated he had provided the Board a copy of the amendment to the agreement for the use of payment in lieu of taxes for affordable housing purposes and was asking the Board to approve the amendment in order to meet the technical requirement that HUD had imposed to spend those funds out of the organization to the taxing entity. He stated that the agreement basically said they would be paid those monies back and as Chairman Ceballos had mentioned the amount was \$442,768.20 for years 2008 through 2017. Attorney Poneck was requesting the Board to approve the amendment so they could have the city complete the transaction and he added that he understood the City was intending to meet the following week and hopefully they would make the agreement official.

Vice-Chairman Dr. Garza stated that as opposed to LISD where they did not have any agreement in place as to the use of the funds, with the City's \$442,768.20 they did have an agreement that they could use those funds for the Development Corporation, so he said that hopefully they should not have any problem using the full \$442,768.20 for the

Development Corporation. Chairman Ceballos mentioned that the City had asked them to help save Casa Verde, so hopefully the City would complete the transaction.

Chairman Ceballos moved to approve the amendment to the agreement for the use of payment in lieu of taxes for affordable housing purposes between the Housing Authority and the City of Laredo as presented by the legal team.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

- N. Discussion and possible action to approve recommendations to fill administrative positions. Possible Closed Session pursuant to Texas Government Code, Section 551.0743.

Chairman Ceballos asked Ms. Ortiz if they were doing this item in executive session. Ms. Ortiz confirmed.

Chairman Ceballos moved to go into Executive Session.

Commissioner Ms. Guerra seconded the motion.

Motion passed unanimously.

11. 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 called all the Board of Commissioners, Acting/Interim Executive Director Ms. Ortiz, Attorney Doug Poneck and Attorney Ricardo De Anda, to enter into Executive Session

The Board entered into Executive Session at 11:55 a.m.

The Board reconvened from Executive Session at 12:45 a.m.

Chairman Ceballos asked Ms. Ortiz to make her recommendation.

Ms. Ortiz mentioned she was recommending Eduardo Palacios for the construction project manager position.

Chairman Ceballos moved to accept Ms. Ortiz recommendation.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

12. ADJOURNMENT

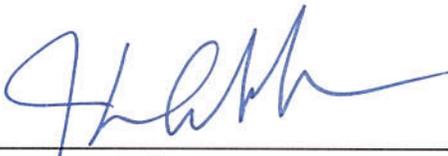
Chairman Ceballos expressed his appreciation for all the hard work to all the employees that were involved in preparing for the meeting, Frank, Mario, Bulmaro, Alma, Christy, Jennifer, Alina, Ms. Ortiz, the Attorneys, he stated he realized there were a lot of items covered and said he would rejoice when they would see Russell Terrace reconstructed.

Chairman Ceballos moved to adjourn.

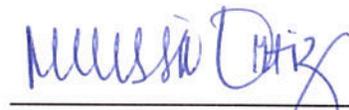
Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Meeting adjourned at 12:47 p.m.



Jose L. Ceballos, Board Chairman



Melissa Ortiz, Acting/Interim Executive Director