



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

Houston, Texas

October 16, 2019

**THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §**

I. CALL TO ORDER AND RECORD OF ATTENDANCE

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 16th day of October 2019, at Harris County Housing Authority (HCHA), located at 1933 Hussion Street, inside the boundaries of Harris County in Houston, Texas. Chairman Womack called the meeting to order at 1:32 p.m. and called the roll of the duly constituted officers and members of the board:

Gerald Womack	Chairman	Present
Dr. Adriana Tamez	Commissioner	Present
Joe Ellis	Commissioner	Present
Joe Villarreal	Vice Chairman	Present
Kerry Wright	Commissioner	Absent

Attending for all or portions of the meeting were Horace Allison, Chief Executive Officer of HCHA, and Scott Lemond from the County Attorney's Office as general counsel to HCHA. Additional attendees present included the following:

Samson Babalola, Beverly Burroughs, Ana Candelario, Paul Curry, Debra McCray, Zayyana Shehu, and Vivian Clark of HCHA; Kim Brode, Mercedes Sanchez, and Nicole Seymour were also in attendance.

II. OPENING PRAYER AND PLEDGE OF ALLEGIANCE

Commissioner Dr. Adriana Tamez opened the meeting with a prayer, followed by Commissioner Joe Ellis, who led the Pledge of Allegiance, and Vice Chairman Joe Villarreal, who led the Texas Pledge.

III. APPROVAL OF MINUTES FROM AUGUST 21, 2019

Commissioner Dr. Adriana Tamez moved to approve the minutes from the August 21, 2019 Board meeting, Vice Chairman Joe Ellis seconded, and the motion carried.

IV. PUBLIC COMMENTS

All the County Commissioners representatives gave congratulatory comments regarding The Villas at Eastwood and the new office location.

V. CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Allison presented his report on The Villas at Eastwood Office Relocation, Exploration of Water Conservation Projects, Program Eligibility Requirements - Coalition for Homeless, New Market Tax Credits - Formation of Community Development Entity (CDE), Baybrook Refinance Opportunity, Primrose Purchase, Legal Services - Distribution, Office Space Financing, Housing Options - Harris Health, Veteran Housing - Commissioner Ellis' Office, Conference call with Judge Hidalgo's Office, Doing Business with Harris County - Commissioner Garcia's Office, Real Estate Development - minority Participation, National Association of Housing and Redevelopment Officials (NAHRO) Conference, and the HCHA Monthly Report.

Mr. Allison thanked the staff for their hard work with relocating to the new office. HCHA officially moved on September 16, 2019. Mr. Allison discussed some of the relocation activities that occurred in moving from the old office location and to the new office location. Mr. Allison updated the Board on the leasing activity for The Villas at Eastwood and Homeless Navigation meeting scheduled to be conducted at the Beacon Center in November 2019. Currently, 36 of the 110 Project-Based Vouchers (PBV) units are leased; 24 of the 70 Affordable Housing units are leased, and 2 of the 20 Market Rate units are leased. The goal is to have all units occupied by December 2019.

Mr. Allison noted that HCHA is exploring the feasibility of Energy Performance Contracting - Water Conservation project(s) for the Affordable Housing Development inventory. The U.S. Department of Urban and Housing Development (HUD) has a program where consultants evaluate the water usage and determine if there is a need to upgrade plumbing fixtures/fittings and to determine the financial feasibility of each project. HCHA is open to participate in this evaluation.

Mr. Allison also noted that the Coalition for the Homeless asked HCHA to reduce the lookback time on criminal history from 60 to 36 months. HCHA has honored this request, and the Administration Plan has been updated to reflect this change. This will assist HCHA in obtaining more referrals for the Villas at Eastwood and aid in our leasing activities.

Mr. Allison informed the Board of the formation of the Harris County - Community Development Entity (CDE) Board. The New Market Tax Credit program provides funding for commercial, single-family residential, and multi-family development projects and job creation in the community. HCHA is represented by the HCHA CEO on this Board. An investment strategy has been created, which targets commercial and housing-related activities.

Mr. Allison discussed that Baybrook Park needs to be refinanced by 2020 year-end. Mr. Allison highlighted the current loan's financial terms. Coats Rose will assist with the refinance and tax credits, if necessary. In addition, the investors for Primrose at Heritage Park have asked if HCHA would like to exercise the first right of refusal option. This property will need substantial upgrades. Coats Rose would also assist on this property. Mr. Allison also discussed the shared work arrangements between Coats Rose and The Banks Law Firm related to the Affordable Housing Program.

HCHA staff has been working diligently to secure bank financing for the HCHA central offices located at The Villas at Eastwood. Mr. Allison identified the various banks contacted and discussed the term sheets that each bank has submitted. HCHA is looking for a loan between 2.8 to 3.8 million dollars. Chairman Womack offered additional banking institutions to consider.

Mr. Allison mentioned that he met with Harris Health. This meeting was to determine if HCHA would be able to partner to create housing for individuals released from Ben Taub Hospital. HCHA staff will set up a meeting with the Coalition for the Homeless and Ana Rausch. In addition, HCHA has also met with the Harris Center. Similarly, the Harris Center is looking to assist Veterans with housing and to explore options of partnering with HCHA to develop housing.

Mr. Allison informed the Board that a request to discuss HCHA's budget, the vacancy on the Board, and housing was requested from Judge Hidalgo's Office. Mr. Allison met with Judge Hidalgo's office and provided the requested information along with HCHA's goal and objectives. Mr. Allison was invited by Commissioner Garcia's Office to give a presentation at a sponsored symposium on "Doing Business with Harris County." Mr. Allison provided an overview of the symposium.

Mr. Allison attended the National Association of Housing and Redevelopment Officials (NAHRO) conference in San Antonio. Mr. Allison learned that less than 1% of housing developer companies are minority-owned or controlled. Therefore, when Request for Proposals (RFP) are advertised, there is a limited resource pool of minority developers that can reply. Hudson Real Estate Advisory Group was at the NAHRO conference and is seeking to develop a program to grow young developers in the minority community. This organization is working on a pilot program that seeks out youth interested in becoming developers. A part of the plan would be to give the young developers partial control in the development. HCHA was approached to participate in this pilot program. In addition, Mr. Allison reviewed the different topics discussed at the conference.

Lastly, Mr. Allison reviewed the Monthly Reports for July and August:

Annual recertifications are being processed timely. Two hundred eighty-eight (288) vouchers were issued. 100% of invited families are attending the briefing. Inspections are being performed timely. July HAP fund utilization for HCV/VASH is 93%. August HAP funding utilization of HCV/VASH is 94%. Mod Rehab is 100% for both months. July SRO is 131% and August SRO is 96%. The voucher utilization for July 2019 utilization for HCV is 93%. The voucher utilization for August 2019 voucher utilization for HCV is 94%. Mod

Rehab is 100% for both months. July SRO is 99%. August SRO is 100%. July VASH is 88%. August is 89%.

VI. FINANCIAL PRESENTATION

Mr. Curry presented the financial statements for HCHA from July 2019. The consolidated budget reflected revenue being over budget by 2% and expenses being under budget by 3%.

Mr. Curry also presented the financial statements for HCHA from August 2019. The consolidated budget reflected revenue being over budget by 3% and expenses being under budget by 3%.

VII. DEPARTMENT PRESENTATION

Debra McCray presented the lease-up rates for the months of July and August for the Housing Choice Voucher (HCV) program. The HCV program for July was 93.1%, and for August was 93.6%, and the year-to-date was 97.4%, Veterans Affairs Supportive Housing program for July was 88.3%, and for August was 88.7%, and the year-to-date was 87.2%, Jackson Hinds Single Room Occupancy program for July was 98.6% and for August was 100%, and the year-to-date was 94.4%. Thomas Moderate Rehabilitation program for July and August was 100.0%, and the year-to-date was 100%. The Home Ownership program has two contracts, which are scheduled to close at the end of October 2019. SEMAP is currently reporting at 100% and is not due until May 30, 2020.

Mr. Babalola reviewed the status of properties within the Affordable Housing Division for the months of July and August. Mr. Babalola informed the Board that all existing properties are currently 97% leased or above for the month of July. Mr. Babalola noted that Cornerstone Village, Baybrook Park, Waterside Court, and the Retreat at Westlock properties net incomes were under budget for the month of July.

Mr. Babalola also reviewed the status of properties for the Board that all existing properties are currently 96% leased or above for the month of August. Mr. Babalola noted that Louetta Village, Primrose at Heritage Park, Baybrook Park, Waterside Court, Magnolia Estates, Cypresswood Estates, and the Retreat at Westlock properties net incomes were under budget for the month of August.

Mr. Babalola moved to working developments. HCHA has filed and submitted tax returns for the Retreat at Westlock to the investment partner. It is anticipated that HCHA will receive the developer fee by the end of October. During the month of July 2019, the leasing office was damaged due to a water leak from a plumbing pipe. The plumbing pipe was repaired, and the water damage mitigation work was completed immediately. The rehabilitation has started and is being paid for by the insurance company. Mr. Babalola answered questions from the Board.

The Villas at Eastwood, Building 1, has been released to the leasing company. Currently, 35 units are leased, 15 applications are under review, and 1 unit will be occupied this week. Building 2 has 48 units, and 12 units are pre-leased. Building 3 has 90 units. The contractor is working through HCHA and the Architect's punch list to address all

identified deficiencies. Mr. Babalola stated that the paving for Hussion Street should be completed by the end of November. Mr. Babalola reviewed the project budget. Mr. Babalola answered questions from the Board.

Mr. Babalola reviewed the proposed developments. Mr. Babalola informed the Board that HCHA staff has met with METRO staff regarding the terms for a Memorandum of Understanding (MOU). A draft of the MOU was provided for METRO's review.

Lastly, Mr. Babalola updated the board regarding the four CDBG-DR Harvey Development projects that were approved by the Harris County Commissioner's Court. Those projects have been submitted to the General Land Office for an award of funding.

VIII. DISCUSSION AND ACTION ITEMS

ACTION ITEM 2:

Resolution approving the Fiscal Year ending March 31, 2020, Budget Revision #1

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-49)

ACTION ITEM 3:

Resolution ratifying the negotiation and execution of a contract to purchase office furniture

Commissioner Dr. Adriana Tamez moved to approve the resolution, Commissioner Joe Ellis seconded, and the motion carried. (19-50)

ACTION ITEM 4:

Resolution authorizing the negotiation and execution of a contract for janitorial services

Commissioner Joe Ellis moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-51)

ACTION ITEM 5:

Resolution ratifying the revision of the Harris County Housing Authority Administrative Plan

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-52)

ACTION ITEM 6:

Resolution ratifying the revision of the Harris County Housing Authority Fiscal Year 2020 Annual Public Housing Authority (PHA) Plan

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-53)

ACTION ITEM 7:

Resolution authorizing the disposition of property

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-54)

ACTION ITEM 8:

Resolution approving the following actions: (i) renaming the development currently known as Primrose at Heritage Park and (ii) such other actions necessary or convenient to carry out this resolution

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-55)

XI. EXECUTIVE SESSION

The Board went into executive session at 3:14 p.m.

XII. RECONVENE

The Board of Commissioners reconvened into public session at 4:10 p.m.

XIII. ADJOURNMENT

Commissioner Dr. Adriana Tamez moved to adjourn at 4:10 p.m., Commissioner Joe Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 13th day of November 2019.

Gerald Womack, Chairman

Horace Allison, Secretary