

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

**Houston, Texas**

**April 15, 2014**

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

The Board of Commissioners of the Harris County Housing Authority met in regular session, open to the public, on the 15th day of April 2014, at the 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 1:10 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

Tom McCasland, Horace Allison, Paula Burns, Beverly Burroughs, Paul Curry, and Kristen Domeracki of the Harris County Housing Authority; David Riddle, Jerome Pemberton, Ryan Hettig, Robin Harrison, Wanda LeBlanc, and Court Koenning were also in attendance.

Chairman Wright and the other commissioners expressed their gratitude and friendship towards former Vice Chairman David Riddle, and thanked him for his service.

**ELECTION OF OFFICERS**

Commissioner Gonzalez nominated Commissioner Wright to be Chairman of the Board, Commissioner Womack seconded the nomination, all were in favor, and he was duly elected by acclamation. Commissioner Womack nominated Commissioner Ellis to be Vice Chairman, Commissioner Gonzalez seconded the nomination, all were in favor, and he was duly elected by acclamation.

## **APPROVAL OF MINUTES FROM MARCH 19 AND APRIL 7, 2014**

Vice Chairman Ellis moved to approve the minutes from the March 19 and April 7, 2014 board meetings, Commissioner Womack seconded, all were in favor, and the motion carried.

## **PUBLIC COMMENT**

Jerome Pemberton of Pemberton Home Consulting Group expressed his excitement regarding HCHA's planned Family Self-Sufficiency (FSS) program and its efforts to help HCV participants increase their incomes. As a former tenant of subsidized housing, Mr. Pemberton understands the importance of encouraging self-sufficiency and appreciates the authority's efforts to assist its clients achieve greater economic independence. The commissioners asked about Mr. Pemberton's consulting firm, and he informed the board that his consulting group helps low-income clients become home owners. He currently partners with Catholic Charities to help clients save money, take advantage of tax breaks, and network to find job opportunities. He also counsels current members of HCHA's HCV program and encourages clients to find ways to increase their incomes in order to reduce their reliance on subsidized housing. The board thanked Mr. Pemberton for his work in the community.

Robin Harrison spoke to the board regarding her efforts to apply to the HCV program. Ms. Harrison has two disabled dependents and was evicted from her home after being terminated from Houston Housing Authority. She sought support from NAM and tried to apply to HCHA's HCV program through its local preference for mothers of school aged-children referred by NAM. Based on her previous history, however, she was told that she did not qualify for participation in the program, and she requested the board's assistance in addressing this issue. Commissioner Womack offered to connect her to resources, and Mr. McCasland assured the board that HCHA staff would review this matter and promptly respond to Ms. Harrison.

## **CHIEF EXECUTIVE OFFICER'S REPORT**

Tom McCasland began his report by giving an update on HUD's response to HCHA's proposed closeouts of the corrective actions required by the OIG and QAD reports. HCHA has received a response from QAD indicating that all findings have been cleared. Furthermore, the local HUD field office has verbally confirmed its recommendation to closeout nine corrective actions. Of these nine, seven are non-financial items and two are financial items. HCHA is awaiting approval of proposed repayment plans for the remaining five corrective actions, which will be listed as cleared rather than closed until final payments have been received. Chairman Wright congratulated Mr. McCasland on a job well done.

Mr. McCasland then gave an overview of HCHA's progress regarding the waiting list. HCHA's annual budget is based on maintaining a lease-up rate of at least 98% of its budget authority. Staff members will continue to process applicants from the waitlist until the HCV program is fully leased. The VASH program continues to be on track to be fully leased by July 1, 2014. The authority requires 10 referrals per month to be fully leased; however, staff expects to receive additional VASH vouchers this year and will try to lease veterans beyond HCHA's current budget in anticipation of receiving these additional vouchers.

## **FINANCIAL AGENDA**

Paul Curry presented the financial statements from February 2014. All payroll activities have

moved in-house, which has streamlined the payroll process. 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 101% of the budgeted amount and operating expenses are under budget. The authority has exceeded expected revenues due to fraud recovery efforts, and Mr. McCasland informed the board that HCHA remains committed to recouping overpayments made to tenants. Chairman Wright asked several questions regarding payments shown on the March check register. Mr. Curry explained that HCHA has issued several checks to other PHAs as part of its effort to return overpayments and address outstanding debts. Furthermore, HCHA has issued checks for IT services under its current IT contract with Jonathan Mendoza. This contract represents significant savings compared to the cost of employing a full-time IT coordinator.

### **ADMINISTRATIVE AGENDA**

Paula Burns reviewed the status of properties within the Affordable Housing Division. All properties are at least 96% leased. Audits for all partnerships are due soon, and the County will review these audits when it inspects the properties. A balcony fire at Primrose at Heritage Park destroyed two units and caused the evacuation of a building; however, all residents have been successfully restored to their units. Baybrook and Magnolia Estates are in the process of replacing old equipment including computers, exercise equipment and outdoor furniture. The next board meeting will take place on May 14<sup>th</sup> at Sierra Meadows at 1:30pm.

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 96.6% of HCHA's annual budget authority, VASH is at 83.7%, SRO is at 94%, 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 forward 100% drawings on Westlock to HCCSD next week, and once these drawings have been approved, staff will start receiving bids for sub-contractors. HCCSD has granted the Retreat at Westlock an additional \$800,000 in funding; construction on this project should begin in August 2014 and last 12-14 months. HCHA is waiting for TDHCA's approval for its LIHTC application for Tidwell Lakes Ranch. Staff met with Steve Filippo and other METRO representatives to discuss site control for Bernicia Place. HCHA will submit an unsolicited proposal to develop this property. Community leaders in the area of the proposed development are enthusiastic about the project. The five houses selected as part of the Amy Young Barrier Removal Program are under construction, and repairs should be completed within 60 days.

Mr. McCasland thanked Mr. Curry, David Cornwell, and Kim Do for the smooth rollout of the in-house payroll process.

### **BOARD ACTION ITEMS**

**Discussion and request to approve or deny a resolution authorizing HCHA to execute a third amendment between Harris County and HCHA for the Cypresswood Estates project.** This amendment allows the subsidized housing units at Cypresswood Estates to float, and changes the ratio of affordable housing and market rate units. The new ratio of affordable units will be based on square footage rather than the number of units. HCCSD recommended these

changes, which could affect costs by \$200 per month. Commissioner Gonzalez moved to approve the resolution, Commissioner Womack seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny revisions to the HCHA Administrative Plan including a new local preference for applicants referred as part of Harris County's Mental Health Jail Diversion Program.**

Many of the recommended changes are updates to the Administrative Plan based on the 2013 Violence Against Women Act. This law adds protections for victims of sexual assault and increases VAWA notification requirements. Also recommend in this resolution is the creation of a third local preference for homeless individuals referred to HCHA through Harris County's Mental Health Jail Diversion program. Mr. McCasland asked that the resolution be amended to state that HCHA waiting list will remain open to applicants qualifying for one of HCHA's first three local preferences. The Mental Health Jail Diversion program will provide case management for participants at the level of 1:9. Wanda LeBlanc further explained the program by saying that the County will match a \$5 million grant from the state to house approximately 100 participants in the first year. The County hopes to house between 200-300 participants in subsequent years with vouchers from both HHA and HCHA. Often when individuals are jailed for short periods of time, they become homeless after losing their housing, income, and family support. This program seeks to prevent this cycle by providing housing and case management for qualified participants. Other proposed revisions to the Administrative Plan in this resolution include a requirement for owners to provide proof of an EIN or SSN number and a change allowing participants to request documents relating to informal hearings up to five days before the hearing date. Commissioner Womack moved to approve the resolution as amended by Mr. McCasland, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the CEO to execute a Lessee Estoppel Agreement and a Subordination, Non-Disturbance, and Attornment Agreement as requested by HCHA's property management company.**

The property owner of HCHA's administrative offices has requested that HCHA complete these documents, which affirm the terms of HCHA's lease without extending or otherwise altering HCHA's lease obligations. Doug Ray from the County Attorney's office has reviewed the documents and has no objection to the CEO executing them. Scott Lemond County Attorney's Office also indicated that he had no concerns about these documents. Vice Chairman Ellis moved to approve the resolution, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the CEO to negotiated and execute a MOA regarding Bernicia Place.**

This resolution relates to site control for a property owned by METRO. HCHA would like to build an affordable housing development on this site near the Southeast Transit Center with funds from the GLO. The GLO has already given verbal approval of the location, and METRO has asked that HCHA submit an unsolicited proposal for site control. METRO representatives and community leaders have reviewed the site plans and are supportive of the project. METRO will likely grant a long-term lease for the property for a nominal fee. Chairman Wright moved to approve the resolution, Commissioner Womack seconded, all were in favor, and the motion

carried.

**Discussion and request to approve or deny a resolution approving an amendment of the agreement between Harris County and the HCHA-PFC regarding the Retreat at Westlock.** HCHA's affordable housing attorneys from Coats Rose recommended this resolution, which permits the HCHA-PFC to sign a third amendment to its agreement with Harris County. This amendment relates to the additional \$800,000 in funds received for the project, which will offset costs associated with increasing the number of 30% AMI units at the development. Vice Chairman Ellis moved to approve the resolution, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

**EXECUTIVE SESSION**

None.

**ADDITIONAL BOARD ACTION**

None.

**COMMENTS BY COMMISSIONERS**

None.

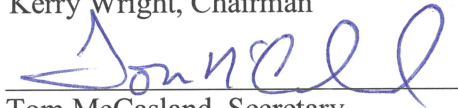
**ADJOURNMENT**

Commissioner Gonzalez moved to adjourn at 2:35 p.m., Commissioner Womack seconded, all were in favor, and the motion carried.

Adopted and approved this 14th day of May 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-18 to 14-22