

Housing Authority of the City of Laredo
Regular
Board of Commissioners Meeting
LHA Board Room
2000 San Francisco Ave.
Laredo, Texas 78040
Friday, May 25, 2018
12:00 p.m.

A-18-R-5

Minutes

May 25, 2018

1. **CALL TO ORDER** Chairman Ceballos called the meeting to order at 12:33 p.m.
2. **PLEDGE OF ALLEGIANCE** Chairman Ceballos led them in the recital of the pledge.
3. **ROLL CALL AND DECLARATION OF QUORUM** Ms. Mary Gaona, Executive Director, proceeded with roll call. Ms. Gaona stated that Commissioner Ms. Alvarez advised that her work scheduled had changed and would not be able to attend the meeting.

Commissioners Present

Jose L. Ceballos, Chairman
Dr. Sergio D. Garza, Vice-Chairman
Dr. Marisela Rodriguez, Commissioner
Anita Guerra, Commissioner

Commissioners Absent

Marcela Alvarez, Commissioner

Staff Present

Mary Gaona, Executive Director
Christy Ramos, Administrative Assistant
Jose Collazo, Special Projects Coordinator
Bulmaro Cruz, Director of Modernization and Development

Rosie Ortiz, Project Manager
Manuel Hernandez, Assistant Project Manager
Melissa Ortiz, Director of Compliance and Quality Assurance
Esmeralda Martinez, Project Manager
Alina Ríos, Quality Control
Griselda Resendez, Project Manager
Monica Rivera, Project Manager
Esmie Leyva, Project Manager
Irma I. Martinez, Project Manager
Sandra Barrera, Project Manager
Yvette Pond, Project Manager
Alfonso Trevino, Jr., CFP Coordinator
Bertha Galvan, Interim Section 8 Administrator
Alma Mata, Director of Community & Economic Development

Jessica Martinez, Program Coordinator BiblioTech
Roberto Peña, IT Coordinator
Frank Lopez, Procurement Officer
Jennifer Barrientos, Interim Finance Director
Rafael Vidaurri, Director of Housing Management
Leticia Sosa, Office Clerk
Guadalupe Gonzalez
Attorney Ricardo De Anda
Attorney Doug Poneck

Others Present

Yolanda Martinez, Central Resident Council Vice-President

4. CHAIRMAN'S COMMENTS

Chairman Ceballos stated that they were working on three projects and invited whoever would be interested to get involved on any of the projects; one of the projects is Russell Terrace and within that project they are planning to build a tiny home project, a committee was being assembled and asked Ms. Mata, Director of Community & Economic Development, to share information on future meetings in case somebody would be interested and recommended that if there would be a quorum, to make sure they would post the meetings so that the public would get informed. The project for the property on 820 Price will also have a planning committee which will include the prior owner; they were a few days from closing on that property and that project would be some version of a tiny building so anybody interested was encouraged to feel free to join. They would be closing on the Balcones Apartments at 1505 O'kane in late June, there would not be much of a redesign on that project, it would be more on how they would lay out the program for the project, so Chairman Ceballos mentioned that he wanted to make sure they had the opportunity to consider whether they would like to participate and be part of it.

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)

Chairman Ceballos stated that there were no public comments.

6. APPROVAL OF MINUTES

- A. Approval of minutes for Board of Commissioners meeting on December 21, 2017.
- B. Approval of minutes for Board of Commissioners meeting on January 12, 2018.
- C. Approval of minutes for Board of Commissioners meeting on January 19, 2018.

- D. Approval of minutes for Board of Commissioners meeting on February 9, 2018.
- E. Approval of minutes for Board of Commissioners meeting on March 24, 2018.
- F. Approval of minutes for Board of Commissioners meeting on April 10, 2018.

Chairman Ceballos mentioned that he had asked for the minutes to be searchable when uploaded which he thought was already being done and recommended to make sure the PDF be a searchable PDF.

Chairman Ceballos moved to approve the minutes presented.
Commissioner Dr. Rodriguez seconded the motion.
Motion passed unanimously.

7. PRESENTATION BY CENTRAL RESIDENT COUNCIL

Ms. Yolanda Martinez, Central Resident Council Vice-President and President for Ana Maria Lozano Council, presented to the Board and stated that Ms. Rosie Rios, Central Resident Council President, had excused herself for not being able to attend the meeting due to personal reasons. Ms. Martinez informed that they had celebrated and enjoyed Día Del Niño and Mothers' Day celebrations saying they had celebrated Mothers' Day on May 9th because they were invited to Senior Home on May 10th where they welcomed the Senior Citizens from the different Colonias and mentioned that they had enjoyed a Mariachi presentation. Chairman Ceballos mentioned that he had seen an article in the newspaper in reference to the event and thanked Ms. Martinez for her presentation.

8. PRESENTATIONS (No Action to be taken)

A. Executive Director's Report

Chairman Ceballos mentioned that Ms. Gaona would be providing the highlights on the report which was included in the packet. Ms. Gaona informed that they had started the OSHA trainings for Russell Terrace in May for Russell Terrace which they would be having on different Saturdays and sometimes even during the week. Chairman Ceballos asked if they had one scheduled for the next day. Ms. Gaona responded that they did not and said that the trainings would probably be between the hours of 12 noon to 1 or 2 p.m.

Chairman Ceballos mentioned to Commissioner Dr. Rodriguez that they had consulted somebody privately from LCC, Mr. Hernandez, who is part of her team and who was doing a great job and stated that they appreciated his expertise and it was also a way for him to scale up his impact.

Ms. Gaona stated that the next item she wanted to point out was the waiting list for Public Housing which was currently at 827 and had opened recently, so they had been able to add to the waiting list. Ms. Gaona presented the Aged Tenant Accounts

Receivables which she mentioned would be submitted in a different format at the next meeting and mentioned that they had a total of about \$27,000.00 in outstanding receivables at the end of April which included 14 that were in litigation, so it would leave a balance of \$12,800.00 in receivables. Chairman Ceballos asked what was happening in Lozano that it was so high and mentioned that the balance of \$3,000.00 had to do with something else besides litigation. Ms. Gaona confirmed. Chairman Ceballos asked who could inform them in that regard without mentioning any names.

Ms. Rosa Maria Ortiz, Ana Maria Lozano and Carlos Richter Manager, stated that out of the \$3,000.00 there were approximately \$1,000.00 in litigation and some of the rest should be adjustment credits and it would leave a balance of about \$800.00 which consisted of maintenance charges and late fees that she was pursuing to collect. Chairman Ceballos mentioned that their approach was not to let it age without starting the termination process and thanked Ms. Ortiz for the presentation. Attorney Mr. De Anda stated that \$2,200 of the amount listed under Ana Maria Lozano was money that had been placed in the Registry of the Court for litigations they were involved in. Chairman Ceballos stated that it was \$2,200 out of the \$4,300. It was confirmed. Attorney De Anda mentioned that it was in the Registry of the Court. Chairman Ceballos stated that it would continue there until it would get resolved and asked if there were any more questions.

Vice-Chairman Dr. Garza asked about the meeting on May 10, 2018 regarding insurance. Ms. Gaona stated that it was for renewal and that it was an item they had in the package for approval by the Board.

Chairman Ceballos asked Ms. Gaona to continue with the Executive Director's Report. Ms. Gaona mentioned that the next highlight on the report was the Section 8 waiting list which they got down to 220, so they would be opening the housing choice voucher waiting list in the next two weeks and in reference to Zapata she mentioned that they had people already on the waiting list and the majority that had called in were from out of state and they had very few residents from Zapata who had already been housed, so they would continue having the Zapata waiting list open every Monday and staff will be going to the Zapata office every Monday.

Ms. Gaona mentioned that the next area she wanted to highlight was the financial area and stated that they had been working on submitting the financial submissions for the year and they had noticed that the 2015-2016 and the 2016-2017 accounting systems were not closed in the Elite software system, so they went ahead and closed them and brought balances forward and were currently working on reconciling interfunds to be able to submit the financials that were due May 31, 2018. Chairman Ceballos mentioned that he thought it related to the audit findings. Ms. Gaona mentioned that there were several adjustments made and they would be reconciling them and said that they had not finished, but would finish by May 31, 2018. Chairman Ceballos asked if they had delivered final statements to the auditor. Ms. Gaona responded that they had not yet done so and stated that it was what they were doing with the 2018 and said that Ms. Barrientos had been in discussion with the auditors in

regards to the adjustments once they actually did the closing on the system. In regards to the CFP501-16 grant obligation deadline of April 12, Ms. Gaona mentioned that they had met that obligation and were currently working towards completing expending. Chairman Ceballos stated that he wanted the Board to understand that it had been a grueling and exhaustive 30 days leading up to the obligation of the \$1.3M which took a lot of work from different people and stated that he appreciated everyone that was part of it because they would have potentially lost their ability to use those funds. Commissioner Ms. Guerra asked if Ms. Gaona would like to mention the individuals who had assisted in that regard. Ms. Gaona stated that it was a group effort by Ms. Barrientos and the finance staff, also Alma Mata, Bulmaro Cruz, Frank Lopez, Rafael Vidaurri and some of the Project Managers getting information and it had been a team effort from all areas being affected and depending on the work items they needed to contact staff at the property level and have them assist, so it took a lot of work and team effort to get it to where they were able to obligate it and it would still take time for them to expend it and keep everything on track. Chairman Ceballos stated that obligation meant that they would essentially have an expenditure for each of the line items they indicated they would expend the money, so if they would not activate that line item, they would be at risk of being deobligated. Ms. Gaona mentioned that Ms. Barrientos would be submitting the closeout documents for CFP501-11, 501-12, and 501-13 in the Capital Fund.

In reference to the reorganization Ms. Gaona mentioned that meetings had been held with staff and had advised everybody on the reassignment within the properties and letters would be going out to individuals affected. She also stated that job descriptions were being reviewed and evaluations were being performed at each level and said that everybody would be evaluated. Vice-Chairman Dr. Garza asked what information they were using for the job descriptions. Ms. Gaona stated that they were reviewing the new job descriptions that came in from Nelrod. Chairman Ceballos stated that it was important that they would post all jobs that had been approved under the organizational chart and recommended that they would begin taking applications and not wait until they have a job description because he thought the problem they had in the past was that they did not have a pool and it just stayed under parenthesis to be opened, so if there would be an issue with a particular job description, then they should tell a potential applicant so they can encourage people to apply to those jobs as opposed to start calling whenever they would be ready. Chairman Ceballos stated that they needed to get all jobs posted, otherwise, they would start from scratch and emphasized that they already needed the people.

Ms. Gaona informed that 78 units out of the 152 in Casa Verde were occupied and in reference to Russell Terrace she stated that Ms. Mata provided information about the breakdown of the construction of the 19 duplexes which were at approximately 100% in the rough end and the framing and they had two that would be going up and stated that everything would change every day. Vice-Chairman Dr. Garza mentioned that he could see Casa Verde when he passes through the area every day and that actually the BiblioTech sign looks very pretty at night. In reference to the Balcones property Ms. Gaona stated that as Chairman Ceballos had mentioned, they were estimating to do

the closing around June 22, so they would keep the Board updated and on the Bernal property at 820 E. Price they were estimating to close that day or on Tuesday, May 29, 2018, and they would be sending e-mails to the Commissioners in that regard as they would start the process.

Ms. Gaona made reference to the list of MOUs that was included in the packet about BiblioTech and mentioned that some MOU's had been signed, some had been reviewed and others were pending until August when school starts. Chairman Ceballos stated that they need to push harder on BiblioTech, that they really need to test that pilot and stated that he could not stress it enough to the team that was working on it. Vice-Chairman Dr. Garza asked what exactly. Chairman Ceballos stated that they need to get to implementation and said that they had been in the planning and building for about half a year.

Vice-Chairman Dr. Garza stated that he wanted to know what the memo of understanding said and asked if they could discuss it in executive session. Chairman Ceballos stated that it was not posted, but they could discuss it openly. Vice-Chairman Dr. Garza stated that it would be fine and asked what the issue was with the school districts in regards to the MOUs. Chairman Ceballos asked Ms. Mata to inform the Board in that regard. Ms. Mata mentioned that the issue with the school district was that they were going into summer and were asking to wait until August to implement the MOU and were also asking for BiblioTech to be open to see how many patrons they would have and the type of programs they would want to integrate at that point. Chairman Ceballos asked if it was USD asking for that. Ms. Mata confirmed and stated that they had very little response from LISD. Vice-Chairman Dr. Garza stated that the only boundary LISD would have would be the Early College which is on TAMIU grounds. Chairman Ceballos asked when was the first time they had touched basis with LISD on the MOU. Ms. Mata mentioned that it would have probably been around November. Vice-Chairman Dr. Garza asked who they had contacted at LISD and if it had been Ms. Veronica Castillon. Ms. Mata stated that it was somebody with the Libraries Department. Vice-Chairman Dr. Garza stated that it was probably Ms. Nelly Paez. Ms. Mata confirmed.

Commissioner Dr. Rodriguez mentioned that when BiblioTech staff and Ms. Mata went to LCC, it was first to determine who the target audience would be and what the community would consist of because it would be hard when they go to the school districts, TAMIU and LCC whether the primary population would consist of people not having GEDs or having GEDs or needing to learn, going to Continuing Ed or actually being implemented into a program because when they would look at curriculum and development there would be a whole array of different things, so it would really be determining what the needs would be for that community and said that she was pretty sure any school district, TAMIU, or LCC would be willing and as per the last discussion, it was really identifying what programs would be needed. Chairman Ceballos mentioned that to him it was like a long time and felt that they were dragging on.

Commissioner Ms. Guerra stated that the MOU would be an agreement to offer something and they would also offer something, whether it would be access to their digital library or if we would be providing specific services to the clientele through specific programs. Ms. Mata mentioned that they had a general MOU but the responsibilities would vary depending on the services the provider would have, for example with LCC it would be something more related to education vs if it would be the Workforce Center which would be geared more towards adults. Vice-Chairman Dr. Garza mentioned that when they went before the City Council, he did not hear any of that and said they offered so many titles of books for students to read, a computer service that students could go and use and to study, so that was what he heard, he did hear about curriculum being on the table at that point. Ms. Mata stated that the library would be open and would have digital resources for students to use and also a classroom they would be able to use.

Vice-Chairman Dr. Garza asked Ms. Gaona that if they would offer curriculum it would change the whole scope of things because they could not just walk in and use BiblioTech if they would be having a class at a particular moment, so that would change everything. Chairman Ceballos mentioned that they would have a system for scheduling the use of the lab, so it would get scheduled and they will make available curriculum based program software because they do not have staff to implement it; it would be basically techs that would run the lab. Ms. Mata stated that the curriculum would run off a computer based program and everybody individually who would visit and would want to learn excel they would go into the system and click on excel. Vice-Chairman Dr. Garza stated that there would be no need for a schedule if they would be able to go and do anything with the computer. Ms. Mata stated that the schedule would only be when services would be provided by a third party as an example if Workforce Solutions would go and do something on resume writing, they would schedule them to use the room during that time.

Chairman Ceballos stated that they need to make sure the schedules would go to Early College and the nearest high school in the area, so they would know they would be teaching excel a particular day or resume building and wondered what was problematic about an MOU that would just say they wanted to accept the services and stated that UISD had already given them money to do it and suggested that maybe they would need to do it at a high level, maybe the Board would need to charge it because if it was November when they originally approached the school district, it had been six months and it should not take that long. Vice-Chairman Dr. Garza mentioned that another concern he had voiced was that the beauty of the project was that it would be open to the entire public and asked if residents living in Casa Verde would have some sort of preference at any time or if they would just have to wait. Chairman Ceballos stated that the residents made the project happen, if they did not have Casa Verde development to serve them, the program would not even exist, so they needed to have a true program for them, which was his thought on the curriculum based initiative in the sense of a software that would track their progress and would also show them where they would be weak other than just coming to use it and read because they can go and read anywhere, they would not need to build BiblioTech, so it

was his push for a curriculum based software where kids could go sign in and their reading level would start improving.

Chairman Ceballos stated that frankly and very respectfully he recommended that they needed to get organized and stated that Vice-Chairman Dr. Garza is one of the stakeholders at TAMIU and LHA Board member, they would have to do a better job at layering out and getting the website up, even if it would be a temporary website that would say what would be coming up for the residents, just as what they did for Russell Terrace, as to saying this is what we have and this is what would be coming so that everybody would stay informed. Vice-Chairman Dr. Garza mentioned that the BiblioTech sign actually looks very attractive, that it makes you look and turn at night. Chairman Ceballos mentioned that he knows they are still working on the website and maybe they are thinking about a temporary website that would actually tell people very basically what they would be offering, what they currently have and what they would be working on. Commissioner Ms. Guerra asked whether there was a template that would have the mission of BiblioTech and the objectives. Ms. Mata stated that the landing page for BiblioTech.org currently had the information for BiblioTech. Chairman Ceballos expressed that he feels very frustrated with the project and stated that it was nobody's fault but they needed to turn it back to what they can do and they would have to make those decisions. Commissioner Ms. Guerra stated that they needed to be more focused on what they would want to do with UISD and LISD and said that it seemed it was not so structured by the funding agency and was something that was self-initiated.

Vice-Chairman Dr. Garza stated that resume building was something students needed to know how to do by themselves as they would go out into the real world and they would be surprised how many do not know how to do one. Commissioner Ms. Guerra mentioned that she was very excited about the project because it would be there available as an empowerment tool for some of the clientele of the Housing Authority. Ms. Mata stated that they would be meeting right after the Board meeting to finalize the implementation of the new website. Chairman Ceballos stated that in retrospect there was still a lot of work to do on the website and suggested that they might just have an interim website and stated in reference to the school districts that if they were not ready to join them fully, they should just go on with what they would be offering, but if they say that they do not know about LISD, well he would not blame the school districts because they would not be working through the summer to try to accommodate them and stated that they needed to have anticipated that. Chairman Ceballos mentioned that he had not seen the sign at night. Vice-Chairman Dr. Garza mentioned that it is very nice and attractive.

Chairman Ceballos mentioned that he would be happy to write an e-mail and visit with Mr. Santos at UISD and if anybody else would want to join him, to please do so and stated that it would probably not happen during the summer and also mentioned that he did not see Literacy Volunteers of Laredo in the list of MOUs and asked if they knew where they were located and if they were at LCC. It was confirmed. Ms. Mata mentioned that they had met with them, but they did not have the staff and they went to their Board, but they do not have the staff to take on the project and they were still

working with them and stated that she does not believe they are staffed by LCC. Commissioner Dr. Rodriguez mentioned that they have staff members at LCC that work with Literacy Volunteers of Laredo and asked if it was that what was pending. Chairman Ceballos stated that they had not gone past beyond them saying we will work with you, and said that he had been hearing that for the past three months and maybe Commissioner Dr. Rodriguez would help to encourage them to work on implementing the project and stated that the Board or the Directors had not restrained financially on the project, so if they would want to get paid to help in the implementation, maybe they would consider paying them to go and do a training once a month, so Chairman Ceballos wondered why they would not come to the meetings and stated that maybe it was a cultural issue with nonprofits sometimes and he did not mean to say it was what was happening.

B. Recognition for Guadalupe Gonzalez retiring employee with 21 years of service.

Chairman Ceballos expressed appreciation on behalf of the Board of Commissioners and the staff to Mr. Gonzalez for all the time he dedicated to Laredo Housing because for somebody that worked more than 20 years it would be like being part of a family and stated that they were very grateful and wished Mr. Gonzalez the best. Mr. Gonzalez also expressed his appreciation for the recognition and for the opportunity to work for Laredo Housing. Chairman Ceballos asked Mr. Gonzalez if he had worked directly with Poncho, Alfonso Treviño. Mr. Gonzalez confirmed. Alfonso Treviño, CFP Coordinator, presented a plaque on behalf of Laredo Housing to Mr. Gonzalez and also expressed his appreciation for having worked with him for so many years in different positions within the department. Chairman Ceballos wished Mr. Gonzalez the best for him and his family.

9. ACTION ITEMS

A. Discussion and possible action to approve the certification of the Section 8 Management Assessment Program (SEMAP) for Fiscal Year ending March 31, 2018, as presented by staff, and the Executive Director SEMAP Submission Certification to the U.S. Department of Housing & Urban Development (HUD) and Resolution No. 18-R-9.

Bertha Galvan, Interim Section 8 Administrator, presented to the Board and stated that she would like to present and ask for approval of the SEMAP certification for the Section 8 Housing Choice Vouchers for Fiscal Year ending March 31, 2018 and stated that they had completed the review of the SEMAP Certification and were ready to submit the Certification on the deadline which was March 31, 2018. Chairman Ceballos asked what level or performance status would they be as per the certification. Ms. Galvan mentioned they did not have the score yet and were expecting to receive it from HUD by the end of July and according to the review, they were expecting to receive standard to high performance. Chairman Ceballos stated he would expect high performer please, not standard.

Ms. Barrientos mentioned that she had contacted the HUD office the day before the meeting in reference to one of the indicators, the lease up which was based on the budget authority so they were basing themselves on the budget authority to get 20 to 15 points or zero points and they told her that FMC, which is the Financial Management Center that controls the money they would be awarded, would get the information until the end of June and they would notify them in July about the score for SEMAP whether it would be standard or high performer. Chairman Ceballos asked if there were any concerns for the lease up. Ms. Barrientos responded that they did in a way and said it was what she had talked to HUD about and she was told not to worry. Chairman Ceballos stated that they had been high performer, that they had not been standard and mentioned that they needed to stay high performer. Ms. Barrientos stated that 15 points would be 95 or above and they were at 94.9 so that was what she asked whether they would round it up or if it would be bad and she was told that most likely they would round it up, but they would find out until June and Ms. Barrientos was told that she could try calling them, but they would probably would not be able to inform her before July. Ms. Barrientos stated that she would still be calling in June.

Chairman Ceballos mentioned that in reference to the lease up, he really thought about creating an initiative that maybe would house veterans, which would specifically pull veterans and maybe they could house more and stated that what was happening was that they had a lot of vouchers that were being underutilized and asked how many they currently had available. Ms. Barrientos stated that they had 100 vouchers. Chairman Ceballos mentioned that there were too many, that they needed to really push hard. Ms. Gaona mentioned that they also needed to look at the funding, at the budget authority which was affecting them because they were looking at the budget authority for the lease up and stated that sometimes budget authority would arrive until June. Ms. Barrientos mentioned that as of April they were over 100%. Chairman Ceballos asked if they needed to start considering reducing the payment standard and recommended them to make that analysis because they would be losing vouchers at the end of the year due to there being a chance that the government would not fund the vouchers that are not being used, so the only other option to keep the vouchers would be to reduce the payment standard and recommended to Ms. Gaona that the analysis be made due to being mid-year and they could still save some of the vouchers.

Chairman Ceballos asked if they had done an increase in the payment standard. Ms. Barrientos responded that they did increase it, but that it was in the fair market rent, which was still at 90%, but it was a bit higher from last year. Chairman Ceballos asked how many months it would take to implement if next month they would come back with a reduction of the payment standard, whether it would be 60 days; what he was saying was that if they would reduce the payment standard the budget authority used, it could not be done immediately, but if they waited 60 days they could probably do it beginning in August, so it would be an important analysis to make and asked if Ms. Galvan understood. Ms. Galvan confirmed.

Chairman Ceballos moved to approve the SEMAP Certification as presented.

Commissioner Dr. Rodriguez seconded.

Motion passed unanimously.

- B. Discussion and possible action to amend the Pet Ownership Policy for the Housing Authority of the City of Laredo and adopt resolution No. 18-R-10.**

Rafael Vidaurri III, Director of Housing Management, presented to the Board and stated that they had brought the item before the Board based on some feedback they got from the residents and some of the meetings they had attended and they looked at the fact that there was a bit of concern from the elderly as well as from the disabled population and they want to ensure that the Pet Ownership Policies would be facilitated because the pets provide a lot of companionship as well as emotional support for the disabled when necessary, so they want to make sure that the policy in no way would present a barrier to that; therefore, they were proposing some changes and one of the things they also added had to do with not having a procedure or actual notification of the registration for the animals; they must register the pets with the City of Laredo and would also want them to be registered with housing as well as to track them and also to implement a \$25.00 fee should LHA maintenance staff need to pick up any animal waste.

Chairman Ceballos asked Mr. Vidaurri to provide the Board with a summary of the number of pets and the highlights of the policy. Mr. Vidaurri mentioned that he did not have a number of pets, but would gladly provide a summary of some of the major highlights. First of all, the policy requires that pets be kept inside the dwelling unit and only one cat or dog would be allowed, the dogs and cats should be small, maximum of 30 lbs. and 15 in. tall and in regards to the deposits and the fees, it would be \$150.00 one-time deposit and a \$90.00 annual fee and the pet would need to be registered with the City of Laredo annually which would include microchips and all vaccinations. When a dog would be out of the unit it should be on a leash and also when it is walked, it must have a collar at all the times with the name and the address of the owner, so those were the major points of the policy Mr. Vidaurri stated. Chairman Ceballos mentioned that there were issues coming up in Russell Terrace as they were removing fences which would probably not be put back and stated that based on the policy which was from 2013 there was a lot of non-compliance. Vice-Chairman Dr. Garza mentioned that his concern was the big dogs. Chairman Ceballos stated that while he was visiting the construction site at Russell he was invited to a meeting, so they set up a meeting with the resident council and the residents and stated that he kind of informed them about the policy and what was coming and stated that frankly most of the people were very supportive of the information and mentioned that there were some people who have a lot of dogs and they know that according to the policy, they are already in non-compliance, so Chairman Ceballos mentioned that the Managers who were present at the Board meeting would have to enforce the policy which is obviously just a piece of paper unless it is enforced, so he said that it would be a fresh opportunity to enforce it at Russell Terrace and mentioned that what he had learned in visiting with the Russell Terrace residents was that the elderly were paying \$90.00 a year and the change would be to waive it. Chairman Ceballos stated that

they had a full waiver on the deposit, but was thinking that maybe they would consider \$25.00, something symbolic, so that at least they could report that they have a dog and mentioned that it would be up for discussion during the meeting. Commissioner Ms. Guerra stated that the fee could be on a scale, but at least for them to invest something, even if it would only be one dollar. Vice-Chairman Dr. Garza asked if residents are informed about the pet policy when they first come in and apply for housing and if there is an inspection after they move in. Ms. Gaona confirmed and stated that there should be a unit move in inspection. Chairman Ceballos asked if residents sign the policy. Mr. Vidaurri confirmed that they do sign the actual cover sheet of the pet policy form when they first come in or during the annual certification. Vice-Chairman Dr. Garza asked if anybody would go in and inspect when tenants move in. Ms. Gaona mentioned that there should be a move in inspection. Vice-Chairman Dr. Garza asked that if there would be no dog and then all of the sudden a dog would pop up, what action would need to be taken because what if there would be an elderly or disable person and the dog would get away and would mull somebody. Chairman Ceballos mentioned that he agreed and stated that he would suggest something on the form because the reason he asked Mr. Vidaurri to highlight to the Board was because it was tough to read so he recommended to put the important highlights or summary in the front so that when residents would be signing, the information would be there in the front saying that it would only be one dog allowed, the poundage, etc. Vice-Chairman Dr. Garza recommended to format the information with bullets so they would see it right away. Chairman Ceballos stated that it was their policy and could format it as they wished. Mr. Vidaurri mentioned they would prepare a summary with the highlight of the most important criteria and would have them sign for it. Chairman Ceballos mentioned that he had never rented where he had been required to sign something like the policy. Mr. Vidaurri stated that Project Managers present at the meeting could testify that enforcement was a bit of a challenge. Chairman Ceballos asked what the challenge was. Mr. Vidaurri responded that the owners are not sometimes forthcoming and managers would do their daily rounds and would try to see what is inside, but sometimes the dog would be hidden, so they would find out when they hear a bark. Chairman Ceballos stated that culturally they needed to empower the Managers to execute because if they would make excuses, that would be the reason they would not believe them if they do not enforce it like when they get behind on rent, residents would say they would give them a chance and would let them pay, so that would be why they need to enforce it. Chairman Ceballos stated that it was the reason when residents see him, they want to talk to him because they think he is at the end of the line and in some respects policy wise he is, but the Managers are the end of the line on the decisions. Commissioner Dr. Rodriguez mentioned that it was her question as to who would enforce the policy, especially that they would have to vaccinate the dog once a year and wondered who would provide the documentation and make sure dogs would be in compliance. Mr. Vidaurri mentioned that the enforcement leg or arm of the policy was at the basic level with the managers, so the managers are empowered and they would have to follow through and it would also be in the policy change with regards to the registration, he said that it should not just be that they would rely on the property owner as to whether the pet is registered, they would need to have proof because if something

would happen and the owner would not be available, they would have proof in the files in case law enforcement would get involved they would have the documentation. Vice-Chairman Dr. Garza asked in reference to somebody lying and being caught with a big dog, what would they do to the resident. Mr. Vidaurri mentioned that under the policy they have progressive steps to handle it with regards to warnings and sitting down for conferences with the individual which would lead ultimately to the forcible removal of the pet or if it would progress, to the forcible removal of the tenant. Vice-Chairman Dr. Garza asked how long it would take. Mr. Vidaurri stated that what the lease allowed under certain criteria would approximately be 30 days from beginning to the end and the level of the infraction would depend on the number of days they would have for certain criteria, so for something like this they would be looking at a 30-day span. Chairman Ceballos mentioned that Ms. Martinez from the Central Resident Council was present and stated that the resident councils are leadership and they would need to conform to it because it obviously happens that at Russell Terrace the leadership has more dogs than the policy allows, so that needs to be worked through also. Chairman Ceballos stated that he had dogs and Vice-Chairman Dr. Garza mentioned that he was in favor of pets. Chairman Ceballos stated that all of them were in favor of pets because people get attached and now the residents who have three dogs would tell their kids that the policy says they would lose two and mentioned that there was a difference between that and somebody having a pit bull chained up in the back, a big difference, so the Managers will have to use their judgement, but will have to enforce the policy and said that they would not have a choice with Russell Terrace, they will have to enforce and document exceptions and mentioned that what he had talked with the residents in regards to having a reason to keep more than one pet, maybe it would be grandfathered in, but as soon as the pet would pass, they would not be able to replace the pet and if it would be a pet that already exceeds the 15 in. and the poundage, they will have to conform and also if it would be a pit bull that is not allowed by the policy. Mr. Vidaurri confirmed and added that no vicious animals would be allowed. Attorney De Anda asked which dogs besides pit bulls were vicious. Mr. Vidaurri responded that the City of Laredo defines that criteria and said that they were looking at pit bulls and dobermans. Attorney De Anda recommended to include it in the policy.

Chairman Ceballos asked where they would like to set the deposit and mentioned that he would like to have the annual fee waived for the elderly and the disabled residents if they were all to agree and asked what deposit would they like to consider for the elderly and the disabled and stated that it was expensive to have a dog and that what they were considering was cheap because the City was more expensive due to requiring all kinds of other things and stated that Commissioner Ms. Guerra had mentioned something nominal and asked what they thought would be fair for the elderly. Commissioner Ms. Guerra mentioned that \$10.00 would be fine. Chairman Ceballos asked what would be fair for the elderly and stated they would pay it one time only. Mr. Vidaurri stated that it was a one-time deposit. Chairman Ceballos mentioned \$15.00 and stated that they had also included the \$25.00 which he thought was fair if they would be cleaning after a dog. Commissioner Ms. Guerra stated that residents could clean after their pets and also asked about fleas and ticks, if there was

a fee in case they would have to go and fumigate. Mr. Vidaurri stated that for cases of fumigation of fleas and ticks the tenant would be charged because it would be going above and beyond the typical fumigation services. Chairman Ceballos mentioned that tenants at Russell Terrace were complaining that fumigation was not good enough annually and suggested to the Managers present that if they had problems with the company to change the company and stated that it was what they meant to empower Managers, that if they had problems with the company, then for Managers to request a different company because they were hearing the complaints a year after. Attorney De Anda mentioned that they would have to be careful that they would not push them so much that they would over fumigate. Chairman Ceballos stated that the residents do not fumigate, that fumigation is done through Housing once a year. Attorney De Anda stated that it was what he meant that they would not push the fumigators so much to where they would over fumigate.

Chairman Ceballos moved to make the changes to the policy as referenced and to set the deposit at \$15.00 for the elderly and disabled tenants and to waive the annual fee.

Vice-Chairman Dr. Garza seconded it.

Motion passed unanimously.

Mr. Vidaurri thanked the Commissioners for their guidance.

- C. Discussion and possible action on the renewal of the Blue Cross Blue Shield employee group health insurance plan.**

Ms. Gaona presented to the Board and stated that they have Blue Cross Blue Shield employee group and that it came in at the same level and did not change in cost. Chairman Ceballos mentioned that he saw she negotiated them back to that level and expressed that he appreciated it and asked if they were at the same deductible, whether everything remained the same. Ms. Gaona confirmed.

Commissioner Dr. Rodriguez moved to approve the renewal of the Blue Cross Blue Shield employee group health insurance plan.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

- D. Discussion and consideration to authorize the creation of legal entities as appropriate, including an entity that can serve as a developer and builder of affordable housing.**

Chairman Ceballos stated that he had asked Attorney Poneck to start looking at the potential of new nonprofits which they had kind of covered at the last meeting and mentioned that they were out of charitable organizations or 501C3 nonprofits and he thought all of them now had a project, so they were getting to a point where they might need to have other nonprofits not only to reduce liability, but also to carry out work in the most efficient and low cost way, so he asked Mr. Poneck for an update.

Attorney Poneck mentioned that they just needed to keep in mind that there were ways to create entities, that there were different laws they could look upon to create entities and in order to accomplish what they had as a vision they needed to look at not only creating the entities, but also making sure that the funding source would be amiable as to how they would use the entity and they would have to refine the thinking as to what it was that they would ultimately want to do and then trying to hopefully find a paradigm already in existence that had been accepted and try it, if not, he would recommend that they talk to essential parties that would be looking at and checking the systems like HUD for example to make sure that they would not have an issue at whatever they would be doing because they would be trying to be creative and HUD, in its regulations and notices he was provided, is encouraging the housing authorities to do it, but beyond the notices they received, there was not a lot of detail as to what would be acceptable.

Chairman Ceballos mentioned that he had a conversation with Arturo Garcia at the City that week and stated that CDBG could be used for particular projects that would be community based organizations or the nonprofits and they would allocate funds directly to those nonprofits and the qualification of community based development organization CBDO was neighborhood based and the reason they could do that was that if they would do a project in this neighborhood they could give them straight money from CDBG HUD money, but that would not help them with what they would have to do at other neighborhoods, so what Chairman Ceballos wanted was to maybe have a hybrid where maybe it would not be a CDBO, but a community housing development organization and said there were these projects where funding was being allocated and they needed to make the decision over what entity they would like to have on the one side and the other side would be the liability side and stated that as they build Russell Terrace, that nonprofit owns those assets and asked if they would want to expose those assets as they would build other projects and the answer would probably be no; they would want to create a separate entity that would hold other projects and the third issue would be that their building could potentially cost them and would cost more than most construction because of the requirements, so the construction is very important for Chairman Ceballos and if they would do redevelopment and would be redeveloping at \$50,000 to \$60,000 buckets of projects, that they would free up some of those policies in that organization and maybe the Board would not be the entity that would do it, maybe there would be a representation, but there needs to be that vehicle, like what Habitat is and what Metro Affordable Housing used to be to the Housing Authority, so those would be decisions that if they would have another project and they have one nonprofit, the development organization that only has one small project currently and he would not want to create more liability for Russell Terrace or for the nonprofit that has Casa Verde, so they really have one other nonprofit; therefore, they really need to make a decision and stated that Mr. Poneck would probably need to do more research.

Chairman Ceballos mentioned that, for example, if they were to take the Bender Hotel which had been offered to them, if they would build it as a Housing Authority, they could increase the cost easily 15 to 20 percent, but if they had a construction company

or construction firm that would be its own entity, they could procure as a non-profit does, as Habitat and NeighborWorks do without having to go through the whole procurement system that costs a lot of money or adds 15% to 20% to the project which Chairman Ceballos does not see as creative and it may not be the norm how the Housing Authority does it and if they would not do it, then everything they would do will be marked up 15 to 20 percent before they even start. Commissioner Ms. Guerra asked if it would be because of HUD regulations or because of what they would need to comply with construction. Chairman Ceballos stated that it was because everything above \$25,000 would require a bond and only certain companies can get a bond and they had learned that they were very limited and actually those that had bonding were almost maxed out or contractors were very small, so it would be the same people. Commissioner Ms. Guerra mentioned that it was because it is a small community. Chairman Ceballos mentioned that if they would look at the 820 Price property which may end up being 1000 sq. ft., it would be a small project, no more than 2,000 sq. ft., so if they multiply that by \$100 per sq. ft., it would be \$100,000.00 so in order to build that small project they would need to hire people that would be bonded and he did not think that they would need to do that to assure quality, they could relax he said that through the organization they could relax that, maybe they would decide somethings would be bonded and as the Board, they would decide they would only hire bonded people on the air conditioning and the plumbers, they could decide that, but currently they did not have a choice. Commissioner Ms. Guerra asked if he meant that there were other ways to assure quality from people who would not be bonded. Chairman Ceballos mentioned that they were already doing it at Russell Terrace because of the system they were using there for construction and mentioned that if they would ask Habitat to build for them at the property on 820 Price, they would do it cheaper and they could go to Neighbor Works and they would also do it cheaper because it would be their choice to get bonded or not, they should get to a point where they might have a non-profit and talked about the example when they thought of having a rotary foundation, there would be some representation, but it would be its own entity. They never went thru with it, but to him it would just make sense and stated that with Metro Affordable they had quality control measures to assure they did things right, but they did not have all the overhead and one of the largest overheads would be in the staff time by pushing papers and having meetings on planning for 60 days which would be an additional cost because they would be paying the people, so he mentioned that he had shared with Mr. Poneck the fact that they do not have a lot of time before they would have to make a decision or else they would just come back and build through the Housing Authority and then manage exposure from a liability because they just have the development organization left which has the Balcones apartments and asked whether they would add another project to it, so Chairman Ceballos stated that it was time to create another nonprofit and really entertain a separate entity to handle the construction and it could be the one that would meet the criteria for HUD funding and mentioned that it would get very technical because the IRS now has a designation for community development entities and said that it would not be the same classification that HUD uses, it would be a separate one, so they would have to look at how they would meet both and would not miss out on funds or qualifying for a program.

Chairman Ceballos stated that he would like to ask from the Board to entertain a decision to form another development organization and then separately to ask Attorney Poneck to look at how they would create a development construction firm whether it would be through their unit or independently and if it would be independent, they would not have to be involved, somebody else would have to do it, but they would have to lead, so for him it would be at least to form one other nonprofit and start to get the ball rolling and secondly to look at the construction firm as well and wondered how the Commissioners felt or if they had questions. Vice-Chairman Dr. Garza stated that he agreed with Chairman Ceballos and asked if they could discuss it further. Chairman Ceballos stated that they did not have it posted and asked if he would want to discuss it in open session. Vice-Chairman Dr. Garza asked if they were to create the new entity, what would it be called. Attorney Poneck stated that if they wanted to discuss it in closed session they could because every item they had in the agenda could be moved to a close meeting as long as it fit one of the exceptions and consulting with the attorneys would be one. Chairman Ceballos asked if Vice-Chairman Dr. Garza wanted to do that. Vice-Chairman Dr. Garza confirmed.

Chairman Ceballos moved to take items 9D and 10A into executive session.

Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

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

The Board of Commissioners for the Housing Authority of the City of Laredo reserve the right to adjourn into Executive Closed Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, including Sections 551.071 (consultation with attorneys), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development).

A. Consultation with attorney regarding consultant's claims.

Chairman Ceballos called all the Board of Commissioners, the Executive Director and Attorneys Mr. De Anda and Mr. Poneck to go into executive session.

The Board entered into executive session at 1:40 p.m.

The Board reconvened from executive session at 3:22 p.m.

11. ACTION ON ANY CLOSED SESSION ITEM

Chairman Ceballos stated that for the record no action was taken in executive session and mentioned that on item 9D no action would be taken and in that regard they would ask Attorney Poneck to come back with some additional advice. On item 10A Attorney Poneck

stated that he had no recommendation regarding that matter and stated that he would proceed as they had discussed in closed meeting. Chairman Ceballos thanked Mr. Poneck.

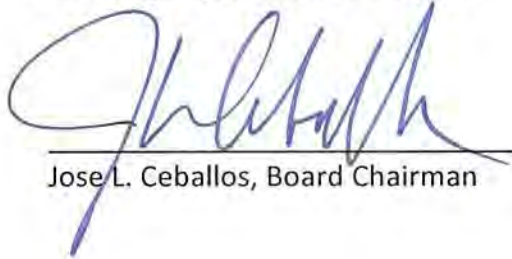
12. ADJOURNMENT

Chairman Ceballos moved to adjourn the meeting.

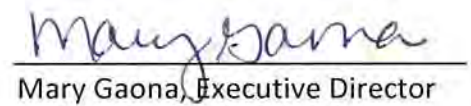
Vice-Chairman Dr. Garza seconded the motion.

Motion passed unanimously.

Meeting adjourned at 3:23 p.m.



Jose L. Ceballos, Board Chairman



Mary Gaona, Executive Director