

**MINUTES OF REGULAR MEETING
OF
HARRIS COUNTY HOUSING AUTHORITY**

Houston, Texas

June 11, 2014

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 11th day of June 2014, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 11:16 a.m., and the roll was taken of the duly constituted officers and members of the board:

Kerry Wright	Chairman	Present
Joe Ellis	Vice Chairman	Absent
Roberto Gonzalez	Commissioner	Present
Gerald Womack	Commissioner	Present
Joe Villarreal	Commissioner	Present

Attending for all or portions of the meeting was Douglas Ray from the County Attorney's Office as counsel. Present additional attendees included the following:

Tom McCasland, Horace Allison, Paula Burns, Beverly Burroughs, Paul Curry, Katie Thomson and Kristen Domeracki of Harris County Housing Authority; David Riddle, Wanda LeBlanc and Jayme Fraser were also in attendance.

ADMINISTRATION OF THE OATH OF OFFICE TO NEW COMMISSIONER

Chairman Wright opened the meeting by introducing HCHA's newly appointed Commissioner, Joe Villarreal. Chairman Wright read the Conflict of Interest Statement that Commissioner Villarreal signed. Commissioner Villarreal then read his Oath of Office and proceeded to present background information about his education, profession and involvement in the community.

APPROVAL OF MINUTES FROM MAY 14, 2014

Chairman Wright moved to approve the minutes from the May 14, 2014 board meeting, Commissioner Gonzalez seconded, Commissioner Villarreal abstained, and the motion carried.

PUBLIC COMMENT

Former Commissioner David Riddle expressed his gratitude for HCHA's Board of Commissioners on behalf of Commissioner Cagle and welcomed Commissioner Villarreal. The Board thanked Mr. Riddle for his work during his time on the Board. Mr. Riddle then led the meeting's attendees in a prayer and the pledge of allegiance.

CHIEF EXECUTIVE OFFICER'S REPORT

Tom McCasland began his report by giving an update on HUD's response to HCHA's proposed repayment agreements for five corrective actions, which have all been accepted. Commissioner Womack asked Mr. McCasland if the repayments would give HCHA a clean bill of health or if other repayments would still be needed. Mr. McCasland confirmed that HCHA has no further financial repayment obligations to HUD at this time. Commissioner Womack congratulated Mr. McCasland and the HCHA team on a job well done.

Mr. McCasland then gave an update on HCHA's VASH program, which he hopes will be fully leased by July 1, 2014. The authority requires 10 referrals per month to be fully leased; however, the number of referrals HCHA has currently received from the VA has been insufficient to keep HCHA fully leased.

Mr. McCasland also gave an overview of HCHA's housing quality standard (HQS) inspections. After going to inspect the units first-hand, Mr. McCasland said HCHA will be undertaking several new initiatives to move more tenants to higher quality rentals. The authority is also waiting for approval from HUD to transition to biennial unit inspections, which, HCHA plans to use to set a higher expectation for landlords and the quality of the units.

Mr. McCasland introduced a proposal to change HCHA's subsidy standard to benefit families with school aged children. The plan proposes to subsidize zip codes at 110% that are both home to top rated schools and have FMRs at or above 109% of the county-wide FMR. With this plan, HCHA hopes to use its housing dollars to end the cycle of poverty for school aged children by making an exemplary education more accessible to their families. Commissioner Womack noted that some owners might refuse tenants on Section 8 in these areas, and Mr. McCasland assured him that he is willing to talk to concerned landlords directly if necessary. Chairman Wright asked which areas HCHA would be subsidizing. Mr. McCasland listed areas including Bellaire and Northwest Houston, and said HCHA would bring a completed map to the next board meeting when the proposal is finalized. Chairman Wright complimented the idea of giving clients access to better school districts and said he looked forward to hearing more about it. Mr. McCasland also introduced a plan to hire a broker with extensive GIS data capabilities to help find apartment complexes HCHA could purchase in these areas. Wanda LeBlanc shared her suggestions for compiling data, and Mr. McCasland thanked her.

Mr. McCasland presented an update on HCHA's current office lease and proposed to negotiate at least a year extension on the contract. Chairman Wright asked if the negotiation would be presented at the next meeting, and Mr. McCasland assured him it would be discussed as soon as any contract was ready for execution.

BOARD ACTION ITEMS

Discussion and request to pass a resolution approving a revocable license for use of the second floor of the HCHA offices.

This license allows the Department of Veterans Affairs to house employees in HCHA's upstairs offices. The VA's current office contract offsets utilities, security and other non-rent expenses for HCHA. Commissioner Villarreal inquired if the Board's legal counsel, Doug Ray, had reviewed the resolution to see if it was clear of any legal issues, which Mr. Ray confirmed. Chairman Wright moved to approve the resolution, all were in favor, and the motion carried. (Resolution 14-27)

Discussion and request to approve or deny a resolution allowing a contract for copier services.

This contract allows HCHA to sign a new or renewed contract for copier services. Mr. McCasland suggested that the resolution be tabled until a new lease agreement is finalized. Chairman Wright moved to table the resolution until further notice, all were in favor, and the motion was tabled.

FINANCIAL AGENDA

Paul Curry presented the financial statements from April 2014 and answered the Commissioners' questions. Mr. Curry then gave an update on HCHA's REAC submission, which is on track to be submitted to HUD before the deadline. All programs except the Mod Rehab program currently have positive cash flow. The Mod Rehab program's deficit should be corrected by an end of the year settlement with HUD. Total revenue is at 102% of the budgeted amount and operating expenses are 10% under budget. The only expense that went over budget was postage. The \$2,000 overage in postage was due to the 3,000 interest letters that were mailed to new clients coming off the waitlist in May.

ADMINISTRATIVE AGENDA

Paula Burns reviewed the status of properties within the Affordable Housing Division. All properties are at least 95% leased. Each of the properties is hosting different activities this month to celebrate Father's Day, and The Good Neighbor program will be launching different services for residents at Waterside Court and Magnolia Estates. Each of the concerns voiced by the residents at Sierra Meadows at the last Board meeting were also addressed and resolved.

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 95% of HCHA's annual budget authority, VASH is at 91.3%, SRO is at 97% and the Mod Rehab program is leased at 88% of authorized vouchers.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA will start receiving bids for sub-contractors on Westlock in mid-July and will close bids out in August. Construction rates have increased and HCHA is both working with HCCSD and proactively looking into addition funding if needed. The project is expected to last 12 months, but there is some concern that the inflated construction rates will put the project's bids over by \$1 million. The midtown project is still being discussed and the first of five homes selected for the Amy Young Barrier Removal program was recently completed. Commissioner Womack commended the program and said he would like for Houstonians to know what kind of impact

commended the program and said he would like for Houstonians to know what kind of impact the program is having in the community.

Wanda LeBlanc presented information regarding the Harris County Jail Diversion Program. Currently, Texas does not have a service model to effectively serve people with mental instability issues who regularly cycle through jails. This pilot program aims to serve this demographic over the next five years by giving new clients both treatment and housing. The program will work with HCHA and Houston Housing Authority to get 100 Housing Choice Vouchers for these clients. Commissioner Womack commended Ms. LeBlanc for the actions the program has taken so far and the direction it is heading.

EXECUTIVE SESSION

The Board went into executive session at 12:52 p.m. to discuss matters with HCHA's attorney regarding pending litigation, contemplated litigation and the value or transfer of real property.

The Board of Commissioners reconvened into public session at 1:38 p.m.

Discussion and request to approve or deny a resolution authorizing the execution of an offer letter and the negotiation of a sales contract for the acquisition of land for affordable housing with a preference for jail diversion.

This resolution authorizes the Chief Executive Officer to execute an offer letter and negotiate a sales contract to develop a permanent supportive housing development to house individuals participating in Harris County's Jail Diversion Program. Chairman Wright moved to approve the resolution and Commissioner Gonzalez seconded. All were in favor, and the motion passed. (Resolution 14-28)

ADDITIONAL BOARD ACTION

None.

COMMENTS BY COMMISSIONERS

None.

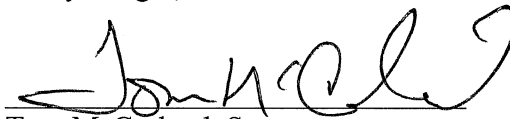
ADJOURNMENT

Commissioner Womack moved to adjourn at 1:42 p.m. Commissioner Gonzalez seconded, all were in favor, and the motion carried.

Adopted and approved this 16th day of July 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary