

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

**Houston, Texas**

**January 23, 2013**

**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 23rd day of January 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Cardenas called the meeting to order at 3:08 p.m., and the roll was taken of the duly constituted officers and members of the Board:

Beto Cardenas	Chairman	Present
Joe Ellis	Commissioner	Present
David Riddle	Commissioner	Present
Kerry Wright	Vice Chairman	Present
Gerald Womack	Commissioner	Present

Attending for all or portions of the meeting was Michael Fleming representing the law offices of Michael P. Fleming and Associates, the Authority's General Counsel. Present additional attendees included the following:

Tom McCasland, Todd Graff, Angela Sklavos, Paula Burns, Beverly Burroughs, Julia Nations-Quiroz, and Earl Campbell of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, Douglas Ray, David Schwarz, Carlos Bujosa, John Guess III, Greg Lewis, and James Harris were also in attendance.

**PRESENTATION AND APPROVAL OF MINUTES FROM NOVEMBER 28, 2012 AND  
DECEMBER 27, 2012 BOARD MEETING**

Chairman Cardenas invited a motion to accept and approve the Minutes of the November 28, 2012 and December 27, 2012 Board Meetings.

Commissioner Riddle moved to accept the minutes, Vice Chairman Wright seconded, all were in favor, and the motion carried.

## **PUBLIC COMMENT:**

None

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

Mr. McCasland began his report by discussing the HUD OIG report. HCHA is expecting a draft report from HUD OIG within the next four to six weeks, after which there will be a period in which HCHA can respond to the report before the final report is issued.

Mr. McCasland next discussed a quality assurance division audit team that was sent from HUD and was onsite from January 7-10<sup>th</sup> to review the financials. Mr. McCasland described this team as a "special operations" team that HUD sends to Housing Authorities in the most dire financial circumstances. This team was at HCHA to confirm HCHA's Unrestricted Net Assets (UNA) amount, HCHA's Net Restricted Assets (NRA) amount, examine administrative expenses for the HCV program, analyze "Bank Overdraft" submissions from year-end audit, and confirm that HCHA has cash to support UNA and NRA balances.

Chairman Cardenas raised a question regarding the QAD team stating that HCHA's administrative expenses were too high. Chairman Cardenas asked if the team was looking at the revised budget adopted in September. Mr. McCasland said that their timeframe covered the first three months that he was in his position as interim CEO, but the bulk of what they were looking at was prior to his appointment at the end of March. Mr. McCasland also said that when the team was presented with the cut in expenses for this fiscal year, they were very happy with that improvement.

He then stated that this audit was different from other review teams because it reviewed the time from January 2005 to present. Their initial review was that HCHA's NRA should be approximately \$6,213,929 and that HCHA's UNA should be -\$8,102,076. Chairman Cardenas asked for clarification regarding the \$-8 million. Mr. McCasland said that the UNA is money that can be spent on various items, so it is not restricted just to HAP, but it is restricted to certain eligible expenses. He confirmed that this is the amount that the QAD team believes that HCHA has overspent that account. Mr. McCasland did say that the area in which HCHA has the most concern is the NRA. This is the money that HUD has asked HCHA to return to them. While the QAD team believes that the NRA should be approximately \$6,213,929, HCHA actually has \$1,533,434 of restricted funds available as of December 31, 2012 that could be applied to NRA. Mr. McCasland stated that if it is actual NRA it can be used for nothing other than HAP payments. He said that HUD knows that HCHA is currently using this cash balance strictly for administrative expenses of the Housing Choice programs.

The QAD team broke down the NRA into three numbers: -\$2,152,998 which is due to over-leasing in 2006-2009 and 2012; \$2,518,283 which is due to spending HAP to pay Portability leases; and \$1,452,648 which is likely due to using NRA for ineligible expenses. Mr. McCasland stated that HCHA did not concur with HUD that these numbers are correct. Commissioner Womack asked if HUD had been completing audits annually how they could just now discover this. Chairman Cardenas further asked if the books had been closed out in 2006-2009 and HUD had accepted HCHA's submissions, how they could now be raising this to HCHA's attention. Mr. McCasland said that he does not yet have an answer that has satisfied him regarding the alleged inaccuracies in HCHA's NRA. HUD said that they were doing the review remotely and

they now have reason to doubt those numbers. Mr. McCasland also said that these are estimates, not a final demand, but he did say that this most recent QAD review changes what HCHA's expectations are for what HUD is looking to receive since the timeframe that they are looking at goes all the way back to 2005. Chairman Cardenas asked how this would change what we had expected regarding what HCHA believed they owed to HUD previously. Mr. McCasland said that at this point he doesn't know, and is unsure if anyone knows. He also said that if these numbers are accurate the worst case scenario would be owing HUD \$6.2 million for NRA alone, but the larger question is how much overlap there is between the \$4.7 and the \$6.2 million. After going back through the books and making the adjustments to the previous nine years HCHA should have a final number. Chairman Cardenas asked if there are other housing authorities that Mr. McCasland is aware of that are going through this process or if HCHA is a single target. He also asked if HCHA staff is working with any outside assistance other than HUD to address disputing this issue with HUD. Mr. McCasland said that he would answer these questions as he presented his remaining material. Regarding administrative expenses, HCHA is in the black for the year. Mr. McCasland then discussed the overdraft submissions. The way that the auditors reported comingling of funds to HUD last November was under a line item that was for bank overdrafts. The QAD team did not like that the auditors reported it this way and showed Mr. McCasland HUD regulations that stated that using "bank overdrafts" was the incorrect way to report the comingling. Mr. McCasland said that after he met with the QAD team and spoke with HCHA's external auditors, he requested that REAC reject the audit and allow HCHA to report the deficits the way HUD wished them reported. REAC rejected the audit and HCHA staff is working with the auditors to resubmit. Mr. McCasland next addressed Chairman Cardenas' initial question regarding bringing in an external person to help with the Financials. He said that he has requested that a CPA with extensive experience working with troubled housing authorities do a two-day review of the situation in order to help draft an RFP for fee accounting services. He also said that while the scope of the RFP would be subject to the two-day review, the services will include making adjustments to the books going back to January 1, 2005 in response to the QAD audit. Chairman Cardenas asked for HCHA staff to keep the Commissioners apprised of what is happening with the RFP and asked Commissioners Wright and Womack to form a Committee to bring back to the rest of the Board information regarding the RFP.

Mr. McCasland next discussed overpayments of HAP. He stated that HCHA does monthly income verifications to insure that the self-reported income of clients matches what is reported via payroll systems. When there is a discrepancy, HCHA notifies the client and if HCHA confirms that the client failed to report income in violation of the obligation, HCHA has proceeded to terminate the client. In theory, this is a zero tolerance policy, although in practice, terminations due to unreported income did not appear to be a priority previously. Mr. McCasland said that the implementation of this zero tolerance policy has been largely responsible for the larger than normal number of terminations over the last nine months. He said that while HCHA will remain committed to a zero tolerance policy for unreported income, in 2013 HCHA will be implementing an optional Repayment Program. Rather than being terminated, a client with unreported income has the option of repaying the overpayment of HAP that was made on the client's behalf. If HCHA receives the full repayment, the client will not be terminated. If the client does not repay the overpayment, then HCHA will proceed to terminate the client.

Mr. McCasland next said that the servers are now completely backed up offsite using a company called Carbonite. All of the documents used for daily operations are being backed up through this company or are housed by HUD in the event that we would need to recover files. Mr. McCasland stated that HCHA staff will meet this coming week with local HUD field staff to confirm that HCHA has complied with their emergency recovery expectations.

Mr. McCasland next discussed procedures for receipt of proposals. At the November Board meeting Mr. McCasland reported that HCHA had received one proposal for brokerage services for acquisition and two proposals for brokerage services for disposition of property. Mr. McCasland said that he had reported bad information to the Board in November due to HCHA's inadequate process for reviewing responses to RFP proposals. HCHA had received one additional response which was graded by staff, and the recommendations made at the November Board meeting have not changed. Mr. McCasland said that he takes full responsibility for the error. The process has been corrected with a newly implemented procedure for receipt and retention of proposals. Commissioner Womack said that he is now unsure whether he would have voted for the other submissions. He said that he would not have taken the consideration of the staff when the proposal was unable to be found in the first place. He stated that he is not sure if he would have voted for the others if he had known that there were other people who had submitted proposals. Commissioner Womack said that he doesn't think that he can trust what the staff has said to be what he would be supportive of. He says that the Board should have been presented with three applications at the time that they were received, and that he doesn't think the process is right for staff to go back and say that they would not have initially considered the application that was lost.

Mr. McCasland said that it is a point well taken, and he pointed out that only one has been voted on and that the other will be voted on today. Mr. McCasland also offered to provide the proposal to any of the Commissioners that would like to review it. He also said that in the past the procedure has been to just send one recommendation to the Board, but in November two were sent to the Board because there were two well qualified applicants. Commissioner Womack said that the Board did not make this decision and that there could have been three well qualified members that should have been presented to the Board. Chairman Cardenas requested a copy of the proposal and said that they could deal with it after Executive Session to allow Commissioners time to look over it. Chairman Cardenas asked for Mr. McCasland to let the Commissioners know what the new process is. Mr. McCasland said that moving forward all proposals will go to Angela Sklavos, Director of Human Resources. She will be the only person to receive the proposals and she will be the only person that provides the copies to the review team. Commissioner Riddle asked about the standing procedure as it pertains to giving Commissioners proposals. Mr. McCasland said that the current procedure is that staff receives proposals, they review them, and the recommendation is made to the Board. The Board is always able to make a decision other than the recommendation made by the staff. Mr. McCasland also said that there are certain situations where he will take himself out of the process because of the potential for a conflict of interest or due to lack of expertise in the area. Chairman Cardenas said that he will often ask two Commissioners to work with the staff in bringing a recommendation to the Board. Commissioner Womack said that the Board does have the right to disregard the recommendation of staff. Mr. McCasland agreed with this, and also said that unless a Commissioner is part of the review process it is unlikely that he will review all of the received proposals. The proposals will always be made available if the Commissioners wish to review them. Mr. McCasland said that mistake in November is something that should have never happened, and he takes full responsibility for it having happened but that he is confident moving forward that the right policy is in place for staff to follow.

Mr. McCasland then discussed staffing needs for 2013. He said that there is a part-time position for a HAP recoupment clerk. The portability program continues to grow due to HCV recipients moving into Harris County, so Mr. McCasland expects to hire an additional one to two more



case managers. Currently HCHA has a part-time general office worker, and the expectation is that this will turn into a full-time position. Mr. McCasland also stated that there are no immediate plans to hire in Affordable Housing but that Mr. Allison and his team will be fully supported as developments progress. As new external positions are posted, the Board will be made aware of notice of any postings.

Mr. McCasland next discussed the rental of the second floor. When this was initially discussed, HCHA did not have a balanced budget, and staff was working to find every dollar possible to make up a large deficit. Currently the budget is balanced, HCHA is looking to hiring additional staff, staff needs a place for mass briefings to distribute VASH and HCV vouchers, and staff needs a location to sort through documents from a storage facility that HCHA is in the process of closing. Mr. McCasland recommended that a hold be put on trying to rent out the second floor.

Chairman Cardenas raised a question regarding the Document Retention Policy that was mentioned at previous meetings that would be forthcoming. He asked if staff was in the process of putting this together, and Mr. McCasland said that they are. This relates to the attempt to obtain all of the files at the offsite facility. Before any of the documents are destroyed, a policy will be presented to the Board.

Chairman Cardenas also discussed the closeout of DHAP-Ike. He said that the closeout was projected to occur any day now, but he asked if there was any indication when that would happen. Mr. McCasland said that there was no indication when he asked this of the QAD team. Mr. McCasland said that the closeout is coming, but that HCHA has no indication of when. He did say that this is not just a closeout for Houston, but that this is a closeout for all DHAP-Ike programs.

Chairman Cardenas also asked whether there was any indication as to when the HUD-OIG report would come in. He asked if it was in tandem with the QAD team that had come in. Mr. McCasland said that it is completely separate. He said that the last indication that he had received from them was that it would be received within four to six weeks from now after which HCHA would have two weeks to respond to questions. A final report would be issued after that point. Chairman Cardenas did request that the Board be informed of the timeline once Mr. McCasland had this information available. Mr. McCasland did say that this would not be a public document until the final report was issued, but once HCHA has it Mr. McCasland will alert the Chairman.

#### **FINANCIAL AGENDA:**

Mr. Graff presented the financials for the month of December 2012. For the month of December HCHA had an operating deficit of \$68,349 and year to date a surplus of \$169,750. The total cash of \$1,629,389 represents \$1,533,434 in restricted cash and \$95,955 in unrestricted cash to be used for Affordable Housing. Mr. Graff also said that a number of adjustments to journal entries were made in December regarding Cypresswood Estates, per the recommendations of the auditors. Cypresswood cash is at an unrestricted balance of \$95,947, and cash-tenant security deposits are at \$23,793 as of March 31, 2012. Mr. Graff also said that HCHA received a cash flow distribution from Primrose in the amount of \$17,522. HCHA incurred audit fees of \$43,750 for audit services for fiscal year 2012. Mr. Graff also said that HCHA has a plan to close Cypresswood Estates permanent loan by March 31, 2013. Lastly, Mr. Graff said that the Finance team is working to finalize the budget for fiscal year 2014 which will be presented at the

February Board meeting. Mr. Graff answered questions from the Commissioners accordingly.

### **ADMINISTRATIVE AGENDA:**

HCV Director Beverly Burroughs presented the information on the lease-up rates for the HCV program and the current status of the properties.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the Commissioners accordingly.

Paula Burns also spoke on behalf of Mr. Horace Allison regarding the Affordable Housing division. She said that HCHA has completed a pre-application for the Retreat at Westlock and staff is also working on the final application which is due at the end of February. Ms. Burns said that the loan for Sierra Meadows has been extended. She discussed the RFP that was out for legal consulting services. The RFP was reissued, and the proposals were due the Friday before the Board meeting, but no further proposals were received. Chairman Cardenas asked about the loan for Sierra Meadows and whether or not the loan was the responsibility of the developer or HCHA. Ms. Burns confirmed that the developer makes the application.

Mr. McCasland next discussed the request to approve or deny HCHA's 2013 Annual Plan. The annual plan has to be submitted before the new fiscal year to HUD, and leading up to this a Resident Advisory Board meeting was held on November 19, 2012 that was attended by three residents. The attendees agreed unanimously that HCHA should seek to increase the number of HCV vouchers if given the opportunity, HCHA should target more vouchers to extremely low income families (defined as those below 30% AMI), HCHA should apply for vouchers for elderly and disabled residents if they become available, and HCHA should assist tenants in finding housing outside of areas of poverty or minority concentration. Chairman Cardenas asked what changes were being made in this Annual Plan as compared to those of the past. Mr. McCasland said that other than the proposed changes regarding the local preferences, there is one other substantive change. Mr. McCasland said that a substantial revision to the HCV plan would include changes to the rent or admissions policy as a significant modification and deviation except that changes to the local preferences for homeless, formerly homeless individuals, and households at or below 30%AMI would not constitute a significant amendment. Chairman Cardenas moved to approve HCHA's 2013 Annual Plan and to submit it to HUD, Commissioner Riddle seconded, all were in favor, and the motion carried.

Mr. McCasland then discussed the request to approve or deny revisions to HCHA's Administrative Plan. He said that the Administrative Plan is a supporting document to the Annual Plan. Other than the previously discussed local preferences, the changes that are presented include allowing HCHA the opportunity to project-base HCV vouchers should it choose. Chairman Cardenas moved to approve HCHA's Administrative Plan, Commissioner Ellis seconded, all were in favor, and the motion carried.

The request to approve or deny the Term Sheet from Community Bank of Texas and a Resolution Authorizing the Negotiation and Execution of a Non-Recourse Loan for HCHA Cypresswood Estates, Ltd, for approximately \$3,500,000 subject to the terms of the above referenced Term Sheet was next discussed. Chairman Cardenas asked what the payments would be like in terms of a number for the first 60 months at 4.25% and what the residual or balloon payment would be due at the end. Mr. Graff said that monthly payments are \$17, 218 and the payment at maturity after five years would be \$3,184,000. Chairman Cardenas also asked what

the operating income for Cypresswood Estates is, and Mr. Graff said it is about \$31,000/ month. Chairman Cardenas said HCHA would be taking about 55% of that operating income to be able to finance that to \$17, 218. Mr. Graff also said that on the term sheet there are operating reserve and replacement reserve requirements which will be paid out on a quarterly basis. The operating reserve is 3% of net operating income annually, and the replacement reserve is \$250/unit which would be taken out of the NOI. He confirmed that there would still be net operating income left. Vice Chairman Wright moved to approve the Term Sheet from Community Bank of Texas and a Resolution Authorizing the Negotiation and Execution of a Non-Recourse Loan for HCHA Cypresswood Estates, Ltd, for approximately \$3,500,000 subject to the terms of the above referenced Term Sheet, Commissioner Riddle seconded, all were in favor, and the motion carried.

Next discussed was the request to approve or deny overnight travel for training purposes per the HCHA travel policy. Mr. McCasland said that this item could be tables, but this will be brought back to the Board when staff makes future requests for travel.

### **EXECUTIVE SESSION**

The Board went into executive session at 4:43 p.m. to discuss with the authority's attorney(s) regarding matters involving potential litigation, the value or transfer of real property, and consideration of specific personnel matters.

The Board of Commissioners reconvened into public session at 5:53 p.m.

Chairman Cardenas moved to authorize HCHA staff to enter into a bid not to exceed \$42,500 on a tax seized property for a possible Affordable Housing project, Commissioner Womack seconded, all were in favor, and the motion carried.

Chairman Cardenas next discussed the request to approve or deny a Resolution Authorizing the Negotiation and Execution of a Contract for Bond Counsel Services. Chairman Cardenas made inclusions to the Resolution and moved to approve the Resolution Authorizing the Negotiation and Execution of a Contract for Bond Counsel Services, Commissioner Riddle seconded, all were in favor, and the motion carried.

The request to approve or deny a Resolution Authorizing the Negotiation and Execution of a Contract for Real Estate Brokerage Services for the Sale of Real Property was next discussed. Chairman Cardenas noted that representatives for those who submitted proposals were in attendance and would be speaking to the Board. Mr. McCasland said that he had asked the representatives to make a few remarks, and representatives from Transwestern began their presentation. David Schwarz began by giving background on Transwestern and welcomed questions from the Board. Commissioner Womack asked what buyers Transwestern would possibly have for the Patriots by the Lake property and wanted to know if they felt confident that they would have homebuyers interested in the property. Carlos Bujosa confirmed that they did have buyers for it and said that the good news is that the Houston economy has really recovered in the last year. He said that home builders are interested in acquiring land right now because there is a shortage in single family lots. He said this is an area that they would focus on along with mix-used developments. They would also try to reach out nationally through the Transwestern network and by other listing sites to get the word out about the property. He said that participation from other brokerage companies is helpful to speed up the process.



Commissioner Womack also asked what kind of timeframe they would be looking at to have the property sold in. Mr. Bujosa said that it would be at least six months. Commissioner Riddle asked who some of the largest homebuilders in the Houston area are, and Mr. Bujosa said that DR Horton has recently made several large purchases. Mr. John Guess spoke briefly of his relationship with Transwestern, and he confirmed Transwestern's capacity to market the property. Chairman Cardenas thanked the representatives from Transwestern and made the other Commissioners aware of a third proposal that was submitted and was made available for their review.

Greg Lewis of Lewis Property Company presented next. He also gave background on his firm and discussed how his firm had the background necessary to market the property. His firm has been involved in the sale of thousands of acres of suburban land, and currently he has land listed between 99,000 to \$33 million. Mr. Lewis believes that the utility and wetlands issues will complicate this sale. Mr. Lewis said that the fee for his service 2.5% of the sale price. He said that any fee to an outside broker is a function of strategy and the bottom line. It was up to the Board to decide whether they would like to offer the buyers a brokerage fee or have the buyers pay for their own representation. He did offer to credit against any fee the amount already paid by HCHA for the analysis that his firm did on this property, saying that the most important part of this process is knowing what you are selling. Chairman Cardenas thanked him for his presentation and his due diligence. Commissioner Womack did note that George E. Johnson also submitted a proposal.

Chairman Cardenas asked Mr. McCasland for any recommendations. Mr. McCasland stated that he had removed himself from the process of selecting a broker for the Patriots by the Lake property because he lacks real estate experience and because the issue is of such public importance that it is a decision appropriately made by the Board of Commissioners. In reference to third proposal that HCHA received, Mr. McCasland did confirm that the third proposal is already referenced in the Resolution and that it would also be noted in the Minutes.

Vice Chairman Wright thanked all of the representatives and said that he thinks the property will sell quickly. He also said he would much rather open up the opportunities for both firms to sell the property and have both firms have the same opportunity at bringing in the best offer. Vice Chairman Wright moved to direct and authorize HCHA staff to list for sale the real property known as "Patriots by the Lake", HCHA will not contract for sale or brokerage services, but HCHA will entertain buyer brokerage service fee not to exceed 2.5%. He said that he thinks this gives both parties the opportunity to take advantage of selling the property. Chairman Cardenas asked Commissioner Womack how this would work. Commissioner Womack said it would mean that it would be an open listing which gives anyone an opportunity who is licensed as a broker or even someone who did not want to use a broker an opportunity to purchase this property. He said that he thought they could try this to see what happens and that if it does not work the Board could revisit this, and if HCHA did not receive any interest they could bring these two firms back together and give them an opportunity to sell it. He said that he thought under these circumstances this would be the best solution at this point. Chairman Cardenas asked how a body such as the Board, representing itself, would go about listing the property on MLS or HAR. Commissioner Womack said you would have to spend the money to advertise the property, and he suggested that the advertising should specify a timeframe to buy the property within and if nothing is received by that date, the Board should then come back to the firms present to negotiate.

At this point Greg Lewis said he would prefer this listing was given to Transwestern than let the



Board decide to try the open listing discussed. He said that the property is a complicated piece of land and he thinks HCHA is going to need professional representation in analyzing offers and in structuring the contract. He felt strongly that HCHA would need a third party, not to market the property, but to advise them once bids start coming in. Chairman Cardenas then asked general counsel about the legal obligations that would be required with any of the options discussed. Mr. Fleming said that it would be similar to a sealed bid. Commissioner Womack said that it would be bought in an as-is, where-is condition and you want to give them a chance to do their due diligence and they would have to do that. He said that due diligence wouldn't be on the Board. David Schwarz from Transwestern stated that if HCHA decided to go the sealed bid route, HCHA would need to spend the money to do their due diligence including having the title report, the wetlands studies, an updated survey, an updated Topo, and the way that Transwestern or Greg Lewis would market it would be through a website that those who signed a Confidentiality Agreement had access to. He said that this is something that the Board should take into account if they plan on doing a sealed bid.

Vice Chairman Wright asked if the Board votes to open it up with a maximum brokerage service fee of 2.5% if Transwestern would not try to sell it. David Schwarz said that he thinks it would be difficult. Commissioner Riddle asked if the Board had already spent quite a bit of money on civil work. This was confirmed.

Vice Chairman Wright asked for Mr. McCasland to explain the differences between the two proposals. He stated that Greg Lewis' fee was 2.5% regardless of whether the buyer had a broker, and Transwestern's fee is 4% for a sale under \$10 million with another broker which would be split between the two or 3% without another broker. Transwestern clarified that they would limit the fee to 3% if the Board decided that it did not want to pay the buyer's brokerage fee. Mr. Lewis stated that many of the land buyers in the area already had their own brokerage representation.

Chairman Cardenas expressed his gratitude to both parties and said that he felt HCHA should have someone guiding them in a professional capacity and he did not want to delay the decision past this Board Meeting. Vice Chairman Wright said that he would like to rescind his motion and restate it if he could. Chairman Cardenas asked if there was a situation where a broker happens to represent the buyer and the seller what would happen to the commission. The representative from Transwestern said that at that point the commission would be whatever the fee was, in their case 3%. The problem would be that they would be in an intermediary position and would not be representing HCHA.

At this point Chairman Cardenas called a five minute recess.

The Board of Commissioners reconvened into public session at 6:36pm.

Vice Chairman Wright stated that the Commissioners know that the fee for Transwestern is 3% and the fee for Greg Lewis is 2.5%, so he suggested the Commissioners put it to a vote. Commissioner Womack said that 3% is better than 2.5%. Vice Chairman Wright confirmed with Greg Lewis that he was at 2.5%, and he confirmed that he was at 2.5% for his fee (minus the previously paid consulting fee) and any payment for an outside broker would be a strategy that they could discuss. Chairman Cardenas asked how the outside brokers get paid, and Mr. Lewis said the Board could determine whether they wanted to pay an outside fee or not. Commissioner Womack said that Mr. Lewis was really saying the fee would be 5%, but Mr. Lewis disagreed. Commissioner Womack said that Mr. Lewis should bring buyers to the Board that would agree

to this. Vice Chairman Wright confirmed with Transwestern that 3% would be the fee if they did not have an outside broker, but the fee would be 4% which would be split equally if they did have an outside broker. Chairman Cardenas asked for a motion, and Commissioner Womack moved that HCHA hire Transwestern and pay 4% commission, with 2% to them and 2% to the outside broker if they sell the property, but if they are the sole broker the commission is 3% . Chairman Cardenas read the prepared motion for this and made an addition to the Resolution. Vice Chairman Wright seconded, all were in favor, and the motion carried. Chairman Cardenas said he looked forward to working with Transwestern until his replacement on the Board was named.

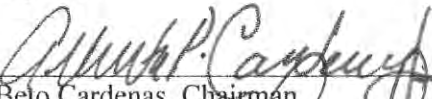
#### **COMMENTS BY COMMISSIONERS**

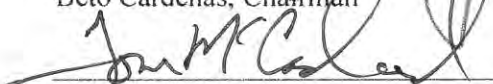
Chairman Riddle congratulated Commissioner Womack on his achievement of becoming the president of the Houston Black Real Estate Association. Commissioner Womack noted that Mr. John Guess is the chair of the banquet where Commissioner Womack will be sworn in as president.

#### **ADJOURNMENT**

Commissioner Riddle moved to adjourn at 6:46 p.m, Commissioner Womack seconded, all were in favor, and the motion carried.

Adopted and approved this 20th day of February 2013.

  
Beto Cardenas, Chairman

  
Tom McCasland, Secretary

Resolution No. 13-01

**Resolution Authorizing the Negotiation and Execution of a Contract for Real Estate Brokerage Services for the Sale of Real Property**

**WHEREAS**, the Harris County Housing Authority (HCHA) issued a Qualification Based Solicitation # 12-2 (QBS) on October 15, 2012, soliciting proposals for Real Estate Firms to provide Brokerage Services related to the sale of real property related to the HCHA's real estate holdings; and

**WHEREAS**, HCHA desires to retain a Real Estate Broker to assist the Authority with the sale of parcel(s) of land and/or other real estate holdings; and

**WHEREAS**, the QBS was advertised in the local newspaper on October 21th and 28th, 2012, and posted on HCHA's website; and

**WHEREAS**, responses to QBS #12-2 were due October 29, 2012; and

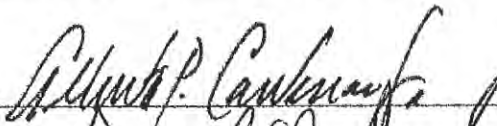
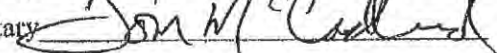
**WHEREAS**, HCHA received three response to QBS #12-2 from Transwestern, Lewis Property Company, and George E. Johnson Properties LLC; and

**WHEREAS**, the staff of HCHA reviewed, evaluated and ranked the responses to the QBS; and

**WHEREAS**, HCHA staff found that all applicants' proposals complied with the requirements of the RFP; and

**WHEREAS**, HCHA staff found that two applicants' qualifications merited that they be brought to the board for consideration given the proposals' response to the criteria stated in the QBS.

**NOW THEREFORE BE IT RESOLVED**, that the Chief Executive Officer of HCHA, is authorized and directed to negotiate and execute a contract for Real Estate Brokerage Services with Transwestern to provide services related to the sale of parcel(s) of land and/or other real estate holdings, and to take such actions as the Chief Executive Officer deems necessary to effectuate the intent of this resolution, the execution of any document or taking of any action to be conclusive evidence of the necessity therefor. The Board of Commissioners further authorizes and directs staff to allow for brokerage services not to exceed 4% for their buyer and seller fees combined and 3% if Transwestern is the sole broker.

Chair   
Secretary 

**Resolution No. 13-02**

**Resolution Authorizing the Negotiation and Execution of a Contract for Bond Counsel Services**

**WHEREAS**, the Harris County Housing Authority (HCHA) issued a Request for Proposals on November 5, 2012, soliciting proposals for Legal Firms to provide Bond Counsel Services related to HCHA's affordable housing program; and

**WHEREAS**, the RFP was advertised in the local newspaper on November 4, 2012 and November 11, 2012, and posted on HCHA's website; and

**WHEREAS**, responses to RFP #11-01 were due November 27, 2012; and

**WHEREAS**, HCHA received four responses to RFP #11-01 from Bates & Coleman, Bracewell & Giuliani, Fulbright & Jaworski, and Haynes & Boone; and

**WHEREAS**, the staff of HCHA reviewed evaluated and ranked the responses to the RFP; and

**WHEREAS**, HCHA staff working with the Board of Commissioners found the received qualifications and proposals complied with the requirements of the RFP; and

**WHEREAS**, Fulbright & Jaworski proposal was ranked number one and the proposal, scope and fees (subject to negotiation) are most advantageous to HCHA.

**NOW THEREFORE BE IT RESOLVED**, that the Chief Executive Officer of HCHA, is authorized and directed to negotiate and execute a contract for Bond Counsel with Fulbright & Jaworski for services related to HCHA's Affordable Housing Development and Construction Program, and to take such actions, inclusive of the negotiation of the best available discount rates, as the Chief Executive Officer deems necessary to effectuate the intent of this resolution, the execution of any document or taking of any action to be conclusive evidence of the necessity therefor.

Chair

Secretary




**Resolution No. 13-03**

**Resolution Authorizing the Negotiation and Execution of a Contract for Permanent Loan Financing**

**WHEREAS**, Harris County Housing Authority (HCHA) issued a Request for Proposals #12-09 (RFP) on December 9, 2012, soliciting proposals for financial institutions to provide Permanent Loan Financing related to HCHA's Cypresswood Estates senior affordable housing development; and

**WHEREAS**, the RFP was advertised in the local newspaper on December 9, 2012 and December 16, 2012, and posted on HCHA's website; and

**WHEREAS**, responses to RFP #12-09 were due January 8, 2013; and

**WHEREAS**, HCHA received one response to RFP #12-09 from Community Bank of Texas; and

**WHEREAS**, the staff of HCHA reviewed and evaluated the response to the RFP; and

**WHEREAS**, HCHA staff found the proposal complied with the requirements of the RFP; and

**WHEREAS**, the Community Bank of Texas proposal, scope and fees (subject to negotiation) are most advantageous to HCHA.

**NOW THEREFORE BE IT RESOLVED**, that the Chief Executive Officer of HCHA, is authorized and directed subject to the terms of the attached Term Sheet from the Community Bank of Texas, to negotiate and execute a contract for Permanent Loan financing with Community Bank of Texas for financing related to HCHA's Cypresswood Estates development, and to take such actions as the Chief Executive Officer deems necessary to effectuate the intent of this resolution, the execution of any document or taking of any action to be conclusive evidence of the necessity therefor.

Chair

Secretary

Attachment: Term Sheet

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

**Houston, Texas**

**February 20, 2013**

**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 20th day of February 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Cardenas called the meeting to order at 1:30 p.m., and the roll was taken of the duly constituted officers and members of the Board:

Beto Cardenas	Chairman	Present
Joe Ellis	Commissioner	Present
David Riddle	Commissioner	Present
Kerry Wright	Vice Chairman	Present
Gerald Womack	Commissioner	Present

Attending for all or portions of the meeting was Doug Ray from the County Attorney's Office as counsel, Michael Fleming, could not be present. Present additional attendees included the following:

Tom McCasland, Todd Graff, Angela Sklavos, Paula Burns, Beverly Burroughs, Julia Nations-Quiroz, and Earl Campbell of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, Shannon Hunter, Antoinette Jackson, Bruce Powers, Mary Baker, and Douglas Ray were also in attendance.

**PRESENTATION AND APPROVAL OF MINUTES FROM JANUARY 23, 2013**

Chairman Cardenas "tabled" the request to approve the Minutes from the January 23<sup>rd</sup> Board Meeting. He said that he had edits to the Minutes that were such that he thought the Board could wait to approve the Minutes until next month's meeting.

**PUBLIC COMMENT:**

None

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

Mr. McCasland began his report by discussing the HUD OIG Audit report. HCHA is expecting a draft report from HUD OIG within the next 3-4 weeks. Mr. McCasland said that a month ago the timeframe was 4-6 weeks. HCHA will have 2-3 weeks to respond before the final report is issued.

Mr. McCasland next discussed the 2-day accountant review. David Cornwell of Cornwell Associates was onsite from February 4-5<sup>th</sup> to identify the scope of services needed to respond to HUD's Quality Assurance Division (QAD) team that visited HCHA in January. Mr. McCasland said that Mr. Cornwell met with HCHA's financial team and reviewed the year-end audit. He also participated in a call with the QAD team regarding the \$2.5 million of portability expenses that was contributing to what HUD believed is a \$6 million balance in HCHA's NRA. Mr. McCasland said that subsequent to this review, HCHA issued a small purchase RFP for a specified scope of services on February 7<sup>th</sup> with responses due back February 18<sup>th</sup>. An action item for today's meeting addresses the responses to that RFP.

In response to a question from a Board member regarding the various offices of HUD that are currently reviewing HCHA, Mr. McCasland listed the offices: HUD Quality Assurance Division, HUD Departmental Enforcement Center, HUD- OIG Investigations, HUD-OIG Audit. In addition to these four investigations HCHA is accountable to the local HUD field office in Houston. Mr. McCasland then reviewed the reporting structure of the four investigations.

The Departmental Enforcement Center was onsite from February 5-7<sup>th</sup> and met with HCHA's financial team in order to review DHAP-Ike documents. The purpose of this was to confirm the amounts owed to FEMA through HUD for DHAP-Ike. FEMA is hoping to close out all of the DHAP-Ike programs as quickly as possible. One aspect of the review focused on funds owed to HUD/FEMA for security and utility deposits, although it went beyond this and looked at all money that was spent for DHAP-Ike, and any differences between what was received and what was spent. The other aspect they were looking at was whether or not the money was spent on eligible expenses. Mr. McCasland said that as follow-up Justin Ormsby, the regional director, met with him the following Monday, and on his recommendation, Mr. McCasland has sent a letter to Judith Garza, the HUD staff member coordinating the closeout of DHAP-Ike with FEMA. Mr. McCasland offered an immediate down payment towards the debt that HCHA owes and asked for an extension of the closeout through the end of June to provide time for HCHA to work with the new accountant.

Mr. McCasland discussed sequestration, as it could impact HCHA with across the board cuts to funding. He said that the cuts could impact the number of vouchers through cutting HAP which could potentially result in over-leasing and in turn cause termination of vouchers. Cuts could also impact the amount of administrative fees earned which could potentially result in lower income to HCHA. Mr. McCasland said that sequestration might not occur, but if sequestration occurs, all housing authorities might see an across the board cut or HUD might first reduce any unutilized vouchers before making across the board cuts. Mr. McCasland said that we have the current budget authority to lease up so HCHA will begin leasing up to full capacity while keeping an eye on what is happening in Congress with regard to sequestration. Mr. McCasland said that he believes this will put HCHA in the best position if underutilized vouchers are pulled back.



Mr. McCasland then gave an update on the waiting list. He said that letters were mailed to the first 1000 individuals on the wait list. The first week resulted in 256 responses. The biggest issue returned mail with no forwarding address.

Mr. McCasland then discussed the foreclosed property that the Board authorized HCHA to bid on at the last Board Meeting. Mr. McCasland said that a high pressure gas line easement with a 50 foot setback was discovered. Given that the setback was so large, Mr. McCasland said that it would limit the ability of HCHA to develop that property so HCHA chose not to bid on it. HCHA will continue to review properties and bring to the Board any options that fit HCHA's long term affordable housing development plans.

Mr. McCasland next said that he met with Angela Sklavos, Director of Human Resources, and the Texas County & District Retirement System this last month. The retirement system is among the top 20% of best funded public retirement systems nationally. Mr. McCasland went over the breakdown of the funding of benefits. Questions raised by the Commissioners were answered accordingly.

HCHA has found a homeless service provider in the unincorporated areas of Harris County that HCHA could rely on to provide supportive services to the families coming into the HCV program. Northwest Area Ministries (NAM) will assist HCHA with providing services to homeless families with school age children. Mr. McCasland said that NAM is excited about this public-private collaboration because of the opportunity to use housing dollars as leverage for service dollars.

Regarding VASH, beginning in January of this year HCHA had 211 homeless veterans receiving VASH. As of the first week of February HCHA had received enough referrals to lease up for 250 vouchers, and HCHA expected to be fully leased on March 1. Mr. McCasland thanked Beverly Burroughs and her team, the Inspections Team, and Katherine Escamilla for the hard work put towards leasing up the VASH vouchers.

Mr. McCasland provided the Board with a draft budget for fiscal year 2014. He said that the final budget would be presented at the March board meeting for the Board's approval. HCHA now has 10 months of experience of living on a greatly reduced budget, and the current draft budget closely mirrors the revised budget for fiscal year 2013. Mr. McCasland said that one of the challenges of this draft budget is that HCHA does not expect any windfalls of extra cash or dramatically reduced costs, like those seen in the past year. He also said that HCHA has deferred expenses that can no longer be deferred like staff training and new computers. However, HCHA's financial opportunities include increased portability and Affordable Housing revenue. Additionally, HCHA is expecting some decreasing costs as contracts continue to end. Mr. McCasland said the final budget submitted for approval will be balanced, detailed, and the financial plan within which HCHA will operate.

Regarding Patriots by the Lake, HCHA has executed contracts for both acquisition and disposition of land with Transwestern as directed by the Board.

Chairman Cardenas asked where HCHA is at this point with what they know they owe to HUD. Mr. McCasland said based on conversations he has had with the QAD team and the Departmental Enforcement Center, there is nothing certain that he can tell the Board other than that HCHA owes \$275,000 for the DVP program which has been closed out and that HCHA received approximately \$3.8 million for the utility and security deposits, and Mr. McCasland



said that he discovered about a week ago that in August of 2011 a \$700,000 payment went back to HUD for a portion of the DHAP-Ike utility and security deposits. Mr. McCasland said that he could not give any firm numbers. Chairman Cardenas requested clarification regarding how the Board could not have been made aware of this for a full year. He also asked how the auditors were not aware of this money. Mr. McCasland said although he could not speak for the auditors, HCHA needs someone to come in and get the books in line from 2005, and that is why he has asked for a fee accountant to come in. Mr. McCasland said that he has been reporting that HCHA does not have the numbers or the confidence in our books from the beginning. He said that he believes that the person who responded to the Fee Accountant RFP is the one who can fix these problems. Mr. McCasland answered questions from the Commissioners regarding this topic accordingly.

#### **FINANCIAL AGENDA:**

Mr. Graff presented the financials for the month of January 2013. For the month of January HCHA had an operating deficit of \$171,000 and year to date a deficit of \$1370. Mr. Graff says HCHA plans to be under the revised fiscal year budget that was done mid-year, and we project to have a cash balance of approximately \$1.57 million. Questions were answered accordingly by Mr. Graff and Mr. McCasland regarding the budget. Mr. Graff gave an update on Cypresswood. He said that documentation had been given to the lender and that is moving forward. An appraisal was done last week, and Mr. Graff said that HCHA would be closing on March 10<sup>th</sup> at the latest.

#### **ADMINISTRATIVE AGENDA:**

HCV Director Beverly Burroughs presented the information on the lease-up rates for the HCV program and the current status of the properties. Chairman Cardenas asked about projections for the next several months. Mr. McCasland said HCHA is underleased right now which helped to offset the serious overleasing that occurred during 2012. He also said that HCHA is planning to lease-up to 100% with the ideal situation being that on December 31<sup>st</sup> every dollar in HCHA's budgeted authority has been spent. Vice Chairman Wright asked whether the problem of overleasing had been looked at in the past, and Mr. McCasland said that it appears to have been a problem for several years. Vice Chairman Wright asked if there were checks and balances in place to ensure that this does not become a problem in the future. Mr. McCasland said that he was looking at these numbers very closely.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the Commissioners accordingly.

Paula Burns also spoke on behalf of Mr. Horace Allison regarding the Affordable Housing division. She said the due date for the tax credit application for the Retreat at Westlock is March 1<sup>st</sup>. Ms. Burns also said that there was a Resolution for the Board's consideration regarding legal consultation services for the Affordable Housing Department. Ms. Burns said that there was one other Resolution for the Board's consideration for Architecture and Engineering Services. Glassman, Shoemake, & Maldonado is the firm selected by staff for the Board's approval out of nine applicants.

## **BOARD ACTION ITEMS:**

Chairman Cardenas then moved on to discuss the request to approve or deny invoices presented by LJA Engineering. Mr. McCasland said that he added this agenda item at the request of LJA, an engineering firm that did work for HCHA for a number of years. Mr. McCasland presented the Board with an itemization of all invoices paid out to LJA, totaling \$716,000. He said that LJA was part of the prior year consultant and professional invoices that HCHA received. Mr. McCasland said that once he arrived at the housing authority all of those invoices were put in a stack because HCHA had no unrestricted cash, and he has brought them to the board as requested. Two invoices were presented, one for work done for Sierra Meadows Estates which was a development for which work has since stopped, and the other was for work done, but the details of this work are still unknown. Mr. McCasland said that he asked LJA to present and provide answers to a series of questions that he had about the invoices they were requesting payment for and about two sets of invoices from prior years, a set of invoices from 2010 and a set of invoices from 2011. Mr. McCasland said that LJA had sent him some information initially and then requested that they sit down between this month and next board meeting and go through each of those invoices. Mr. McCasland said that he would do that because at this point he is not able to make a recommendation to the Board on these invoices. He said that he would be happy to sit down with them and bring the board a summary of that meeting, let LJA present to the board, and then if there is any portion of the invoices that LJA is seeking payment on that Mr. McCasland thinks should be paid out, he will make that recommendation to the Board and he will let the Board decide. Mr. McCasland said that it was his recommendation that this item be tabled until he can come back to the board with the information discussed. Commissioners' questions were answered accordingly regarding the invoices. Chairman Cardenas asked Commissioners to communicate with the Executive team regarding any additional questions they might have related to these invoices so that at the next board meeting, if appropriate, it will be on the Agenda.

The Board next considered changes to the portions of HCHA's Administrative Plan relating to Owner or Family Debts to HCHA. Mr. McCasland said that the biggest change is that anyone who has received overpayments due to unreported income will have 12 months instead of 36 months to pay that back. Chairman Cardenas moved to adopt changes to the portions of HCHA's Administrative Plan, Commissioner Riddle seconded, all were in favor, and the motion carried.

The Board then considered a Resolution awarding a contract for legal services for affordable housing. An RFP was issued in October 2012 at which time HCHA made the mistake of sending the RFP to one of the major firms in town but not to another major firm in town. In an effort to remain completely neutral in regards to all parties, HCHA re-issued the RFP in December 2012. No additional responses to the RFP were received, so the original two, Reno & Cavanaugh and Coats & Rose, were the two that were reviewed and ranked by staff. Staff recommended that the contract be awarded to Coats & Rose. Commissioner Womack moved to approve the Resolution awarding contract for legal services with Coats & Rose for Affordable Housing, Vice Chairman Wright seconded, all were in favor, and the motion carried.

The Board next considered a Resolution awarding a contract for architectural and engineering services. Mr. McCasland said this would be for all work that HCHA is doing with regard to any GLO projects or other projects that HCHA would have going forward.

The Board next considered a Resolution regarding future collaboration between Harris County

Housing Authority, Houston Housing Authority, and the City of Houston. Chairman Cardenas said that in the past Commissioners had discussed the desire to find areas in which HCHA could create efficiency, avoid duplication, and look for opportunities to work together. Commissioner Womack said that he thought it would be great for both Housing Authorities to work together. Commissioner Riddle said that he thought HCHA had too much on its plate at the moment to look forward. Commissioner Womack stated that though HCHA might still have problems to work through, he didn't think that meant that the Board should not be looking forward. Commissioners Cardenas, Ellis, Womack, and Wright voted in favor of the resolution, Commissioner Riddle voted against, and the motion carried.

The Board next considered a Resolution awarding contract for fee accounting services. Mr. McCasland said this would be a contract with the fee accountant, David Cornwell, who was brought in for the two-day review. Mr. McCasland said that this was the only response that HCHA received. Both Mr. McCasland and the Finance team had the opportunity to spend a couple of days with Mr. Cornwell and saw him interact with the QAD team, and HCHA believes he would be a great person to help HCHA address its financial issues. Mr. McCasland said that he made calls to some of the housing authorities that Mr. Cornwell had worked with previously and he reported that he received high recommendations of Mr. Cornwell. Chairman Cardenas asked how the proposals were solicited, and Mr. McCasland said that it was posted to HCHA's website February 7<sup>th</sup>, the RFP was emailed to two names received from the QAD team, and it was also emailed to the top 25 accounting firms in Houston. Chairman Cardenas moved adoption of the contract for fee accounting services with one grammatical edit, Commissioner Riddle seconded, all were in favor, and the motion carried.

### **EXECUTIVE SESSION**

The Board went into executive session at 3:08 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, and discussion about the value or transfer of real property.

The Board of Commissioners reconvened into public session at 4:15 p.m.

Commissioner Womack left the meeting after executive session due to another obligation.

### **ADDITIONAL BOARD ACTION**

Chairman Cardenas brought back up for discussion the Resolution awarding contract for architectural and engineering services. He asked when architectural services would commence. Ms. Burns said they would begin as soon as HCHA identifies a site for GLO funds. Chairman Cardenas also asked how an architectural engineering firm gets paid and whether or not these were reimbursable expenses. Ms. Burns confirmed that the firm would get paid as part of the grant funding, and she stated that grants are usually reimbursable. Other questions were answered by Ms. Burns in response to the Commissioners. Chairman Cardenas moved to approve the Resolution awarding contract with architecture services with edits, Vice Chairman Wright seconded, all were in favor, and the motion carried.

Chairman Cardenas moved that the Harris County Housing Authority direct the Executive Director to not take any action on fiscal matters that are inconsistent with the litigation strategy that has been directed by the Board of Commissioners as it relates to the pending litigation

between the Harris County Housing Authority and Guy R. Rankin IV, Vice Chairman Wright seconded, all were in favor, and the motion carried.

Chairman Cardenas also moved to direct the Executive Director to bring to the Board of Commissioners recommendations for Counsel to represent the Harris County Housing Authority with contemplated litigation, Commissioner Riddle seconded, all were in favor, and the motion carried.

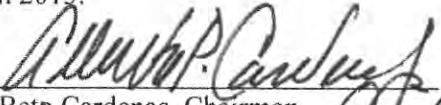
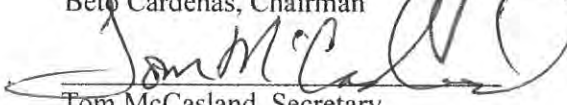
#### **COMMENTS BY COMMISSIONERS**

Chairman Cardenas said that the members of the Board of Commissioners will have a quorum at the February 25<sup>th</sup> State of the County luncheon which will be located at the Hilton of the Americas ballroom. He stated that the Commissioners will sit together but that there would be no discussion as it relates to Harris County Housing Authority matters. He also said that they will look at appropriate posting if needed.

#### **ADJOURNMENT**

Commissioner Riddle moved to adjourn at 4:30 p.m, Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 20th day of March 2013.

  
Beto Cardenas, Chairman  
  
Tom McCasland, Secretary



**Resolution No. 13-04**

**Resolution Authorizing the Negotiation and Execution of a Contract for Legal Consulting Services-Transaction Real Estate & Construction**

**WHEREAS**, the Harris County Housing Authority (HCHA) issued a Request for Proposals (RFP) # 10-04 on October 8, 2012 and (RFP) #12-16 on December 20, 2012, soliciting proposals for Legal Firms to provide legal services related to the HCHA's affordable housing and construction program; and

**WHEREAS**, the RFP was advertised in the local newspaper on October 7th and 14th, 2012, December 20th and 30th 2012, and posted on the HCHA website; and

**WHEREAS**, responses to RFP #10-04 were due November 2, 2012 and RFP #12-16 were due on January 18, 2013; and

**WHEREAS**, the HCHA received two responses to RFP #10-04 from Reno & Cavanaugh Coats/Rose and no response to RFP #12-16; and

**WHEREAS**, the staff of the HCHA reviewed evaluated and ranked the responses to the RFP's; and



**WHEREAS**, HCHA staff found the Coats/Rose qualifications and proposal complied with the requirements of the RFP; and

**WHEREAS**, Coats/Rose's proposal was ranked number one and the proposal, scope and fees (subject to negotiation) are most advantageous to the HCHA.

**NOW THEREFORE BE IT RESOLVED**, that Chief Executive Officer of the HCHA, is authorized and directed to negotiate and execute a contract for Legal Services with Coats/Rose for services related to the HCHA's Affordable Housing Development and Construction Program, and to take such actions as the Chief Executive Officer deems necessary to effectuate the intent of this resolution, the execution of any document or taking of any action to be conclusive evidence of the necessity therefor.

Chair

Secretary

**RESOLUTION NO. 13-05**

**RESOLUTION AUTHORIZING THE AWARD OF CONTRACT FOR  
ARCHITECTURAL AND ENGINEERING SERVICES FOR VARIOUS PROJECTS  
UNDER THE AFFORDABLE HOUSING DEVELOPMENT PROGRAM**

**WHEREAS**, the Harris County Housing Authority issued a Request for Qualifications (RFQ No. 13- 01) for Architectural and Engineering Services on January 13, 2013 for HCHA's Affordable Housing Development program (AHDP); and

**WHEREAS**, such RFQ was advertised in the local newspaper on January 13, 2013 and January 20, 2013, and posted on the HCHA website on January 14, 2013 and made available to all interested professionals; and

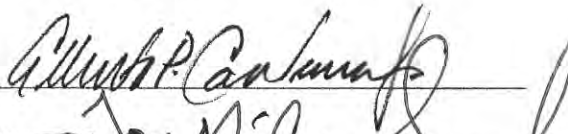

**WHEREAS**, applications from 9 Architectural and Engineering firms were received; and

**WHEREAS**, applications were reviewed and evaluated, and Glassman, Shoemaker, Maldonado was determined to be the most qualified Architectural & Engineering firm; and

**NOW THEREFORE BE IT RESOLVED**, that the Chief Executive Officer of the HCHA, is authorized and directed to negotiate a contract with Glassman, Shoemaker, Maldonado for Architectural and Engineering Services related to HCHA's Affordable Housing Development and Construction Program.

Chair

Secretary

**Resolution No. 13-06**

**Resolution Regarding Collaboration between Harris County Housing Authority and  
Houston Housing Authority**

**WHEREAS**, Harris County's largest incorporated city is the City of Houston;

**WHEREAS**, Harris County and the City of Houston face similar challenges in providing quality, affordable housing option to low-income residents;

**WHEREAS**, Harris County Housing Authority and Houston Housing Authority have overlapping jurisdictions for housing homeless veterans through HUD's Veteran Affairs Supportive Housing (VASH) program;

**WHEREAS**, Harris County Housing Authority desires to reduce inefficiencies and redundancies in providing quality, affordable housing options to low-income residents;

**NOW THEREFORE BE IT RESOLVED** that the Chief Executive Officer of Harris County Housing Authority is authorized and directed to seek future opportunities for collaboration with future affordable housing developments between Harris County Housing Authority and Houston Housing Authority.

Chair

Secretary

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**Resolution No. 13-07**

**Resolution Authorizing the Negotiation and Execution of a Contract for Fee Accounting Services**

**WHEREAS**, the Harris County Housing Authority (HCHA) issued a Small Purchase Request for Proposals (RFP) # 13-05 on February 7, 2013, soliciting proposals for fee accounting services;

**WHEREAS**, responses to RFP #13-05 were due February 18, 2013; and

**WHEREAS**, HCHA received one responses to RFP #13-05 from the Cornwell Associates, Accountants Inc.;

**WHEREAS**, the staff of HCHA reviewed the response to the RFP; and

**WHEREAS**, HCHA staff found the Cornwell Associates, Accountants' qualifications and proposal complied with the requirements of the RFP;

**NOW THEREFORE BE IT RESOLVED**, that the Chief Executive Officer of the HCHA, is authorized and directed to negotiate and execute a contract for fee accounting services with The Cornwell Associates, Accountants Inc. for accounting services for a fee not to exceed \$48,190, and to take such actions as the Chief Executive Officer deems necessary to effectuate the intent of this resolution, the execution of any document or taking of any action to be conclusive evidence of the necessity therefor.

Chair

Secretary

The image shows two handwritten signatures in blue ink. The top signature is for the Chair, and the bottom signature is for the Secretary. Both signatures are written over horizontal lines.



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

**Houston, Texas**

**February 25, 2013**

**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 25th day of February 2013, at Hilton Americas, located at 1600 Lamar, Room 331 inside the boundaries of Harris County in the City of Houston, Texas. Chairman Cardenas called the meeting to order at 11:36 a.m., and the roll was taken of the duly constituted officers and members of the Board:

Beto Cardenas	Chairman	Present
Joe Ellis	Commissioner	Present
David Riddle	Commissioner	Present
Kerry Wright	Vice Chairman	Present
Gerald Womack	Commissioner	Present

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

Tom McCasland, Horace Allison, of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, Carlos Bujosa, Barry Kahn, Mike Morris, and Kiah Collier were also in attendance for portions of the meeting.

**PUBLIC COMMENT:**

None

**CHIEF EXECUTIVE OFFICER'S REPORT**

Mr. McCasland provided a brief update on the draft budget.

At 11:40 a.m., the meeting was recessed until after the State of the County address.

At 1:40 p.m., Chairman Cardenas called the meeting back to order.

Barry Kahn provided a brief update on the application process and status for the Retreat at Westlock 9% Low Income Housing Tax Credit.

## **BOARD ACTION ITEMS:**

### **Discussion and request to issue an RFP for general counsel services.**

Vice Chairman Wright moved that HCHA not issue an RFQ for general services, but instead bring a memorandum of agreement with Harris County Attorney's Office to the board within 60 days for Board approval.

Commissioner Ellis seconded and the motion passed with unanimous approval.

### **Discussion and request to approve or deny a Resolution awarding a contract for architecture services.**

Commissioner Riddle moved to approve the resolution as amended with a one year contract with a one year extension. Commissioner Womack seconded the motion, and the motion passed unanimously.

### **Discussion and possible action regarding policy and procedures for HCHA Board of Commissioners meetings.**

After discussion, this action item was tabled.

## **EXECUTIVE SESSION**

The Board went into executive session to discuss the value or transfer of real property and specific personnel matters.

The Board of Commissioners reconvened into public session.

## **ADDITIONAL BOARD ACTION**

Vice Chairman Wright moved to direct the Executive Director not to submit a request for sewer connections with MUD 400's planned sewer facilities. Commissioner Womack seconded the motion, and the motion passed with four commissioners voting for the motion and Chairman Cardenas voting against.

## **ADJOURNMENT**

Commissioner Womack moved to adjourn the meeting and David Riddle seconded. All voted in favor.

Adopted and approved this 22nd day of April 2013.

  
Beto Cardenas, Chairman

  
Tom McCasland, Secretary

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

**Houston, Texas**

**March 26, 2013**

**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 26th day of March 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Cardenas called the meeting to order at 1:32 p.m., and the roll was taken of the duly constituted officers and members of the Board:

Beto Cardenas	Chairman	Present
Joe Ellis	Commissioner	Present
David Riddle	Commissioner	Present
Kerry Wright	Vice Chairman	Present
Gerald Womack	Commissioner	Present

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

Tom McCasland, David Cornwell, Angela Sklavos, Paula Burns, Horace Allison, Beverly Burroughs, Paul Curry, and Julia Nations-Quiroz of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, Antoinette Jackson, Lloyd Jernigan and Jim Moehlman were also in attendance.

**PRESENTATION AND APPROVAL OF MINUTES FROM JANUARY 23, 2013 AND FEBRUARY 20, 2013.**

Commissioner Riddle moved to approve the Minutes from the January 23<sup>rd</sup> and the February 20, 2013 board meetings, Commissioner Ellis seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT:**

None

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

Mr. McCasland began his report by discussing the HUD OIG Audit report. The last word is that HCHA should be receiving the draft report in 1-2 weeks, and it is currently being reviewed by headquarters. HCHA will have a few weeks to respond before the final report is issued.

According to HUD, the report will focus on three findings that take issue with the previous management's performance, egregious and potentially ineligible expenses, and the condition of financial records including the comingling of funds, lack of procurement policy, and the issuance of specific contracts. HCHA will be working very closely with HUD to address the findings in this report.

Mr. McCasland next discussed sequestration. While changes may occur, HCHA has budgeted for the current sequestration numbers. The draft budget presented later in the meeting is balanced and conservative. Total revenues are budgeted at 3% reduction, and total expenses are budgeted with a 5% reduction. The challenge under the sequester is to continue a high level of service to HCHA's clients. Through strategic cost cutting and efficiency measures, HCHA will meet this challenge.

Transwestern has revised the marketing flyer for Patriots by the Lake to show a listing price of \$6.5 million, and they are sending this out today. The original price was \$7.2 million. As directed at the last board meeting, HCHA declined to make any sewer reservations, and the report from the MUD is that they are moving forward with plans to build a sewer plant.

The permanent loan for Cypresswood Estates was closed on March 14th as was authorized at the January 2013 meeting. \$3.5 million was the total on the amount, and \$1.99 million was the payoff with closing costs for the construction loan, with \$1.5 million being distributed to the Affordable Housing division. This amount will serve as a revolving fund for reimbursable Affordable Housing expenses.

The agreement with Northwest Assistance Ministries was next discussed. This agreement relates to HCHA's first local preference to provide up to 100 vouchers for homeless families with school age children in HCHA's service area which are the unincorporated areas around the city of Houston. The agreement is drafted to focus on individualized plans for families to achieve self-sufficiency, defined as no longer needing housing assistance from HCHA. The MOU defines in detail the case management and supportive services that will be provided. The goal is not simply to provide housing, but to also provide the training and support so that housing assistance is no longer needed.

Commissioner Womack asked who the Northwest Assistance Ministries are, what group they are, and how they got selected. Mr. McCasland said that according to the local preference, HCHA will work with an agency that provides homeless supportive services, and there are a number of them in Houston, but they focus primarily within the city, and they do not provide services in the unincorporated area. NAM is a collection of churches that have come together to support this independent organization. Mr. McCasland gave background on the type of supportive services offered at NAM. He said that this is not an exclusive MOU, so to the extent that there are other homeless agencies that are providing similar comprehensive set of services, HCHA would invite them to refer families as well. Commissioner Riddle said that while he was in the boy scouts, he had volunteered all of his time at NAM. He also said that it is a very diverse group on the northwest side of Houston that has bipartisan efforts for humanitarian aid. Commissioner Womack asked if Mr. McCasland could tell him who some of the churches are that help support the organization, specifically asking if there are any African-American



churches or Hispanic churches that are a part of the support of NAM. Commissioner Womack said that given Houston's diversity, he thought that the supportive service provider should reflect this diversity. Mr. McCasland said that he could provide Commissioner Womack with a list of every church that is involved with NAM. Chairman Cardenas asked if Mr. McCasland had any action that he wanted the Board to take regarding this MOU. Mr. McCasland said that there was not a request of the Commissioners regarding this MOU. He also said that he was acting in accordance to a process spelled out by local preference that the Board approved and that he was moving forward with. He said that he would be happy to stop at any point for any decision the Board made. However, HCHA does need to begin reissuing vouchers immediately in order to keep its revenues up.

### **FINANCIAL AGENDA:**

Chairman Cardenas reminded the Board of Commissioners that at the last board meeting, they had authorized staff to engage in accounting services. Mr. McCasland said that in the last couple of weeks during the transition to working with David Cornwell, they have been running into issues with trial balances.

After a brief introduction, David Cornwell began by saying that HCHA has trial balances that have significant and material negative cash balances. He also said that the budget is a working copy for the next year. Not only is the way that we look at the numbers being changed, but the structure of the Housing Authority itself is being changed. Mr. Cornwell said that within his very first conversation with Mr. McCasland, he was asking why HCHA was not a COCC, a Central Office Cost Center. He explained that a COCC for a housing authority is the managing entity of the organization. The advantage of running a COCC is generating income that is non-federal or that will become non-federal. Mr. Cornwell used the example of Mr. McCasland's salary which gets allocated into the Section 8 program. The Section 8 program develops a net income by the end of the year and a number that is supposed to be cash in the bank. This money is not available to spend on anything but the Section 8 program, but the budget that is being presented to the Board proposes to create a COCC so that a new line of business is created that the Section 8 program will pay a management fee to cover the CEO's salary. In that, the net income will be developed which will be available for housing purposes under State Law. The bonus is that HCHA would be able to properly and easily segregate costs and cash because the COCC would cut all checks. In response to a Commissioner's question, Mr. Cornwell said nearly all housing authorities of this size operate using COCC's. Another bonus is that it prevents the comingling of funds that has been an issue at HCHA in the past. The structure of the COCC is such that any money loaned or given to one program from another will have been approved by the Board. Mr. Cornwell went over the budget with the Commissioners and answered questions accordingly. The budget that Mr. Cornwell presented to the Board did not address DHAP, Section 8 NRA funds, and the previously spent money that may not have been properly spent that HUD will expect back. Mr. Cornwell said he did not know what those totals would be.

Commissioners asked questions related to the budget, and Mr. Cornwell confirmed that HCHA's budget was in line with other housing authorities.

Vice Chairman Wright moved to accept the proposed draft budget for fiscal year 2014, Commissioner Riddle seconded, all were in favor, and the motion carried.

### **ADMINISTRATIVE AGENDA:**

HCV Director Beverly Burroughs presented the information on the lease-up rates for the HCV

program and the current status of the properties and responded to Commissioners' questions.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the Commissioners.

Mr. Horace Allison spoke regarding the Affordable Housing division. He said that the tax credit application for the Retreat at Westlock was submitted March 1, 2013. A loan application was submitted to Harris County Housing Finance for a short term loan, and an application was submitted to Community Services Department for \$1.5 million. The application for GLO funding has been revised and is being targeted at two potential projects. Both of the projects have roughly 100 units each and both are being targeted at people at 30% AMI and above. Mr. Allison also said that he is still working with the County to look at land. The allocation will be made for the tax credit application in June or July. Until then HCHA will not know anything. Mr. Allison answered questions asked by Commissioners about the timeline on the GLO funding.

### **BOARD ACTION ITEMS:**

#### **Discussion and request to ratify or deny the execution of an Interlocal Agreement with Harris County for a grant of TIRZ Generated Affordable Housing Funds.**

Chairman Cardenas then discussed the request to ratify or deny the execution of an Interlocal Agreement with Harris County for a grant of TIRZ Generated Affordable Housing Funds. The Interlocal Agreement was a document drawn up by David Turkel and the Harris County Community Services Department that oversees the TIRZ, the Tax Increment Reinvestment Zone funding that is set aside for Affordable Housing. This is the impact of that interlocal agreement, and at the end of 12 months, HCHA will send a report showing exactly how that money was spent. Chairman Cardenas moved to ratify the execution of the Interlocal Agreement with Harris County for a grant of TIRZ Generated Affordable Housing Funds, Commissioner Womack seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny eight different Resolutions appointing managers of HCHA Louetta LLC, HCHA Olive Grove LLC, HCHA Waterside LLC, HCHA Cornerstone LLC, HCHA Bammel LLC, Baybrook Park LLC, HCHA Sierra Meadows LLC, and HCHA Cypresswoods Estate LLC.**

The Board next considered the request to approve or deny eight different resolutions appointing managers of HCHA Louetta LLC, HCHA Olive Grove LLC, HCHA Waterside LLC, HCHA Cornerstone LLC, HCHA Bammel LLC, Baybrook Park LLC, HCHA Sierra Meadows LLC, and HCHA Cypresswoods Estate LLC. Chairman Cardenas noted that the resolutions are identical. The prior managers listed were David Gunter and Guy Rankin, respectively. Working with the legal team, this was brought to Mr. McCasland's attention, and they are proposing Tom McCasland and Horace Allison as managers. Chairman Cardenas moved to approve the eight resolutions appointing Tom McCasland and Horace Allison as managers of HCHA Louetta LLC, HCHA Olive Grove LLC, HCHA Waterside LLC, HCHA Cornerstone LLC, HCHA Bammel LLC, Baybrook Park LLC, HCHA Sierra Meadows LLC, and HCHA Cypresswoods Estate LLC, Commissioner Womack seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny a Resolution authorizing HCHA to appoint an Executing Officer, and authorizing the authority and the company to take such**

**other steps as the authority deems necessary or convenient to carry out these resolutions.**

The Board then considered the request to approve or deny a resolution authorizing HCHA to appoint an Executing Officer, and authorizing the authority and the company to take such other steps as the authority deems necessary or convenient to carry out these resolutions. Ms. Toni Jackson of Coats Rose said that Mr. McCasland had never been given the authority to make day to day decisions, and this resolution would grant him that authority. She said that anytime someone new comes into the administrative position, they should be appointed as Executing Officer. Commissioner Womack moved to approve the resolution authorizing HCHA to appoint an Executing Officer, Commissioner Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution adopting HCHA's Administrative Plan as amended.**

The Board next considered the request to approve or deny a resolution adopting HCHA's Administrative Plan as amended. The primary change relates to the absorption of a portability family. HCHA wanted to reduce the amount of notice that HCHA has to give to the housing authority from where the tenant is porting from once HCHA decides to absorb a family. Instead of providing 30 days' advance written notice of its decision to absorb the family, the change states that HCHA will provide the PHA with "written" notice. The other change presented to the Board is to the repayment policy. HCHA wanted to make the clarification that for a payment exceeding \$2000 due, HCHA may require a deposit of up to 50%. Mr. McCasland answered Commissioners' questions accordingly. Chairman Cardenas moved to adopt HCHA's Administrative Plan as amended, Vice Chairman Wright seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution adopting HCHA's Annual Plan as approved on January 23, 2013.**

The Board then considered the request to approve or deny a resolution adopting HCHA's Annual Plan as approved on January 23, 2013. Commissioner Riddle moved to approve the resolution adopting HCHA's Annual Plan, Commissioner Ellis seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution adopting a policy for signing checks and adding HCHA's CEO as a signatory to HCHA's checking account.**

The Board next considered the request to approve or deny a resolution adopting a policy for signing checks and adding HCHA's CEO as a signatory to HCHA's checking account. Mr. McCasland said that the policy in place for signing checks is a policy of two facsimiles. He expressed his concern over this, and said that every point of this proposal is to make sure that checks only go out if they are authorized. Mr. McCasland then went over the proposed policy. Chairman Cardenas made edits to the policy, Commissioner Riddle moved to adopt the policy for signing checks and adding HCHA's CEO as a signatory to HCHA's checking account, Vice Chairman Wright seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Document Retention Policy.**

The Board then discussed a document retention policy. Mr. McCasland said that HCHA has been in discussion with the County Attorney's Office, but there is no document to present to the



Board at this time. Mr. McCasland asked for permission to move forward with the County Attorney's Office to draw up an interlocal where HCHA would comply with the County Attorney's document retention policy. Doug Ray said the Archive Department at the County Attorney's Office has a procedure for the retention of documents and the destruction of documents that no longer need to be retained. He contacted the Archive Department and asked if they would be willing to enter into an agreement to provide a procedure for the retention and destruction of documents for the housing authority and they said they would be willing to. Doug Ray also said that they have entered into similar agreements with other governmental agencies affiliated with the county.

**Discussion and request to approve or deny an Interlocal Agreement with Office of the Harris County Attorney for general counsel services.**

The Board next considered the request to approve or deny an Interlocal Agreement with the Office of Harris County Attorney for general counsel services. Commissioner Womack moved to approve the Interlocal Agreement, Vice Chairman Wright seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny submission of HCHA's Revised Public Housing Activities Application: Round 2.2 submitted to the General Land Office on March 1, 2013 subject to the approval of HCHA Board of Commissioners.**

The Board then considered the request to approve or deny submission of HCHA's Revised Public Housing Activities Application: Round 2.2. In response to one of the Commissioners questions, Mr. McCasland said that this is the application that Mr. Allison reported on. It has been submitted, subject to final approval from the Board. Commissioner Womack moved to approve the application, Commissioner Ellis seconded, all were in favor, and the motion carried.

The Board next considered the discussion and request to approve or deny invoices presented by LJA Engineering. The discussion was postponed until after Executive Session.

**Discussion and request to approve or deny authorization for overnight travel for Angela Sklavos.**

The Board then considered the request to approve or deny the authorization for overnight travel for Angela Sklavos. Mr. McCasland said the request is to send Angela Sklavos to HQS training so that she is better able to help out in the Inspections Department. Chairman Cardenas moved to approve the authorization for overnight travel, Chairman Womack seconded, all were in favor, and the motion carried.

The Board next considered the request to approve or deny the Investment policy. Mr. McCasland said that the policy had not been updated to reflect the FDIC insurance limitation. The Commissioners agreed to come back to this action item after Executive Session.

**EXECUTIVE SESSION**

The Board went into executive session at 3:45 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, discussion about the value or transfer of real property, and discussion regarding specific personnel matters.

The Board of Commissioners reconvened into public session at 4:45 p.m.



## **ADDITIONAL BOARD ACTION**

### **Discussion and request to approve or deny a Document Retention Policy.**

Chairman Cardenas brought back up for discussion the document retention policy. With the help of Counsel, Chairman Cardenas moved to authorize CEO Tom McCasland to negotiate an agreement with Harris County to designate the Records Management Division of the Harris County Information Technology Center to serve as the Records Management Officer for the Harris County Housing Authority and to bring such proposed agreement to the Board of Commissioners for its approval, Commissioner Riddle seconded, all were in favor, and the motion carried.

### **Discussion and request to approve or deny the Investment Policy.**

Chairman Cardenas next brought up for further discussion the Investment policy. There are two options for the Investment Officer. HCHA could use Amegy Bank or Harris County's personnel. Commissioner Womack moved to adopt the Investment policy with Julie Guyton of Amegy Bank as Investment Officer, Vice Chairman Wright seconded, all were in favor, and the motion carried.

### **Discussion and request to approve or deny invoices presented by LJA Engineering.**

Chairman Cardenas then addressed the invoices from LJA Engineering. Mr. McCasland presented invoices from the East Harris County Growth Plan. He said that he had requested all of the work that was done and that it had been all for one City Council district and he could see no possible relationship to Affordable Housing, so he has removed this amount of \$6,533 from those presented to the Board. The other amount being requested is \$29,732, and this project is not related to the other project. Mr. McCasland's recommendation is to request the \$6,533 back from LJA in exchange for paying the \$29,732. Mr. Jim Moehlman of LJA was invited to speak by the Board at this point. He said that LJA was authorized by Guy Rankin to do the work, and that he would appreciate that if any money was going to be paid out to LJA that the \$6,533 just be withheld from the check so that LJA is not trading checks with HCHA. He answered Commissioners' questions accordingly. Chairman Cardenas moved to deny payment to LJA Engineering Inc. for the amounts in question, but noted that that did not preclude the Board from continuing to discuss the matter or taking other action, Vice Chairman Wright seconded, all were in favor, and the motion carried.

## **COMMENTS BY COMMISSIONERS**

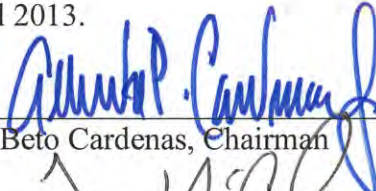
Chairman Cardenas said that Commissioner Womack will be working with the rest of the Commissioners to conduct a six-month review of Mr. McCasland.

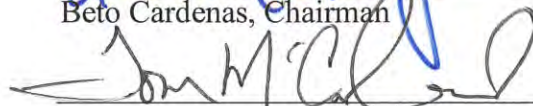
Chairman Cardenas also provided clarity regarding the resignation that he had submitted earlier in the year. He expressed his gratitude to the other Commissioners for their patience throughout this process.

## ADJOURNMENT

Commissioner Womack moved to adjourn at 5:07 p.m, Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 22nd day of April 2013.

  
Beto Cardenas, Chairman

  
Tom McCasland, Secretary

Attachments: Resolution No. 13-09, Resolution No. 13-10, Resolution No. 13-11, Resolution No. 13-12, Resolution No. 13-13, Resolution No. 13-14, Resolution No. 13-15, Resolution No. 13-16, Resolution No. 13-17, Resolution No. 13-18, Resolution No. 13-19, Resolution No. 13-20, Resolution No. 13-21

**RESOLUTION NO. 13-09**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA LOUETTA, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Louetta, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, and

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in cursive script, appearing to read "William P. Carlsberg".

Secretary:

A handwritten signature in cursive script, appearing to read "J. M. Carlsberg".



**RESOLUTION NO. 13-10**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA OLIVE GROVE, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Olive Grove, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, and

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

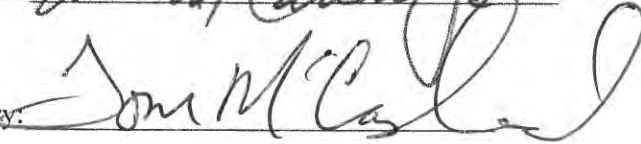
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in cursive script, appearing to read "William H. Cantelero", written over a horizontal line.

Secretary:

A handwritten signature in cursive script, appearing to read "Donna M. Casella", written over a horizontal line.

**RESOLUTION NO. 13-11**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA WATERSIDE, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Waterside, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, AND:

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further


**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 26th day of March, 2013.

Chairman:

A handwritten signature in dark ink, appearing to read "Alvin R. ...", written over a horizontal line.

Secretary:

A handwritten signature in dark ink, appearing to read "Tom M. ...", written over a horizontal line.



**RESOLUTION NO. 13-12**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA CORNERSTONE, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Cornerstone, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, and

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

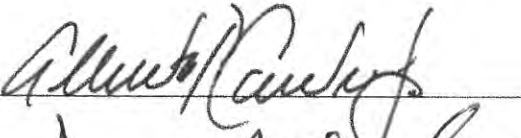
**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in dark ink, appearing to read "Alvin R. Ruckelshaus", written over a horizontal line.

Secretary:

A handwritten signature in dark ink, appearing to read "Tom McClellan", written over a horizontal line.

### **RESOLUTION NO. 13-13**

#### **RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA Bammel, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Bammel, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, AND:

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

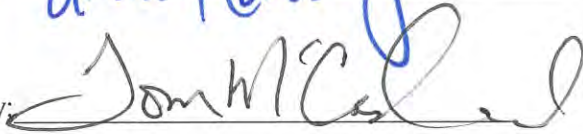
This resolution shall be in full force and effect from and upon its adoption.

PASSED, by the Board of Commissioners this 26th day of March 2013.

Chairman: \_\_\_\_\_

A handwritten signature in blue ink, appearing to read "William P. Cantelero", written over a horizontal line.

Secretary: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Tom McClellan", written over a horizontal line.



**RESOLUTION NO. 13-14**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA BAYBROOK PARK, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Baybrook Park, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, and

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman: \_\_\_\_\_

A handwritten signature in blue ink, appearing to read "Arthur P. Cawley", written over a horizontal line.

Secretary: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Tom McClellan", written over a horizontal line.

**RESOLUTION NO. 13-15**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA SIERRA MEADOWS, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Sierra Meadows, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting,

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

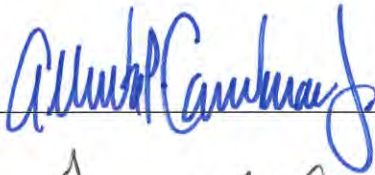
**RESOLVED** that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

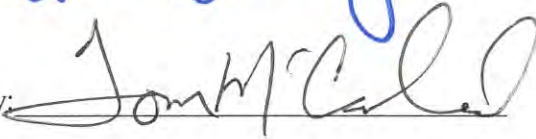
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 26th day of March, 2013.

Chairman:



Secretary:





**RESOLUTION NO. 13-16**

**RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT MANAGERS OF HCHA CYPRESSWOOD ESTATES, LLC (THE "COMPANY"), AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority"), as the sole Member of the HCHA Cypresswood Estates, LLC (the "Company"), has accepted the resignations of previous Managers of the Company;

**WHEREAS**, the Authority, as the sole Member of the Company, desires to appoint Tom McCasland and Horace Allison as the Managers of the Company, and these Managers shall be all of the current Managers of, and the only current Managers of, the Company;

**NOW, THEREFORE**, the Authority hereby adopts the following Resolutions on behalf of itself and on behalf of the Company, at a duly called meeting, AND:

**IT IS HEREBY RESOLVED**, that the individuals named below are hereby appointed as the current Managers of the Company:

Tom McCasland,

Horace Allison;

and it is further

**RESOLVED**, that each of the Managers named above shall serve in his or her respective capacity until a successor is duly qualified and appointed by the Authority; and it is further

**RESOLVED**, that these Managers, individually and without the joinder of the other, are empowered to carry out the day-to-day business of the Company, to perform all acts necessary and appropriate to carry out the business of the Company, subject to the direction, control, and purpose of the Authority; and it is further

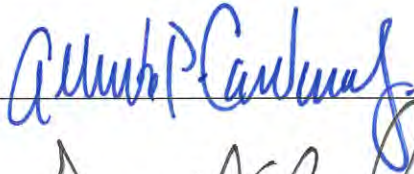
**RESOLVED**, that the Company and the Authority, as applicable, is each authorized to take such other action in the consummation of these Resolutions to do any and all other acts and things necessary or proper in furtherance of these Resolutions, as the Authority shall deem to be necessary or desirable, and all such acts heretofore taken to such end are hereby expressly ratified and confirmed as the acts and deeds of the Company; and it is further

**RESOLVED**, that the past lawful actions of the Commissioners related to these Resolutions, taken on behalf of the Authority or the Company, are hereby ratified, approved, and adopted; and it is further

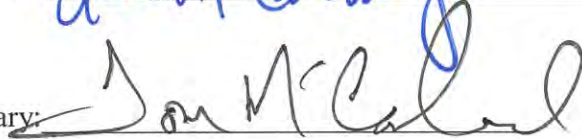
This resolution shall be in full force and effect from and upon its adoption.

PASSED, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in blue ink, appearing to read "G. P. Carlucci", written over a horizontal line.

Secretary:

A handwritten signature in black ink, appearing to read "Don McCall", written over a horizontal line.

## **RESOLUTION NO. 13-17**

### **RESOLUTION APPROVING AND AUTHORIZING THE HARRIS COUNTY HOUSING AUTHORITY (THE "AUTHORITY") TO APPOINT AN EXECUTING OFFICER, AND AUTHORIZING THE AUTHORITY AND THE COMPANY TO TAKE SUCH OTHER STEPS AS THE AUTHORITY DEEMS NECESSARY OR CONVENIENT TO CARRY OUT THESE RESOLUTIONS**

**WHEREAS**, the Harris County Housing Authority (the "Authority") desires to assign and grant signatory authority to an officer of the Authority;

**NOW THEREFORE**, the Board of Commissioners of the Harris County Housing Authority hereby authorizes and approves the following:

**RESOLVED**, that the Authority hereby appoints Thomas McCasland (the "Executing Officer"), the CEO of the Authority, to be the executing officer of the Authority and of any entity that is controlled by the Authority, and authorizes him to execute any documents, instruments, certifications, actions, and correspondence on behalf of the Authority and/or on behalf of any entity that is controlled by the Authority;

**RESOLVED FURTHER**, that this Resolution and the form resolutions to which it is applicable shall continue in full force and effect until official written notice of the rescission thereof;

**RESOLVED FURTHER**, that the Executing Officer is authorized to negotiate, execute, and/or approve all other documents necessary to effectuate the foregoing Resolution, all on such terms and containing such provisions as the Executing Officer executing same shall deem appropriate, and the approval of the terms of each such instrument herein described by the Executing Officer shall be conclusively evidenced by his execution and delivery thereof;

**RESOLVED FURTHER**, that the execution by the Executing Officer of any document or instrument authorized by the foregoing Resolutions or any document or instrument executed in the accomplishment of any action or actions authorized, or the execution of any amendment or modification of any such document or instrument shall be deemed to be conclusive approval thereof by the Authority;

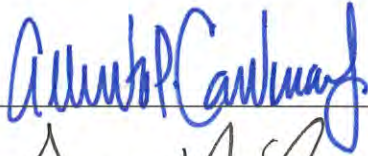
**RESOLVED FURTHER**, that the Authority take such other steps and actions as the Authority deems necessary or convenient to carry out these Resolutions;

**RESOLVED FURTHER**, that to the extent any of the actions authorized by this Resolution have already been taken on behalf of the Authority, such actions are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and that the past lawful actions of the Commissioners and Officers related to these Resolutions, taken on behalf of the Authority, are hereby ratified, approved, and adopted;

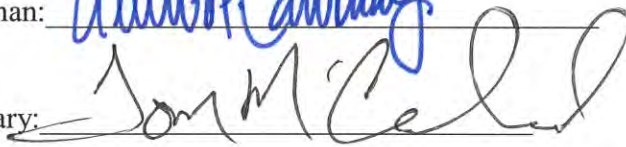
This Resolution shall be in full force and effect from and upon its adoption.

PASSED, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in blue ink, appearing to read "Allan P. Canham", written over a horizontal line.

Secretary:

A handwritten signature in black ink, appearing to read "Tom McCall", written over a horizontal line.



**RESOLUTION NO. 13-18**

**RESOLUTION ADOPTING A REVISED HCHA ADMINISTRATIVE PLAN**

**WHEREAS**, the Harris County Housing Authority ( "HCHA") held a Resident Advisory Board meeting on November 19, 2012; and

**WHEREAS**, HCHA held a public hearing on the revised HCHA Annual Plan and the revised HCHA Administrative Plan on January 11, 2013; and

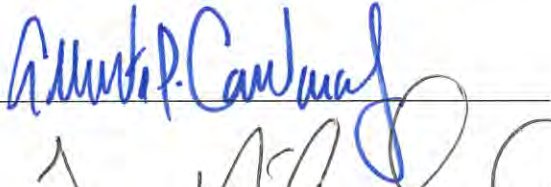
**WHEREAS**, the HCHA Board of Commissioners approved the revised HCHA Annual Plan and the revised HCHA Administrative Plan at the January 23, 2013 meeting of the HCHA Board of Commissioners;

**WHEREAS**, no significant amendment or substantial deviation or modification has been made to the HCHA Administrative Plan since the dates of the Resident Advisory Board meeting and the Public Hearing;

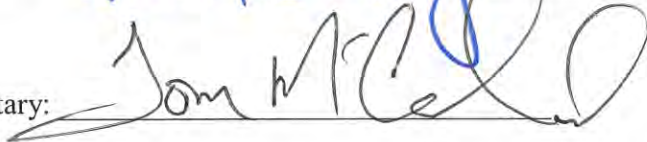
**NOW, THEREFORE BE IT RESOLVED**, that HCHA hereby adopts the HCHA Administration Plan attached to this Resolution.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in blue ink, appearing to read "Anthony P. Cantu", written over a horizontal line.

Secretary:

A handwritten signature in black ink, appearing to read "Tom McEl", written over a horizontal line.

Attachment: HCHA Administrative Plan

**RESOLUTION NO. 13-19**

**RESOLUTION ADOPTING THE APPROVED HCHA ANNUAL PLAN**

**WHEREAS**, the Harris County Housing Authority ( "HCHA") held a Resident Advisory Board meeting on November 19, 2012; and

**WHEREAS**, HCHA held a public hearing on the revised HCHA Annual Plan and the revised HCHA Administrative Plan on January 11, 2013; and

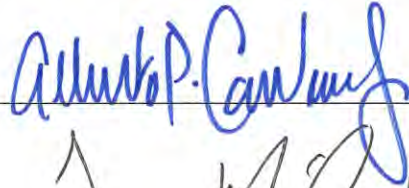
**WHEREAS**, the HCHA Board of Commissioners approved the revised HCHA Annual Plan and the revised HCHA Administrative Plan at the January 23, 2013 meeting of the HCHA Board of Commissioners;

**WHEREAS**, no changes have been made to the HCHA Annual Plan since the dates of the Resident Advisory Board meeting, the Public Hearing or the January 23, 2013 Board meeting;

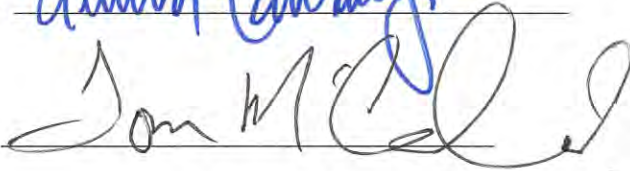
**NOW, THEREFORE BE IT RESOLVED**, that HCHA hereby adopts the HCHA Annual Plan attached to this Resolution.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:

A handwritten signature in blue ink, appearing to read "Arthur P. Cantelmo", written over a horizontal line.

Secretary:

A handwritten signature in black ink, appearing to read "Jon McLeod", written over a horizontal line.

Attachment: HCHA Annual Plan

**RESOLUTION NO. 13-20**

**RESOLUTION ADOPTING A CHECK WRITING POLICY AND ADDING THE CEO AS  
A SIGNATORY TO HCHA'S CHECKING ACCOUNTS**

**WHEREAS**, the Harris County Housing Authority ( "HCHA") desires to establish a check writing policy;

**NOW, THEREFORE BE IT RESOLVED**, that HCHA hereby adopts the following HCHA check writing policy and authorizes adding the CEO as a signatory to HCHA's checking accounts.

- All checks shall bear two signatures.
- As approved by the Board, only the Chairman and Vice Chairman are authorized commissioners to sign checks.
- One signature must be one of the above noted HCHA Commissioners respectively authorized to sign checks and may be a facsimile signature for checks for any amount under \$10,000.
- For all HAP payments to landlords and utility allowances to tenants, the second signature must be the other HCHA Commissioner authorized to sign checks and may also be a facsimile signature for checks for any amount under \$10,000.
- For all other checks under \$10,000, the second signature must be the manual signature of the CEO or the other HCHA Commissioner authorized to sign checks whose signature is not already on the check.
- For checks for all amounts \$10,000 or over, each check must have two manual signatures by the two HCHA Commissioners authorized to sign checks. This requirement does not include the following three monthly checks:
  - A check for monthly office rent for an amount approved by the Board of Commissioners.
  - A check for monthly health insurance payments that does not exceed the annual budget approved by the Board of Commissioners.
  - A check for monthly payments to the Texas County & District Retirement System for an amount that does not exceed the required employer contribution rate for the current plan year as approved by the Board of Commissioners.

For these specifically listed monthly checks, the second signature must be the manual signature of the CEO or the other HCHA Commissioner authorized to sign checks whose signature is not already on the check.

- The CEO may not allow any HCHA banking institution to use his or her facsimile signature.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:

Secretary:

**RESOLUTION NO. 13-21**

**RESOLUTION APPROVING THE HARRIS COUNTY HOUSING AUTHORITY  
INVESTMENT POLICY AND APPOINTING AN INVESTMENT OFFICER**

**WHEREAS**, the Harris County Housing Authority ( "HCHA") is subject to the Public Funds Investment Act (Texas Government Code, Chapter 2256, Subchapter A); and

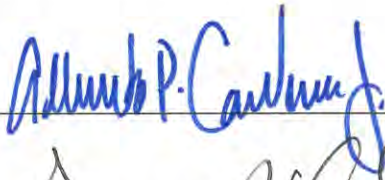
**WHEREAS**, HCHA's proposed Investment Policy authorizes the HCHA Board of Commissioners to delegate investment authority to one or more officers or employees as the HCHA Investment Officer;

**NOW, THEREFORE BE IT RESOLVED**, that HCHA hereby adopts the attached Investment Policy for its Fiscal Year 2014, and

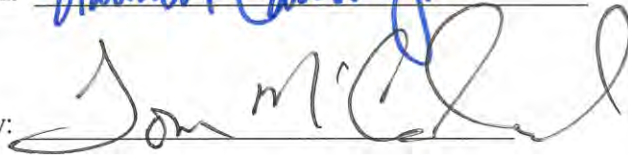
**IT IS FURTHER RESOLVED**, that HCHA designates Julie Guyton of Amegy Bank as its duly authorized Investment Officer with all powers and responsibilities described in the attached Investment Policy.

**PASSED**, by the Board of Commissioners this 26th day of March 2013.

Chairman:



Secretary:



Attachment: Investment Policy



# HARRIS COUNTY HOUSING AUTHORITY

## INVESTMENT POLICY

**Effective: March 26, 2013**

**Last Revised: March 26, 2013**

### **POLICY AND PROCEDURE FOR INVESTMENTS**

All investments made by the Harris County Housing Authority (HCHA) shall comply with the Public Funds Investment Act (Texas Government Code, Chapter 2256, Subchapter A) and all federal, state and local statutes, rules or regulations. Gov't Code 2256.056. The specific requirements for the investment of HUD funds are found in 24 CFR Part 85 Subpart C, the Annual Contribution Contract (ACC), the General Depository Agreement (FORM HUD-51999) and HUD Notice 96-33 as extended.

#### **Policy Statement**

It is the policy of the Harris County Housing Authority (HCHA) to manage its cash flow in order to optimize the use of funds. This will be accomplished by the appropriate planning of receipts and disbursements to assure the availability of funds to meet current expenditures and to maximize the yield from the investment of temporarily surplus funds. As a rule, the average amount on deposit in the cash account will be the amount needed on hand for transaction purposes or as a safeguard against cash shortages and any excess will be invested. In the interest of good cash management, non-interest bearing deposits will be reduced to the amount necessary to maintain a good banking relationship.

Investments shall be made in a manner that emphasizes the safety and liquidity of the principal invested and conforms to all applicable state and federal statutes governing the investment of public funds.

In order to comply with local laws and the Texas Public Funds Investment Act HCHA will strive to obtain a market rate of return on all invested funds that is consistent with the type of investment selected.

Investment earnings will be used in a manner that best serves the public trust, the interests of HCHA and complies with all applicable state and federal statutes governing the use of program income.

#### **Written Policies**

Investments shall be made in accordance with written policies approved by the Board. The investment policies must primarily emphasize safety of principal and liquidity and must address investment diversification, yield and maturity and the quality and capability of investment management. The policies must include:

- A list of the types of authorized investments in which the Board's funds may be invested;
  - a. maximum allowable stated maturity of any individual investment owned by the Board;
  - b. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;

## HARRIS COUNTY HOUSING AUTHORITY INVESTMENT POLICY

- c. Methods to monitor the market price of investments acquired with public funds; and
- d. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.

### **Investment Strategies**

As part of the investment policy, the Board shall adopt a separate written investment strategy for each of the funds or group of funds under the Board's control. Each investment strategy must describe the investment objectives for the particular fund under the following priorities in order of importance:

- a. Understanding the suitability of the investment to the financial requirements of the Board.
- b. Preservation and safety of principal;
- c. Liquidity;
- d. Marketability of the investment if the investment needs to be liquidated before maturity;
- e. Diversification of the investment portfolio; and
- f. Yield Gov't Code 2256.005

### **Delegation of Investment Authority**

Investment Officer - The Board shall designate one or more officers or employees as investment officer(s) to be responsible for the investment of its funds. If the Board has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the contracting Board's Board. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances that a person of prudence would exercise in the management of the person's own affairs, but the Board retains the ultimate responsibility as fiduciaries of the assets of the Board. Unless authorized by law, a person may not deposit, withdraw, transfer or manage in any other manner the funds of the investing entity. Authority granted to a person to invest an entity's funds is effective until rescinded by the Board or until termination of the person's employment by the Board. Gov't Code 2256.005(f)

### **Investment Training**

Initial - the treasurer or chief financial officer and the investment officer of the Board shall attend at least one training session from an independent source approved either by the board or by a designated investment committee advising the investment officer, as provided for in the Board's investment policy. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act.

Within a two-year period the treasurer or chief financial officer and the investment officer must also attend an investment training session not less than once in a two-year period and receive not less than ten hours of instruction relating to investment

## HARRIS COUNTY HOUSING AUTHORITY INVESTMENT POLICY

responsibilities under the Public Funds Investment Act from an independent source approved by the Board or a designated investment committee advising the investment officer, as provided for in the Board's investment policy. A Board that has contracted with another investing entity to invest the Board's funds may satisfy this training requirement by having a Board officer attend four hours of appropriate instruction in a two-year period.

Investment training shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Government Code 2256. Gov't Code 2256.008.

### **Standard of Care**

Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investments shall be governed by the following objectives in order of priority:

- a. Preservation and safety of principal;
- b. Liquidity; and
- c. Yield

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

- a. The investment of all funds, rather than the prudence of a single investment, over which the officer had responsibility.
- b. Whether the investment decision was consistent with the Board's written investment policy. Gov't Code 2256.006

The Investment Officer and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the Prudent Person Standard, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for the specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

### **Internal Controls**

The Investment Officer shall establish a system of internal controls to assist in controlling investments and preventing loss or misuse. The controls established shall ensure the following:

- a. Investment transactions are authorized by HCHA's Board of Directors and documented in the board minutes.
- b. Investment documents are kept in a safe fire-resistant locked file cabinet, safe deposit box, or held by an agent.

## HARRIS COUNTY HOUSING AUTHORITY INVESTMENT POLICY

- c. The Investment Officer shall not also be responsible for maintaining the accounting records of investments.
- d. Investments will be maintained in a custodian or trust account.
- e. Investments will be in the name of HCHA.
- f. Investments will be recorded in detail in an investment ledger.
- g. Interest earned is collected and credited to the appropriate accounting records.
- h. Investments are reconciled periodically to the investment ledger.

A system of cash forecasting is established to ensure that cash needs are adequately planned for and that excess cash balances are invested for periods that maximize returns. HUD Notice 96-33.

### **Personal Interest**

A Board investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the Board shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573, to an individual seeking to sell an investment to the Board shall file a statement disclosing that relationship with the Board and with the Texas Ethics Commission. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

- a. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- b. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
- c. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer. Gov't Code 2256.005

### **Quarterly Reports**

The investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the Public Funds Investment Act. This report shall be presented to the Board not less than quarterly, within a reasonable time after the end of the period. The report must:

- a. Contain a detailed description of the investment position of the Board on the date of the report.
- b. Be prepared jointly and signed by all Board investment officers.
- c. Contain a summary statement for each pooled fund group (i.e., each internally created fund in which one or more accounts are combined for investing purposes). The report must be prepared in compliance with generally accepted accounting principles and must state:
  - i. Beginning market value for the reporting period.
  - ii. Additions and changes to the market value during the period.
  - iii. Ending market value for the period.



## HARRIS COUNTY HOUSING AUTHORITY INVESTMENT POLICY

- iv. Fully accrued interest for the reporting period.
- d. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
- e. State the maturity date of each separately invested asset that has a maturity date.
- f. State the account or fund or pooled group fund in the Board for which each individual investment was acquired.
- g. State the compliance of the investment portfolio of the Board as it relates to the Board's investment strategy expressed in the Board's investment policy and relevant provisions of law.

If the Board invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor. Gov't Code 2256.023.

### **Authorized Investments**

The Board may purchase, sell and invest its funds and funds under its control in investments described below, in compliance with its adopted investment policies and according to the standard of care set out in this policy. Investments may be made directly by the Board or by a nonprofit corporation acting on behalf of the Board or investment pool acting on behalf of two or more local governments, state agencies, or a combination of the two. Gov't. Code 2256.003.

Acceptable investment under this policy shall be limited to HUD approved investments and or those approved under the Public Funds Investment Act, Texas Government Code. In cases where there are discrepancies between HUD authorized investments and those of the State of Texas, the more restrictive of the two shall prevail.

Examples of acceptable investment instruments include the following:

- a. Direct obligations of the Federal Government, which are backed by the full faith, and credit of the United States. These include U.S. Treasury bills, notes and bonds.
- b. Obligations of federal government agencies. These include issuances by the Federal Financing Bank (FFB), Government National Mortgage Association (GNMA), Maritime Administration Merchant Marine Bonds, Notes, and Obligations, Small Business Administration (SBA), and the Tennessee Valley Authority (TVA).
- c. Securities of federal government sponsored agencies. These include issuances by the Farm Credit Consolidated System, Federal Farm Credit Banks, Federal Home Loan Banks, FHLMC Mortgage Obligations, and Student Loan Marketing Association.

## HARRIS COUNTY HOUSING AUTHORITY INVESTMENT POLICY

- d. Demand and savings deposits at commercial banks, mutual savings banks, savings and loan associations and credit unions if deposits are insured by either the Federal Deposit Insurance Corporations (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). A deposit in excess of the insurance coverage may be made at a depository institution provided that it is 100 percent collateralized by any of the securities issued by the federal government. Care will be taken to ensure that withdrawals may be made on demand without loss of interest and without penalty.
- e. Municipal depository fund or local government investment pool established by the State of Texas or other State chartered municipality as long as the securities purchased:
  - i. The fund invests only in HUD approved investment securities when HUD funds are involved.
  - ii. HCHA has either an undivided or divided interest in the securities comprising the fund.
  - iii. The fund is under the control of the Investment Company Act of 1940.
  - iv. The investment objectives of the fund are to obtain as much income as possible consistent with the preservation and conservation of capital.
  - v. The fund discloses clearly the basis of earnings and how they are distributed.
  - vi. The fund provides a statement of potential risk and a clear demonstration that withdrawals from the fund will not be so restricted as to impair HCHA's day-to-day cash management.

Money market deposit accounts not to exceed 30 percent of invested funds at depository institutions that may not be insured fully by the FDIC or NCUSIF provided that the certificates are fully backed by 100 percent collateral consisting of securities back by the federal government and when amounts exceed the \$250,000 insurance limitation, HCHA has control of the underlying collateral which is clearly identified (not pooled) U.S. Government securities.

- a. Super NOW accounts as long as they meet the insurance and collateral requirements as stated in (vi.) above.
- b. Certificates of deposit if issued by institutions that are insured by an agency of the federal government and when federal funds are involved the financial institution executes Form HUD-51999, General Depository Agreement. Certificates can exceed the \$250,000 federal insurance limitation provided that the excess is 100 percent collateralized by clearly identified (not pooled) U.S. Government securities.
  - i. Repurchase agreements for a term not to exceed 30 days when issued by federally insured depositories for securities issued by the U.S. Government and provided that the seller meets the additional requirements of HUD Notice PIH 96-33 as extended.
  - ii. Sweep accounts provided that the agreements include all the requirements applicable to any of the above.

## HARRIS COUNTY HOUSING AUTHORITY INVESTMENT POLICY

The following are not authorized investments:

- a. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index. HUD Notice 96-33.

### **Change in Law**

A Board is not required to liquidate investments that were authorized investments at the time of purchase. Gov't Code 2256.017.

### **Sellers of Investments**

A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with an investing entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. For purposes of this policy, a business organization includes investment pools and an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. The qualified representative of the business organization offering to engage in an investment transaction with the Board shall execute a written instrument in a form acceptable to the Board and the business organization substantially to the effect that the business organization has:

- a. Received and thoroughly reviewed the Board investment policy; and
- b. Agrees to the terms and types of allowable investments contained herein. Gov't Code 2256.005.003 k and HUD Notice 96-33.

### **Annual Review and Audit**

The investment policy and the investment strategy shall be reviewed not less than annually. The board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

The Board shall request an independent compliance audit of management controls on investments and adherence to the Board's established investment policies. The compliance audit shall be performed in conjunction with the annual financial audit.

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

**Houston, Texas**

**April 22, 2013**

**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 22<sup>nd</sup> day of April 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Cardenas called the meeting to order at 1:30 p.m., and the roll was taken of the duly constituted officers and members of the Board:

Beto Cardenas	Chairman	Present
Joe Ellis	Commissioner	Present
David Riddle	Commissioner	Present
Kerry Wright	Vice Chairman	Present
Gerald Womack	Commissioner	Present

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

Tom McCasland, Angela Sklavos, Paula Burns, Horace Allison, Beverly Burroughs, Paul Curry, and Julia Nations-Quiroz of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, and Antoinette Jackson.

**PRESENTATION AND APPROVAL OF MINUTES FROM FEBRUARY 26, 2013 AND MARCH 26, 2013.**

Vice Chairman Wright moved to approve the Minutes from the February 26th and March 26th board meetings, Commissioner Ellis seconded, Commissioners Riddle and Womack voted in favor, Chairman Cardenas abstained, and the motion carried.

**PUBLIC COMMENT:**

None



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

Mr. McCasland began his report by discussing the HUD OIG Audit report. HUD-OIG has indicated that the final report will likely be released in 2-6 weeks.

Mr. McCasland next discussed HUD-VASH. HCHA is fully leased on its 250 vouchers, and HUD has indicated that it will be issuing an additional 130 vouchers that will become effective as of May 1, 2013. In addition to helping end veteran homelessness, this will also provide unbudgeted revenue for fiscal year 2014. HCHA is working with the Houston/ Harris County Continuum of Care to end veterans' homelessness by December 2015. The next 100 day challenge for the local community will be hitting a pace by July 31, 2013 of housing 140 homeless veterans each month. Working with the VA, the City and the County, HCHA will be using its future VASH vouchers to house only the most vulnerable chronically homeless veterans.

HCHA has issued 9 vouchers to individuals on the waiting list that meet HCHA's third local preference and HCHA anticipates that it will begin issuing vouchers using the first local preference sometime in May. Mr. McCasland said that HCHA will track its vouchers to ensure that the lease up rate maximizes its lease-up and admin revenue without exceeding HCHA's budget authority.

## **FINANCIAL AGENDA:**

Regarding monthly financials, Mr. McCasland said that he received an email from David Cornwell this morning. Due to ongoing issues that he has encountered in regards to the trial balances in the general ledgers, he was not able to get a balance sheet back to HCHA. Mr. McCasland has asked him to send a month-to-month comparison that will track the budget going forward. Mr. McCasland said that he would have those out to the board shortly, and he emphasized that these are not financial statements. He said that the trial ledgers are not in the position to issue those kind of financial statements, but Mr. McCasland would get a timeline from Mr. Cornwell on when those statements would be available.

## **ADMINISTRATIVE AGENDA:**

HCV Director Beverly Burroughs presented the information on the lease-up rates for the HCV program and the current status of the properties and responded to Commissioners' questions.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the Commissioners.

Mr. Horace Allison spoke regarding the Affordable Housing division. He began by speaking about the Retreat at Westlock, giving background on this development and an updated timeline. An LIHTC Application was submitted to the TDHCA, and a funding application for \$1.5 million was submitted to Harris County Housing Finance. HCHA also put in a funding application to the Harris County Community Services Department, and \$1.1 million has been allocated with certain conditions. Mr. Allison next discussed Sierra Meadows. He said that there has been a security issue with people dumping trash on the property. Next, Mr. Allison discussed GLO funding. HCHA submitted a revised application for two Permanent Supportive Housing projects. Construction would begin April 2014 and it would end March 2015. HCHA is currently awaiting

the GLO's sub-recipient contract.

### **BOARD ACTION ITEMS:**

#### **Discussion and request to approve or deny a Document Retention Policy.**

The Board then considered the request to approve or deny a document retention policy. Doug Ray said that the document management system that the county has is run by Information Technology Center. They are willing to enter into an interlocal agreement to serve as the document manager for Harris County Housing Authority. The preliminary draft proposal was presented to the Board. Chairman Cardenas moved to approve the document retention policy, Commissioner Riddle seconded, all were in favor, and the motion carried. Doug Ray answered questions raised by Commissioners regarding the document retention policy accordingly.

#### **Discussion and request to approve or deny an Appraisal Consultant.**

The Board next considered the request to approve or deny an appraisal consultant. Mr. Allison went over the proposals received for this resolution, the resolution for a market study consultant, the resolution for an environmental consultant, and the resolution for an architectural consultant for preliminary plans for a supportive housing development. After hearing Mr. Allison's presentation, Commissioners discussed the option of having two consultants on rotation. Chairman Cardenas tabled this item to come back to after Executive Session.

#### **Discussion and request to approve or deny a Market Study Consultant.**

The Board then considered the request to approve or deny a market study consultant. The Board discussed having two consultants on rotation, similarly to the suggestion made for an appraisal consultant. Chairman Cardenas tabled this item to come back to after Executive Session.

#### **Discussion and request to approve or deny an Environmental Consultant.**

The Board next considered the request to approve or deny an environmental consultant. HCHA requires the immediate and initial need of an Environmental Assessment firm to undertake the design of developments to be funded utilizing funds from the General Land Office. Partner Engineering & Science submitted a fee proposal in the amount of \$1862.00 exclusive any sampling and testing that may be required if environmental hazards are identified. Vice Chairman Wright moved to accept Partner Engineering & Science, Commissioner Riddle seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny an Architectural Consultant for Preliminary Plans for a Supportive Housing Development.**

The Board then considered the request to approve or deny an architectural consultant for preliminary plans for a supportive housing development. This resolution would authorize the CEO to negotiate and execute a contract with Glassman Shoemake Maldonado Architects, Inc. for various projects associated with HCHA's Affordable Housing Development Program, and would authorize Glassman Shoemake Maldonado Architects, Inc. to design presentation type drawings for a proposed 40-50 unit Permanent Social Supportive Development in the amount of \$4,500. Commissioner Womack moved to accept the resolution, Chairman Cardenas seconded, all were in favor, and the motion carried.

**Discussion and request to approve or reject new checking accounts for each HCHA Line of Business: Central Office Cost Center (COCC); HCV/VASH; ModRehab; Single Room Occupancy; and HCHA Public Finance Corporation.**

The Board next considered the request to approve or reject new checking accounts. To avoid comingling of funds, HCHA will move from the one checking account that it had prior to September 2012 to 6 accounts, Affordable Housing (already established), COCC, HCV/VASH, ModRehab, Jackson Hinds/SRO, HCHA Public Finance Corporation (already authorized). Chairman Cardenas moved to approve new checking accounts for each HCHA line of business, Commissioner Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny transfer of Affordable Housing expenses to HCHA HUD account.**

The Board then discussed the request to approve or deny transfer of Affordable Housing expenses to HCHA HUD account. Per previous authorization, all Affordable Housing expenses incurred through HCHA's main account are to be reimbursed from the Affordable Housing account. This resolution provides for reimbursement for the previous 5 months. HCHA is instituting a procedure that will allow for these expenses to be paid directly from the new accounts. Vice Chairman Wright moved to approve transfer, Chairman Cardenas seconded, all were in favor, and the motion carried.

**Consideration to approve or deny travel reimbursement for Tom McCasland to attend HUD-VASH Rapid Results Boot Camp.**

The Board next considered the request to approve or deny travel reimbursement for Tom McCasland to attend HUD-VASH Rapid Results Boot Camp. As requested by Commissioners, the following travel expenses totaling \$919.14 for airfare and hotel for Tom McCasland are submitted for consideration. Vice Chairman Wright amended the resolution to include other expenses, aside from airfare and hotel, related to travel expenses, Commissioner Ellis seconded, all were in favor, and the motion carried.

**EXECUTIVE SESSION**

The Board went into executive session at 3:00 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, discussion about the value or transfer of real property, and discussion regarding specific personnel matters.

The Board of Commissioners reconvened into public session at 4:00 p.m.

**ADDITIONAL BOARD ACTION**

Chairman Cardenas read the amended resolution for a Market Study Consultant, moving to approve the award of contract for both Novogradic & Company and O'Connor & Associates and approving the CEO to negotiate and execute contracts with Novogradic & Company and O'Connor & Associates, Commissioner Womack seconded, all were in favor, and the motion carried.

Chairman Cardenas also read the amended resolution for an Appraisal Consultant, moving to approve the award of contract for both O' Connor & Associates and Travis Cooper & Associates and approving the CEO to negotiate and execute contract with O' Connor & Associates and Travis Cooper & Associates, Commissioner Riddle seconded, all were in favor, and the motion carried.

Chairman Cardenas said that the Commissioners brought a motion out of executive session. Chairman Cardenas moved that HCHA Board of Commissioners authorizes counsel to continue its representation on behalf of the housing authority on matter pertaining to litigation in response to Guy Rankin's lawsuit against the authority and that the Board of Commissioners authorizes counsel to proceed on with the appropriate appeals to the appropriate jurisdiction in the matter, Vice Chairman Wright seconded, all were in favor, and the motion carried.

### **COMMENTS BY COMMISSIONERS**

The Board of Commissioners decided to meet on Monday, May 13, 2013 at 12:00 p.m.

### **ADJOURNMENT**

Commissioner Womack moved to adjourn at 4:15 p.m, Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 13th day of May 2013.

  
Kerry Wright, Chairman  
  
Tom McCasland, Secretary

Attachments: Resolution No. 13-24, Resolution No. 13-25, Resolution No. 13-26, Resolution No. 13-27, Resolution No. 13-28, Resolution No. 13-29



**RESOLUTION NO. 13-24**

**RESOLUTION AUTHORIZING THE AWARD OF CONTRACT FOR  
PHASE 1 ENVIRONMENTAL ASSESSMENT SERVICES FOR VARIOUS PROJECTS  
UNDER THE AFFORDABLE HOUSING DEVELOPMENT PROGRAM**

**WHEREAS**, Harris County Housing Authority issued a Request for Qualifications (**RFQ No. 13-04**) for Phase 1 Environmental Assessment Services for HCHA's Affordable Housing Development program; and

**WHEREAS**, the RFQ was advertised in the local newspaper, posted on HCHA's website and made available to all interested professionals; and

**WHEREAS**, HCHA received five (5) proposals from the following Consulting Firms:

InControl Technologies, Inc.  
Crouch Environmental Services, Inc.  
ERC Environmental & Construction Services, Inc.  
Partner Engineering & Science  
Kenall, Inc.

**WHEREAS**, the proposals were reviewed and evaluated by staff, and Partner Engineering & Science was determined to be the most responsive, responsible and qualified Consulting Firm; and

**WHEREAS**, HCHA requires the immediate and initial need of an Environmental Assessment firm to undertake the design of developments to be funded utilizing funds from the General Land Office; and

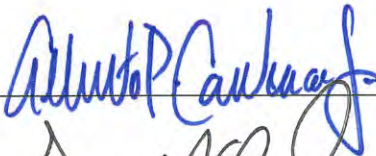
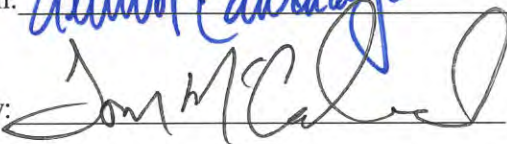
**WHEREAS**, Partner Engineering & Science has submitted a fee proposal, when averaged is in the amount of **\$1862.00 (one thousand eight hundred sixty two dollars)** exclusive any sampling and testing that maybe required environmental hazards are identified; and

**WHEREAS**, the cost of sampling and testing if required will be negotiated with Partner Engineering & Science on a project by project basis dependent upon the quantity agreed to.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to negotiate and execute a contract with Partner Engineering & Science for Phase 1 Environmental Services for various projects associated with the HCHA Affordable Housing Development Program.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 22nd day of April 2013.

Chairman:   
Secretary: 

**RESOLUTION NO. 13-25**

**RESOLUTION AUTHORIZING THE AWARD OF CONTRACT FOR  
ARCHITECTURAL AND ENGINEERING SERVICES FOR THE DESIGN OF A  
PERMANENT SOCIAL SUPPORTIVE AFFORDABLE HOUSING DEVELOPMENT**

**WHEREAS**, Harris County Housing Authority issued a Request for Qualifications (**RFQ No. 13-01**) for Architectural and Engineering Services for HCHA's Affordable Housing Development program; and

**WHEREAS**, the proposals were reviewed and evaluated by staff, and Glassman Shoemake Maldonado Architects, Inc was determined to be the most responsive, responsible and qualified Architectural & Engineering firm; and

**WHEREAS**, HCHA requires the immediate and initial need of an Architectural and Engineering firm to undertake the design of developments to be funded utilizing funds from the General Land Office; and

**WHEREAS**, the Board of Commissioners of the Harris County Housing Authority authorized the Chief Executive Officer to negotiate and execute a contract with Glassman Shoemake Maldonado Architects, Inc. for the Architectural and Engineering Services for various projects associated with the HCHA Affordable Housing Development Program; and

**WHEREAS**, HCHA is in need of schematic architectural design presentation type drawings for a proposed 40-50 unit Permanent Social Supportive Development; and

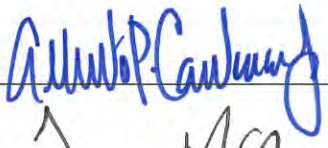
**WHEREAS**, GSMA has agreed to prepare the architectural design presentation drawings for a fee in the amount of \$4500.00; and

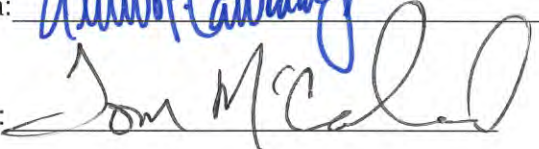
**WHEREAS**, staff has reviewed GSMA's fee proposal and determined it to be acceptable.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to negotiate and execute a contract with Glassman Shoemake Maldonado Architects for schematic architectural design presentation drawing services for a Permanent Social Supportive Housing Development in the amount of \$4500.00.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 22nd day of April 2013.

Chairman: 

Secretary: 

**RESOLUTION NO. 13-26**

**RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS TO COVER MONTHLY AFFORDABLE HOUSING EXPENSES**

**WHEREAS**, Harris County Housing Authority (HCHA) maintains a separate checking account for affordable housing activities; and

**WHEREAS**, some monthly affordable housing expenses are incurred jointly with HCHA's other lines of business; and

**WHEREAS**, the attached expenses and descriptions were incurred for affordable housing activities within HCHA's main checking account for the following months and amounts:

November 2012: \$27,040.83

December 2012: \$31,614.34

January 2013: \$38,347.24

February 2013: \$31,416.81

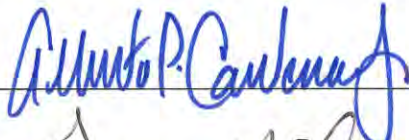
March 2013: \$29,750.25

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to transfer \$158,169.47 to the main HCHA checking account to cover the above cited affordable housing expenditures.

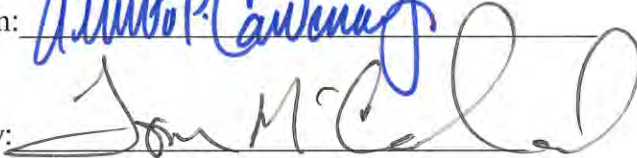
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 22nd day of April 2013.

Chairman:



Secretary:



Attachments: Detailed expenditures for Nov. 2012 to March 2013 affordable housing expenses.



**RESOLUTION NO. 13-27**

**RESOLUTION AUTHORIZING THE REIMBURSEMENT OF TRAVEL EXPENSES  
TO CEO TOM McCASLAND**

**WHEREAS**, Tom McCasland attended the HUD-VASH Rapid Results Boot Camp in Tampa, Florida; and

**WHEREAS**, the timing of the travel was such that Mr. McCasland was not able to receive preapproval by the HCHA Board of Commissioners; and

**WHEREAS**, Mr. McCasland incurred \$399.84 for hotel expenses at the HUD-VASH conference hotel rate; and

**WHEREAS**, Mr. McCasland incurred \$519.30 for travel expenses.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the HCHA finance department is hereby authorized to reimburse Mr. McCasland \$919.14 for travel and hotel expenses in addition to other related expenses to this travel.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 22nd day of April 2013.

Chairman:

  
Secretary: 

Attachments: Memorandum from Tom McCasland; Checking account detail showing charge for \$399.84; receipt from Embassy Suites \$399.84; and Itinerary and receipt from United Airlines for \$519.30.

**RESOLUTION NO. 13- 28**

**RESOLUTION AUTHORIZING THE AWARD OF CONTRACT FOR  
APPRAISAL SERVICES FOR VARIOUS PROJECTS UNDER THE AFFORDABLE  
HOUSING DEVELOPMENT PROGRAM**

**WHEREAS**, Harris County Housing Authority issued a Request for Qualifications (RFQ No. 13-04) for Appraisal Services for HCHA's Affordable Housing Development program; and

**WHEREAS**, the RFQ was advertised in the local newspaper, posted on HCHA's website and made available to all interested professionals; and

**WHEREAS**, HCHA received two (2) proposals from the following Consulting Firms:  
Travis Cooper & Associates  
O'Connor & Associates.

**WHEREAS**, the proposals were reviewed and evaluated by staff, and both firms were determined to be responsive, responsible and qualified Consulting firms; and

**WHEREAS**, HCHA requires the immediate and initial need of an Firm to undertake the design of developments to be funded utilizing funds from the General Land Office; and

**WHEREAS**, O'Connor & Associates has submitted a fee proposal, when averaged is in the amount of **\$4825.00**; and **\$5315.63** for Travis Cooper & Associates

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to negotiate and execute contracts with O'Connor & Associates and Travis Cooper & Associates for Appraisal Services for various projects associated with the HCHA Affordable Housing Development Program.

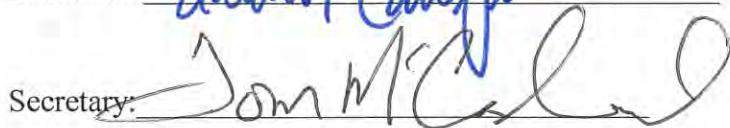
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 22nd day of April 2013.

Chairman:



Secretary:



**RESOLUTION NO. 13- 29**

**RESOLUTION AUTHORIZING THE AWARD OF CONTRACT FOR  
MARKET STUDY SERVICES FOR VARIOUS PROJECTS UNDER THE  
AFFORDABLE HOUSING DEVELOPMENT PROGRAM**

**WHEREAS**, Harris County Housing Authority issued a Request for Qualifications (RFQ No. 13-04) for Market Study Services for HCHA's Affordable Housing Development program; and

**WHEREAS**, the RFQ was advertised in the local newspaper, posted on HCHA's website and made available to all interested professionals; and

**WHEREAS**, HCHA received two (2) proposals from the following Consulting Firms:  
Novogradic & Company, LLP  
O'Connor & Associates.

**WHEREAS**, the proposals were reviewed and evaluated by staff, and both firms were determined to be responsive, responsible and qualified Consulting firms; and

**WHEREAS**, HCHA requires the immediate and initial need of a Market Study firm to undertake the design of developments to be funded utilizing funds from the General Land Office; and

**WHEREAS**, Novogradic & Company, LLP has submitted a fee proposal, when averaged is in the amount of \$6,125.00; and \$7225.00 for O'Connor & Associates

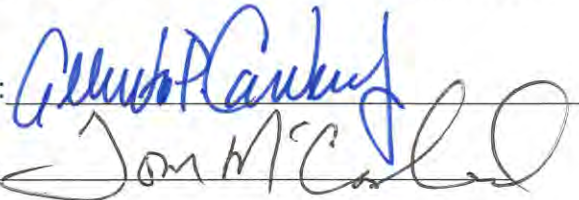
**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to negotiate and execute contracts with Novogradic & Company, LLP and O'Connor & Associates for Market Study Services for various projects associated with the HCHA Affordable Housing Development Program.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 22nd day of April 2013.

Chairman:

Secretary:

The image shows two handwritten signatures in blue ink. The first signature, for the Chairman, is written over a horizontal line and appears to be "Glen R. Cantrell". The second signature, for the Secretary, is also written over a horizontal line and appears to be "Tom McCall".



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

**Houston, Texas**

**May 13, 2013**

**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 13th day of May 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Vice Chairman Wright called the meeting to order at 12:03 p.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Paula Burns, Horace Allison, Beverly Burroughs, Paul Curry, and Julia Nations-Quiroz of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, David Bryant, Keith Grady, Steve Kherkher, Larry J. Doherty, Brett Wagner, Erica Harris.

**ADMINISTRATION OF THE OATH OF OFFICE TO NEW COMMISSIONER,  
ROBERTO GONZALEZ**

Vice Chairman Wright began the meeting by thanking former Chairman, Beto Cardenas, for his service to the Board of Commissioners. He thanked him for all of the hours he put into his position and acknowledged that the Commissioners would now have big shoes to fill. Commissioner Riddle also thanked Beto Cardenas for his work as Chairman and wished him continued success in his career at Vinson & Elkins.

Vice Chairman Wright introduced Roberto Gonzalez as the new Commissioner. He is the Executive Vice President of Employment and Training Centers, a company that he owns with his wife. ETC was established in 1986 and provides workforce development, recruitment,

outplacement, staffing, human resources, consulting, and related services. In addition, he manages an employment and training solution that offers employee staffing services. He has received numerous awards and recognition.

Vice Chairman Wright then offered the oath of office to Roberto Gonzalez who repeated it after him.

### **ELECTION OF OFFICERS**

Vice Chairman Wright said that in February 2012 changes were voted on by the Board of Commissioners that set elections for the officers on even numbered years, so the new terms for the Chairman and Vice Chairman will be until March 30, 2014.

Vice Chairman Wright asked for nominations of a Chairman of the Board of Commissioners. Commissioner Womack nominated Kerry Wright as Chairman. Vice Chairman Wright then turned the election of Chairman over to Commissioner Riddle who then asked for any other nominations from the floor. Commissioner Ellis seconded the nomination of Kerry Wright, and Commissioner Riddle offered his congratulations to Kerry Wright, the new Chairman.

Chairman Wright next announced the election for Vice Chairman. Commissioner Ellis nominated David Riddle as Vice Chairman, Commissioner Womack seconded, all were in favor, and Commissioner Riddle was named as Vice Chairman.

### **PRESENTATION AND APPROVAL OF MINUTES FROM APRIL 22, 2013.**

Commissioner Womack moved to approve the Minutes from the April 22nd board meeting, Commissioner Ellis seconded, all were in favor, and the motion carried.

### **PUBLIC COMMENT:**

None

### **EXECUTIVE SESSION**

The Board went into executive session at 12:15 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, discussion about the value or transfer of real property, and discussion regarding the CEO's six month review.

The Board of Commissioners reconvened into public session at 3:12 p.m.

### **BOARD ACTION ITEMS:**

#### **Motions from Executive Session**

Chairman Wright moved that the Board give to the CEO and the County Attorney's Office the authority to negotiate and engage in agreement with the Bryant Law Firm, the Grady Law Firm,



and the Firm of Williams-Kherkher to represent the authority to recover all lawsuit and lawful damages suffered from wrongful acts of any and all firms which dealt with the authority prior to April 2012, including McConnell Jones and the successor to Mir Fox, Commissioner Ellis seconded, all were in favor, and the motion carried

Vice Chairman Riddle moved to authorize the previously established committee, after proper vetting, to authorize HCHA staff to bid on the subject property identified in Executive Session up to, but not to exceed the HCAD appraised value for the property, Commissioner Womack seconded, all were in favor, and the motion carried.

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

Mr. McCasland began his report by giving an update on the 100,000 homes campaign. HCHA worked with the Harris County/Houston Coalition for the Homeless in launching the 100,000 homes campaign. Mr. McCasland discussed the registry week that occurred the week before the board meeting in which nearly 1,000 individuals were interviewed in the central area of Houston. Eventually these interviews will reach the unincorporated areas of Harris County. The VA just finished doing the same interviewing for the veterans on their interest list and will only be referring veterans to HCHA who meet the definition of "chronically homeless" based on this interview. This is the process by which HCHA will receive new referrals for the 130 vouchers it will be receiving. Mr. McCasland concluded his report by clarifying that it would be helpful if the committee referenced in the last motion could be appointed if it is in the best interest of the Board.

### **FINANCIAL AGENDA:**

Regarding monthly financials, Mr. McCasland provided the Commissioners with financials from February 28, 2013. Mr. McCasland emphasized that these are draft financials. The largest problem with the financials is the comingling of funds problem that has previously been discussed. The prior financials did not separate out the separate lines of business that HCHA has like the current financials do, and because there was no accounting for the borrowing that occurred between the lines of business, HCHA does not have accurate accounting regarding which lines of business have which funds. This will be a multi-month process in which those exact amounts will be identified. The current financials simply provide an ongoing monthly update on expenses.

### **ADMINISTRATIVE AGENDA:**

HCV Director Beverly Burroughs presented the information on the lease-up rates for the HCV program and the current status of the properties and responded to Commissioners' questions.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the Commissioners.

Mr. Horace Allison presented on the Affordable Housing division. He gave timelines to the Commissioners for the projects that would use GLO funding and for the other projects that

HCHA is currently working on. Questions were raised by Commissioners and answered accordingly.

### **ADDITIONAL BOARD ACTION**

#### **Discussion and request to approve or deny new signatory(ies) for HCHA's checking accounts.**

Commissioner Womack moved to approve the new signatories as required on HCHA's checking account, Kerry Wright as Chairman, and David Riddle as Vice Chairman, subject to HCHA's approved check writing policy, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve the submission of HUD's Section 8 Management Assessment Program (SEMAP) certification to HUD.**

Mr. McCasland introduced this action item to the Board, stating that SEMAP is a self-assessment presented to HUD annually by the housing authority. Beverly Burroughs, Director of HCV, has been preparing the documents that will be submitted for this. HCHA has very good scores this year, receiving the full amount of points possible. Ms. Burroughs then summarized the indicators that SEMAP examines. Commissioner Gonzalez moved to accept the submittal of HCHA's SEMAP report during the week of May 27<sup>th</sup>, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve a response to the draft report issued by HUD-OIG.**

Mr. McCasland said this was a discussion item from Executive Session. The draft OIG report has been received, as has been reported on for the past several months, and HCHA has a response that is due by close of business on Wednesday, May 15<sup>th</sup>. Staff has put together with legal advice a draft response, and this action item is the request for approval of that response.

Chairman Wright moved to authorize the CEO to submit HCHA's response to the draft HUD-OIG report, subject to review by Board members between now and May 15<sup>th</sup>, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny an Affordable Housing travel request.**

Mr. McCasland said that this travel request was for a specific conference for Affordable Housing staff. In this year's budget, training funds were originally put in for both Affordable Housing and HCV. All of those funds were inaccurately put into the HCV line item. Mr. McCasland said that the budget would be brought back to the Board with revisions, but the originally budgeted amount that was intended to be in the Affordable Housing was about \$2,500. Each department has been asked to identify what their highest priorities are for training and make sure that their expenses come in under the budgeted amount. This request is what has been received for Affordable Housing, and it is one of the key conferences for low income tax credit development. Since these are developments that the Board has asked the housing authority to focus on, it is important that Paula Burns and Horace Allison be receiving the training that the conference will provide. The conference will be for two days in Austin, and the total amount requested is \$1,287.00. Vice Chairman Riddle moved to approve the travel request, Commissioner Womack

seconded, all were in favor, and the motion carried.

**Discussion and possible action to change the day of the week for regular board meetings.**

Chairman Wright said that he would like to discuss the opportunity to move the day of the board meetings from Wednesday to Tuesday. Discussion ensued, and the action item was tabled.

Mr. McCasland asked if the Board planned to establish the previously mentioned sub-committee at this meeting. Vice Chairman Riddle amended his previous motion, authorizing the previously established committee, after proper vetting, to authorize HCHA staff to bid on the subject property identified in Executive Session up to, but not to exceed the HCAD appraised value for the property, to include Commissioners Ellis and Gonzalez in the sub-committee, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

**COMMENTS BY COMMISSIONERS**

None.

**ADJOURNMENT**

Commissioner Womack moved to adjourn at 4:00 p.m, Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 18th day of June 2013.

  
Kerry Wright, Chairman  
  
Tom McCasland, Secretary

Attachments: executed SEMAP certification; approved Authorization for AHD Travel

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

**Houston, Texas**

**June 18, 2013**

**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 18th day of June 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Wright called the meeting to order at 1:32 p.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Paula Burns, Horace Allison, Beverly Burroughs, Paul Curry, and Julia Nations-Quiroz of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, Court Koenning, Kevin Gilligan, Carlos Bujosa, David Schwarz, Darryl Bowles, and John Guess.

**PRESENTATION AND APPROVAL OF MINUTES FROM MAY 13, 2013.**

Commissioner Gonzalez moved to approve the Minutes from the May 13th board meeting, Commissioner Ellis seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT:**

None

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

Mr. McCasland began his report by giving an update regarding David Cornwell's work with the Finance staff. He was at HCHA for a full week, and during this time, he got a lot accomplished.

Regarding the IG report, Mr. McCasland said that he did receive an email from the local auditor, indicating that the IG would be issuing the report tomorrow and that it would likely be up on their website on Thursday.

Mr. McCasland gave a recap regarding the registry week for the 100,000 homes campaign.

HCHA has 250 VASH vouchers with an additional 130 vouchers on their way. HCHA was underleased at the beginning of the year, so Mr. McCasland said that he is aiming to be a little overleased right now while HCHA is waiting for the new vouchers to come in. As of a week and a half ago, HCHA was at 256 veterans leased up. Last week kicked off the start of a mass briefing. Mr. McCasland said that HCHA has been recognized for their efforts in working toward the goal of ending homelessness. Mr. McCasland presented this award to Chairman Wright.

Chairman Wright asked for Mr. McCasland to share how these veterans that are leased up receive furniture and other necessary household items. Mr. McCasland said the advantage of the mass briefings is that all of the partners are together. The VA, HPD's Homeless Outreach Team, the Salvation Army, Career and Recovery Services, SEARCH, and other homeless providers are all present at the mass briefing so that they can offer services to those being leased up. Mr. McCasland also said that in order to end chronic homelessness by the end of 2015, 140 veterans must be taken off the streets every month. Meetings several times a month address the plans to do this. Mr. McCasland also said that HUD has made it clear that the number of new vouchers that HCHA has been receiving may not continue, so HCHA will be reliant on attrition. HCHA will need to stabilize these numbers, and once a veteran is stabilized, there will need to be a process in place that will roll them into the Section 8 program or some other form of housing so that HCHA can open up new slots in the VASH vouchers.

## **FINANCIAL AGENDA:**

David Cornwell presented the financial statements for the first two months of the fiscal year 2014. Chairman Wright asked how HCHA stands percentage wise regarding total revenue versus total administrative as compared to other housing authorities. Mr. Cornwell said that he would get back to the board with these numbers from the closeout of 2013 financials. Mr. Cornwell also went over HCHA's sundries, as requested by the Commissioners at an earlier board meeting.

## **ADMINISTRATIVE AGENDA:**

Tom McCasland presented information on the lease-up rates for the HCV program and the current status of the properties and responded to Commissioners' questions on behalf of HCV Director Beverly Burroughs since she was out of the office.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the Commissioners.



Mr. Horace Allison presented on the Affordable Housing division. He gave an update regarding GLO funding, saying that HCHA is still waiting on the sub-recipient agreement from the GLO. It is currently being reviewed by GLO staff. HCHA is working on the loan for Westlock with Harris County Community Services Division. Mr. Allison finished his presentation discussing Midtown. The preliminary design is 61 units with 43 efficiency units and 18 1-bedroom units.

### **BOARD ACTION ITEMS:**

#### **Discussion and request to approve or deny revisions to HCHA's Administrative plan.**

Mr. McCasland presented the revisions to the Board. The first change involves voucher size. Earlier in the year HCHA made sure that voucher sizes corresponded closely to Houston Housing Authority's voucher size. Recently Houston Housing Authority changed their voucher size driven by the attempt to reduce cost per voucher, so HCHA is making similar changes. The second change involves potential extensions for a unit that has failed inspection. Chairman Wright moved to approve the resolution amending HCHA's Administrative plan, Commissioner Womack seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny revisions to the HCHA Annual Budget for Fiscal Year 2014.**

Mr. McCasland said that when the budget was originally presented to the Board, the Commissioners were told that revisions would be coming back to the Board for approval. A summary was provided to the Commissioners. Two positions have been eliminated at HCHA, a case manager position and the Inspector Coordinator position. While this money remains within Section 8, Mr. McCasland requested the savings there be allocated towards a Deputy Assistant position that would assist Mr. McCasland with management tasks. An allocation for two different conferences that Mr. McCasland will be attending has also been added to the budget. Vice Chairman Riddle moved to approve revisions to the HCHA Annual Budget for Fiscal Year 2014, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny a Resolution Authorizing the Negotiation and Execution of a Contract for Permanent Loan Financing.**

Mr. McCasland said that for Sierra Meadows HCHA is still under a construction loan. Bids were solicited for permanent loan financing, and these were presented to the Board. Mr. Cornwell's recommendation was also provided to the Board. Commissioner Womack moved to approve the resolution authorizing the negotiation and execution of a contract for permanent loan financing, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny a Resolution Authorizing the Transfer of Funds to Cover Monthly Affordable Housing Expenses.**

Mr. McCasland said that this same monthly resolution that approves the transfer of funds to cover expenses allocated to the Affordable Housing Division. Commissioner Gonzalez moved to approve the resolution authorizing the transfer of funds to cover monthly Affordable Housing expenses, Commissioner Ellis seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution authorizing the CEO to negotiate and execute a license agreement with the U.S. Department of Veterans Affairs to house VASH case managers at HCHA**

Mr. McCasland said that the VA has asked if HCHA has space to house case managers, and he indicated that HCHA has six small offices on the second floor of the building that are currently not being used. Under the VA's federal guidelines, they cannot just house case managers at HCHA, but they have to have a license agreement executed. The VA has offered to pay for any additional cleaning and utilities expenses. The license would not be longer than HCHA's current lease through August of 2015. Mr. McCasland said that the benefit to HCHA would be having the ability to walk upstairs to discuss issues involving veterans with case managers. This would foster good communication between VA staff and HCHA staff. Mr. McCasland also said that the COCC is carrying the burden of the additional unused office space upstairs which is non-federal funds. Because having VA case managers are a VASH expense, the expense of these offices could be transferred over to federal funds. Commissioner Ellis moved to approve the resolution authorizing the CEO to negotiate and execute a license agreement with the U.S. Department of Veterans Affairs to house VASH case managers at HCHA, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution establishing a media policy.**

Commissioner Gonzalez tabled the request to approve or deny a resolution establishing a media policy.

**EXECUTIVE SESSION**

The Board went into executive session at 2:35 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, discussion about the value or transfer of real property, and discussion regarding specific personnel matters.

The Board of Commissioners reconvened into public session at 4:37 p.m.

**ADDITIONAL BOARD ACTION**

Chairman Wright moved to authorize Harris County Housing Authority's CEO to send letters to both the City of Houston and to MUD 499 indicating HCHA's intent to participate in MUD 499 sewer conveyance facility and to engage an environmental consultant to provide advice to HCHA regarding the property known as Patriots by the Lake. Commissioner Gonzalez suggested amending the motion so that "intent" read as "interest", and Chairman Wright accepted this amendment. Commissioner Womack seconded the motion, all were in favor, and the motion carried.

Chairman Wright asked for the general counsel to review the letter with Tom McCasland, and he also asked for all of the Commissioners to receive a copy of the letter. Chairman Wright asked that once Commissioner Womack receives his copy of the letter, he take one to the mayor's office.

**Discussion and possible action regarding Commissioner Gonzalez's potential conflict of interest with future litigation.**

Chairman Wright said that the Commissioners had received a written disclosure from Commissioner Gonzalez regarding potential conflict of interest. The Chairman thanked Commissioner Gonzalez for his disclosure.

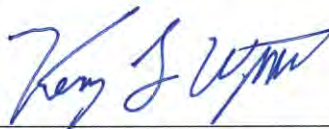
### **COMMENTS BY COMMISSIONERS**

Chairman Wright said that the next board meeting will be July 17, 2013 at noon with lunch provided by the Commissioners.

### **ADJOURNMENT**

Commissioner Womack moved to adjourn at 4:45 p.m., Commissioner Gonzalez seconded, all were in favor, and the motion carried.

Adopted and approved this 17th day of July 2013.



Kerry Wright, Chairman



Tom McCasland, Secretary

**Resolution No. 13-30**

**RESOLUTION AUTHORIZING THE NEGOTIATION AND EXECUTION OF A CONTRACT FOR  
PERMANENT LOAN FINANCING**

**WHEREAS**, quotes were obtained from financial institutions to provide Permanent Loan Financing related to Sierra Meadows a senior affordable housing development; and

**WHEREAS**, the quotes were requested, by the Developer (Integrated Sierra Meadows Developer, LLC), on behalf of the Partnership (Sierra Meadows, LTD), during the period March 11, 2013 through May 27, 2013; and

**WHEREAS**, the Developer obtained three (3) quotes (Community Bank of Texas, Greystone Financial Group & Comercia Bank); and

**WHEREAS**, the HCHA's financial consultant and HCHA staff reviewed/evaluated the quotes and recommendation of the Developer; and

**WHEREAS**, the HCHA's financial consultant and HCHA staff concurred with the Developer's recommendation of Comercia Bank as the lender of choice; and

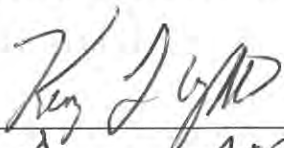
**WHEREAS**, the terms and conditions outlined in Comercia Bank's quotes are most advantages to the Sierra Meadows, LTD.

**NOW, THEREFORE, BE IT RESOLVED**, that the HCHA Sierra Meadows, LLC (General Partner of the Sierra Meadows , LTD) is authorized and directed subject to the terms outlined in Comercia Bank's quote, to negotiate and execute a contract for Permanent Loan Financing and loan documents with Comercia Bank for financing related to Sierra Meadows, LTD and to take such actions as the HCHA Sierra Meadows, LLC deems necessary to effectuate the intent of this resolution, the execution of any documents or taking of any actions to be conclusive evidence of the necessity therefor.

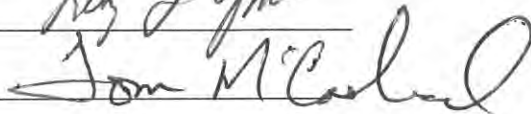
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 18<sup>th</sup> day of June 2013.

Chairman



Secretary



See Attachments

**RESOLUTION NO. 13-31**

**RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS TO COVER MONTHLY AFFORDABLE HOUSING EXPENSES**

**WHEREAS**, Harris County Housing Authority (HCHA) maintains a separate checking account for affordable housing activities; and

**WHEREAS**, some monthly affordable housing expenses are incurred jointly with HCHA's other lines of business; and

**WHEREAS**, the attached expenses and descriptions were incurred for affordable housing activities within HCHA's main checking account for the following months and amounts:

April 2013: \$23,715.31

May 2013: \$27,551.95

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to transfer \$51,267.26 to the main HCHA checking account to cover the above cited affordable housing expenditures.

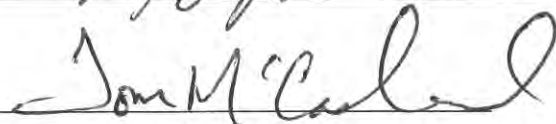
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 18th day of June 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_



Attachments: Detailed expenditures for April and May 2013 affordable housing expenses



**RESOLUTION NO. 13-32**

**RESOLUTION ADOPTING A REVISED HCHA ADMINISTRATIVE PLAN**

**WHEREAS**, the Harris County Housing Authority ( HCHA”) held a Resident Advisory Board meeting on November 19, 2012; and

**WHEREAS**, HCHA held a public hearing on the revised HCHA Annual Plan and the revised HCHA Administrative Plan on January 11, 2013; and

**WHEREAS**, the HCHA Board of Commissioners approved the revised HCHA Annual Plan and the revised HCHA Administrative Plan at the January 23, 2013 meeting of the HCHA Board of Commissioners;

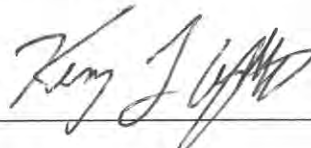
**WHEREAS**, HCHA staff has recommended the following changes for determining family unit (voucher) size;

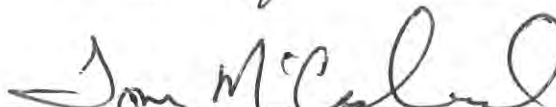
**WHEREAS**, HCHA staff has recommended the following changes relating to short extensions for correcting identified issues in a unit inspected by HCHA;

**WHEREAS**, the recommended changes do not reflect significant amendments or substantial deviations or modifications to the HCHA Administrative Plan;

**NOW, THEREFORE BE IT RESOLVED**, that HCHA hereby adopts the HCHA Administration Plan attached to this Resolution.

**PASSED**, by the Board of Commissioners this 18th day of June 2013.

Chairman: 

Secretary: 

Attachment: HCHA Administrative Plan

**Resolution No. 13-33**

**RESOLUTION AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE A LICENSE AGREEMENT WITH THE U.S. DEPARTMENT OF VETERANS AFFAIRS TO HOUSE VASH CASE MANAGERS AT HCHA**

**WHEREAS**, HCHA has excess office space on the second floor of its office building; and

**WHEREAS**, the U.S. Department of Veterans Affairs (Veterans Affairs) provides case managers to give VASH recipients intensive case management; and

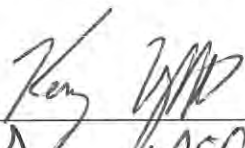
**WHEREAS**, the Veterans Affairs has indicated a desire to locate case managers at HCHA's office who provide case management to HCHA's VASH clients.

**NOW, THEREFORE, BE IT RESOLVED**, that the Chief Executive Officer of HCHA is hereby authorized to negotiate and execute a license agreement not to extend past August 2015 with the Veterans Affairs to locate up to 6 case managers at HCHA's offices in exchange for payment of all utilities, office cleaning expenses, and other expenses incurred by HCHA resulting from this license agreement, which license agreement may be terminated by either party with written 90-day notice.

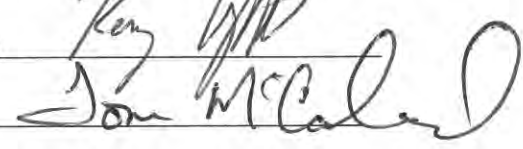
This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 18th day of June 2013.

Chairman



Secretary



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

**Houston, Texas**

**July 17, 2013**

**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 17th day of July 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Wright called the meeting to order at 12:05 pm, and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Paula Burns, Horace Allison, Beverly Burroughs, and Paul Curry of Harris County Housing Authority; Wanda Leblanc, Ella Edmiston, David Cornwell.

**PRESENTATION AND APPROVAL OF MINUTES FROM JUNE 18, 2013.**

Commissioner Riddle moved to approve the Minutes from the June 18th board meeting, Commissioner Ellis seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT:**

None

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

Mr. McCasland began his report by giving an update on HCHA activities from June 18, 2013 – July 17, 2013.

Mr. McCasland gave a report regarding the IG Audit Report stating that a meeting with Dan Rodriguez will take place within two (2) weeks and that HUD received a document summarizing the status of each of the recommendations made by the IG. HCHA continues to cooperate with all federal agencies.

Mr. McCasland then gave an update regarding the Quality Assurance Division (QAD) Financial Management Review Report. HCHA is preparing its response to the QAD report which focusses on HCHA's NRA and UNA balances. Mr. McCasland stated that Board members would be sent a copy of this report.

An update was given regarding correspondence about repayment of the DHAP-Ike Utility and Security Deposits. HUD owes these deposits back to FEMA, and HCHA has been coordinating with HUD staff on a letter reflecting the final amount agreed to by HCHA and HUD. \$3,706,925 is the anticipated final number; a \$773,771 deposit will be sent as soon as wiring instructions are received and the \$2,933,154 balance will be paid from the sale of Patriots by the Lake.

Mr. McCasland gave a report regarding the annual audit stating the Audit Team was at HCHA during the week of July 8-11, 2013, and they reviewed all HCV program and contract files. CliftonLarson will return the first or second week of August to review financial materials. David Cornwell is working onsite with the Finance staff all week. CliftonLarson is on schedule to present the audit to the board well before the December 31, 2013 deadline for submission to HUD. Chairman Wright asked if Mr. Cornwell felt CliftonLarson could complete the audit and were qualified. Mr. Cornwell replied that CliftonLarson has a fine audit team, but the team is working within a difficult set of circumstances.

An update was given regarding personnel. HCHA currently has 31 full-time employees, one (1) part-time file clerk, and one (1) temporary employee who is assisting with document production. In January 2012, HCHA had 39 full-time staff and four (4) full-time contract staff. Currently we are in the process of hiring an Executive Assistant.

HUD has agreed to provide additional training to all commissioners and the training will likely last 1.5 hours. Discussion was held among commissioners on setting a date and time of the training, and it was decided that the commissioner training by HUD officials will take place on September 18, 2013 at 12:00 pm before the regularly held board meeting.

Finally, Mr. McCasland gave an update and review of electronic backup facilities. HCHA is currently using an off-site facility for server back-ups; it has been confirmed that the backup is within the HUD standard. Server backups have been in place since November 2012.

## **FINANCIAL AGENDA:**

David Cornwell presented the financial statements for June 30, 2013.

## **ADMINISTRATIVE AGENDA:**

Beverly Burroughs presented information on the lease-up rates for the HCV program and the current status of the properties.

Paula Burns spoke about the occupancy rates of the properties and answered questions raised by the commissioners. Currently there is one (1) vacancy at Sierra Meadows for a full-time maintenance man and Baybrook Park is looking for a part-time activities director.

Mr. Horace Allison presented on the Affordable Housing division. Mr. Allison let the Board know that on July 9, 2013, HCHA received the Sub-recipient Agreement from the GLO. In regards to The Retreat at Westlock, HCHA submitted a funding application in the amount of \$1.1M to the Harris County Community Services Department. Mr. Allison informed the Board that subsequent to closing on the permanent loan, HCHA received a portion of \$167K of developer fees and will receive the remaining balance of \$62K, which will be paid from cash flow from the operation of the property. HCHA is currently utilizing the services of Coats/Rose to review legal/programmatic documents associated with the Sierra Meadows loan conversion, Westlock, HCCSD Loan, and the proposed GLO projects. In addition, the President/CEO is currently negotiating a contract for Legal Bond Counsel Services with Fulbright/Jaworski. Mr. Allison then notified the Board that HCHA received notice of seven prospective parcels and has determined that two (2) merit further investigation.

Mr. Allison spoke to the fact that HCHA received three (3) proposals to acquire the General Partnership interest in three (3) LIHTC developments. A review of the requested information is underway. Recently HCHA met with Midtown Redevelopment Authority to discuss various developments of affordable housing. HCHA will schedule a time and a date in which we can make the presentation to Midtown in regards to using GLO funds and Project Based Vouchers to develop a project which would consist of up to 88 units.

Affordable Housing developed a Request for Proposal (RFP) to solicit proposals from entities desirous of obtaining project based voucher assistance for existing or to be constructed projects. The RFP will be issued upon review and approval by the CEO. Finally, Mr. Allison presented that a site visit was conducted in order to look at opportunities for HCHA and Metro to work jointly in developing needed housing at the Southeast Transit Center (STC).

## **BOARD ACTION ITEMS:**

**Discussion and request to approve or deny a Resolution Adopting a Minor Revision to the Approved HCHA Annual Plan.**

Mr. McCasland presented the revision to the Board. This revision to the HCHA Annual Plan is for the purpose of clarifying its statement on Project Based Vouchers. HCHA does not currently administer Project Based Vouchers, but the Administrative Plan allows for the allocation of Project Based Vouchers. Commissioner Womack moved to approve the resolution amending HCHA's Administrative Plan, Commissioner Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution to Authorize the Execution of an**



### **Electric Grid Distribution Credit Agreement for Cypresswood Estates.**

Mr. McCasland stated that since Cypresswood Estates has a solar array, it is generating excess power; in order capture the benefit from this excess power, HCHA must enter into a Contribution Credit Agreement with Reliant Energy Retail Services, LLC. Reliant will purchase the excess power produced as follows: the first 500 KWH at the energy charge per KWH from the Electrical Facts Label on the property's current plan, and thereafter at a rate of \$0.05 per KWH. Commissioner Womack moved to approve the resolution authorizing the electric grid distribution, Commissioner Ellis seconded, all were in favor, and the motion carried.

### **Discussion and request to approve or deny a Resolution Authorizing the Submission of a Letter to Commissioners Court Requesting an Interlocal Agreement to Provide Health Benefits and Other Services.**

Mr. McCasland said that HCHA is at a disadvantage of having less than 50 full-time employees and moving to the county plan would provide rates that are competitive for both employer and employee. Vice Chairman Riddle moved to approve the resolution authorizing the Interlocal Agreement for Benefits, Commissioner Ellis seconded, all were in favor, and the motion carried.

### **Discussion and request to approve or deny a Resolution Authorizing the Execution of a Community Development Block Grant Disaster Recovery Program Rental Housing Projects Round 2 Sub-Recipient Grant Agreement.**

Mr. McCasland said HCHA proposes to use the grant funds to develop two hundred (200) units of replacement housing and that the GLO has agreed to make a grant to HCHA. The use of these grant funds will be limited to facilitation recovery efforts for replacement housing in the amount of \$13,635,867.00. Commissioner Womack moved to approve the resolution authorizing the Execution of a Community Development Block Grant, Vice Chairman Ellis seconded, all were in favor, and the motion carried.

### **Discussion and request to approve or deny a Resolution Approving a Payroll Policy for the HCHA Chief Executive Officer.**

Mr. McCasland stated that since he is the only full-time contract employee of HCHA, he would ask that there be a policy enacted stating that the CEO would not use vacation or other time off for days in which he worked less than eight (8) hours so long as his total hours worked for a pay period met or exceeded eighty (80) hours. In addition, Mr. McCasland stated that he does not wish to receive compensation time for working more than eighty (80) hours in a single pay period. David Cornwell suggested that the verbiage "holiday time" be added to the policy, and Commissioner Wright felt Mr. McCasland should receive appropriate compensation time; however, the resolution was ultimately considered without modifications. Vice Chairman Riddle moved to approve the resolution approving payroll for the HCHA Chief Executive Officer, Commissioner Womack seconded, all were in favor, and the motion carried.

### **Discussion and request to approve or deny a Resolution Authorizing the Negotiation and Execution of a Contract for Website Design Services.**

Mr. McCasland stated that recently there was a Request for Proposals regarding the updating of the HCHA website and two (2) responses were received. Three staff members reviewed,

evaluated and ranked both responses. Apache Advertising and Design was found to have the qualifications HCHA requires. Commissioner Womack moved to approve the resolution executing a contract for website design to Apache Advertising, Commissioner Ellis seconded, Vice Chairman Riddle abstained from voting, the remaining commissioners were in favor, and the motion carried.

**Discussion and request to approve or deny a Resolution Authorizing the Transfer of Funds to Cover Monthly Affordable Housing Expenses.**

Mr. McCasland said that this is the same monthly resolution that approves the transfer of funds to cover expenses allocated to the Affordable Housing Division. Commissioner Womack moved to approve the resolution authorizing the transfer of funds to cover monthly Affordable Housing expenses, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**EXECUTIVE SESSION**

The Board went into executive session at 1:45 pm to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, discussion about the value or transfer of real property, and discussion regarding specific personnel matters.

The Board of Commissioners reconvened into public session at 3:45 p.m.

**COMMENTS BY COMMISSIONERS**

Chairman Wright said that the next board meeting will be September 18, 2013 at noon with lunch provided by the commissioners so that all commissioners can be trained by HUD officials.

**ADJOURNMENT**

Vice Chairman Riddle moved to adjourn at 3:54 pm, Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 18th day of September 2013.



Kerry Wright, Chairman



Tom McCasland, Secretary

**RESOLUTION NO. 13-34**

**RESOLUTION ADOPTING A MINOR REVISION TO THE APPROVED HCHA  
ANNUAL PLAN**

**WHEREAS**, the Harris County Housing Authority ("HCHA") held a Resident Advisory Board meeting on November 19, 2012; and

**WHEREAS**, HCHA held a public hearing on the revised HCHA Annual Plan and the revised HCHA Administrative Plan on January 11, 2013; and

**WHEREAS**, the HCHA Board of Commissioners approved the revised HCHA Annual Plan and the revised HCHA Administrative Plan at the January 23, 2013 meeting of the HCHA Board of Commissioners; and

**WHEREAS**, the HCHA Administrative Plan approved at the January 23, 2013 meeting allows for the Project Based Vouchers; and

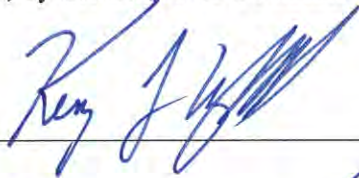
**WHEREAS**, the proposed revision is not a significant amendment or substantial deviation or modification as defined in the HCHA Annual Plan;

**NOW, THEREFORE BE IT RESOLVED**, that HCHA hereby adopts the following revision to the HCHA Annual Plan for the purpose of clarifying its statement on Project Based Vouchers.

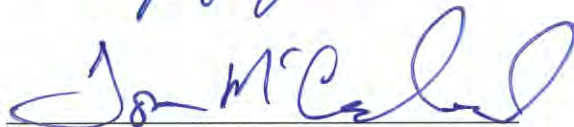
The fifth bullet point of Section 7.0 shall read as follows: "Project Based Vouchers: HCHA does not currently administer Project Based Vouchers. However, HCHA's Administrative Plan allows for the allocation of Project Based Vouchers."

**PASSED**, by the Board of Commissioners this 17th day of July 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_



**RESOLUTION NO. 13-35**

**RESOLUTION AUTHORIZING THE EXECUTION OF AN ELECTRIC GRID DISTRIBUTION CREDIT AGREEMENT FOR CYPRESSWOOD ESTATES**

**WHEREAS**, the electrical provider for Cypresswood Estates is Reliant Energy; and

**WHEREAS**, part of the construction of Cypresswood Estates included a solar array; and

**WHEREAS**, the solar array is generating electric power serving the five house meters;  
and

**WHEREAS**; an opportunity exists to benefit from excess electrical power that can be generated from the solar panels; and

**WHEREAS**, in order to capture the benefit of excess power generation, the HCHA Cypresswood Estates, LLC must enter into Contribution Credit Agreement with the electrical power supplier; and

**WHEREAS**, Reliant Energy has proposed an Electric Grid Contribution Agreement, under the terms of which Reliant will purchase excess power as follows:

First 500 KWH at the energy charge per KWH from the Electrical Facts Label on the property's current electrical plan.

Thereafter at a rate of \$0.05 per KWH, and

**WHEREAS**, the excess power generated and deliver to the grid as registered by the on-site TDSP's meter(s); and

**WHEREAS**, the value of the excess power generated at the above rates will be a bill credit.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of HCHA authorizes Tom McCasland, Manager of the HCHA Cypresswood Estates, LLC to negotiate and execute an Electrical Contribution Agreement with Reliant Energy Retail Services, LLC.

**PASSED**, by the Board of Commissioners this 17th day of July 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_



**RESOLUTION NO. 13-36**

**RESOLUTION AUTHORIZING THE SUBMISSION OF A LETTER TO  
COMMISSIONERS COURT REQUESTING AN INTERLOCAL AGREEMENT  
TO PROVIDE HEALTH BENEFITS AND OTHER SERVICES**

**WHEREAS**, the Harris County Housing Authority ("HCHA") provides health benefits to all its employees; and

**WHEREAS**, HCHA is at a disadvantage in the health insurance marketplace because it has fewer than 50 full-time employees; and

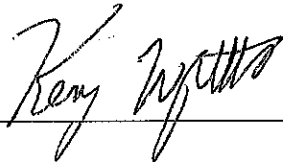
**WHEREAS**, the Harris County Department of Human Resources and Risk Management has indicated a willingness to allow HCHA to join the Harris County health benefits plan, thus allowing HCHA to benefit from Harris County's purchasing power;

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of HCHA authorizes HCHA's CEO to submit a letter to Commissioners Court requesting an interlocal agreement to whereby HCHA may obtain health benefits for its employees through the Harris County health insurance plan, the cost of which benefits will be borne by HCHA.

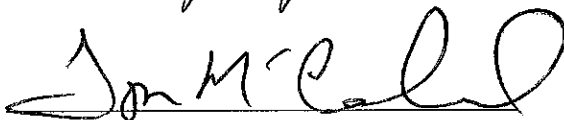
**BE IT FURTHER RESOLVED**, that the Board of Commissioners of HCHA authorizes HCHA's CEO to continue HCHA's current health benefits plan as an interim measure until HCHA transitions to Harris County's health benefits plan, anticipated to be October 1, 2013.

**PASSED**, by the Board of Commissioners this 17th day of July 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_





**Resolution No. 13-37**

**RESOLUTION AUTHORIZING THE EXECUTION OF A COMMUNITY  
DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM RENTAL  
HOUSING PROJECTS ROUND 2 SUB-RECIPIENT GRANT AGREEMENT**

**WHEREAS**, the Harris County Housing Authority (“HCHA”) submitted an application for Community Development Block Disaster Recovery grant funds, and

**WHEREAS**, the grant funds are to be used to replace housing damaged by hurricanes Dolly and IKE; and

**WHEREAS**, the grant funds are administered by the General Land Office (GLO) as Community Development Block Grants approved by the Texas Land Commissioner; and

**WHEREAS**, the use of the grant funds are limited to facilitating recovery efforts in Presidentially-declared major disaster areas; and

**WHEREAS**, the **HCHA** identified units that were damaged by the storm and not replaced; and

**WHEREAS**, the **HCHA** proposes to use the grant funds to develop two hundred (200) units of replacement housing; and

**WHEREAS**, the **GLO** agrees to make a grant to HCHA in an amount not to exceed **Thirteen Million Six Hundred Thirty Five Thousand Eight Hundred Sixty Seven Dollars (\$13,635,867.00)** for the development of the replacement housing; and

**WHEREAS**, the grant funds are payable as reimbursement of allowable expenses incurred in developing the replacement housing; and

**WHEREAS** the sub-recipient agreement outlines the terms, conditions and benchmarks under which the HCHA must maintain compliance; and

**WHEREAS**, the sub-recipient agreement is effective on the date executed by the GLO and shall terminate on December 31, 2015 or upon the completion of all benchmarks listed in the agreement;

**RESOLUTION NO. 13-38**

**RESOLUTION APPROVING A PAYROLL POLICY FOR HCHA'S CHIEF  
EXECUTIVE OFFICER**

**WHEREAS**, the Harris County Housing Authority ("HCHA") Board of Commissioners has entered into an Employment Agreement with its Chief Executive Officer ("CEO"); and

**WHEREAS**, that Employment Agreement provides for the payment of a set compensation; and

**WHEREAS**, the CEO is the only HCHA employee with a compensation set by contract; and

**WHEREAS**, the HCHA payroll and finance staff seek specific, written guidance in processing the CEO's portion of HCHA's payroll; and

**WHEREAS**, the HCHA Board of Commissioners seeks to establish a policy that requires the CEO to record for every pay period at least eighty (80) hours of work, sick time, vacation time, holiday time or floating day;

**NOW, THEREFORE BE IT RESOLVED**, that HCHA's Board of Commissioners establishes the following policy to handle the unique circumstances that arise relating to the processing of the CEO's portion of HCHA's payroll:

1. The CEO is the only full-time employee who shall not receive compensation time or overtime for hours worked beyond a 40-hour week;
2. The CEO shall provide to HCHA staff a timesheet showing the hours worked for each pay period;
3. Provided the total hours worked including any holiday time for each pay period exceed eighty (80) hours, the CEO will not deduct vacation time or other time off for an individual day that totals less than eight (8) hours;
4. In all other respects, including accrued vacation time, HCHA staff shall follow the processes outlined in the Employee Manual for processing the CEO's portion of HCHA's payroll.

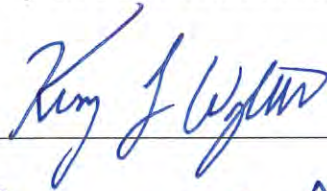
**PASSED**, by the Board of Commissioners this 17th day of July 2013.

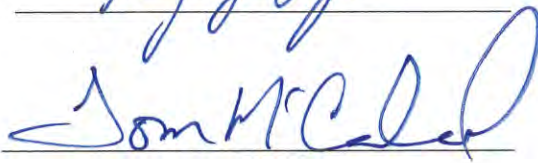
Chairman: \_\_\_\_\_

Secretary: \_\_\_\_\_

**NOW THEREFORE, BE IT RESOLVED**, that the HCHA Board of Commissioners authorizes the CEO of HCHA to negotiate and execute the Community Development Block Grant Disaster Recovery Program Rental Housing Projects Round 2 Sub-Recipient Grant Agreement with the General Land Office.

**PASSED**, by the Board of Commissioners this 17th day of July 2013.

Chairman: 

Secretary: 

**Resolution No. 13-39**

**RESOLUTION AUTHORIZING THE NEGOTIATION AND EXECUTION OF A  
CONTRACT FOR WEBSITE DESIGN SERVICES**

**WHEREAS**, the Harris County Housing Authority ("HCHA") issued a Request for Proposals (RFP) # 13-06 on June 14, 2013, soliciting proposals from firms to provide Website Design Services; and

**WHEREAS**, the RFP was advertised in the local newspaper on June 14<sup>th</sup> and June 21<sup>st</sup> in 2013 and posted on the HCHA website; and

**WHEREAS**, responses to RFP #13-06 were due June 25, 2013; and

**WHEREAS**, HCHA received two responses to RFP #13-06 from Apache Advertising & Design and Toadfly Technologies; and

**WHEREAS**, the staff of the HCHA reviewed evaluated and ranked the responses to the RFP's; and

**WHEREAS**, HCHA staff found the Apache Advertising & Design qualifications and proposal complied with the requirements of the RFP; and

**WHEREAS**, Apache Advertising & Design's proposal was ranked number one and the proposal, scope and fees (subject to negotiation) are most advantageous to the HCHA;

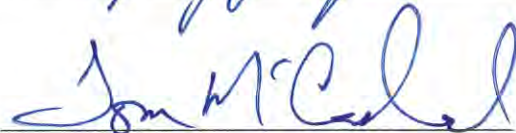
**NOW THEREFORE BE IT RESOLVED**, that Chief Executive Officer of the HCHA, is authorized and directed to negotiate and execute a contract for Website Design Services with Apache Advertising & Design for services related to the HCHA's website, and to take such actions as the Chief Executive Officer deems necessary to effectuate the intent of this resolution, the execution of any document or taking of any action to be conclusive evidence of the necessity therefor.

**PASSED**, by the Board of Commissioners this 17th day of July 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_





**RESOLUTION NO. 13-40**

**RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS TO COVER MONTHLY AFFORDABLE HOUSING EXPENSES**

**WHEREAS**, Harris County Housing Authority (HCHA) maintains a separate checking account for affordable housing activities; and

**WHEREAS**, some monthly affordable housing expenses are incurred jointly with HCHA's other lines of business; and

**WHEREAS**, the attached expenses and descriptions were incurred for affordable housing activities within HCHA's main checking account for the following months and amounts:

June 2013: \$28,159.15

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to transfer \$28,159.15 to the main HCHA checking account to cover the above cited affordable housing expenditures.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 18th day of June 2013.

Chairman: \_\_\_\_\_

Secretary: \_\_\_\_\_

Attachments: Detailed expenditures for June 2013 affordable housing expenses



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

**Houston, Texas**

**August 19, 2013**

**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 19th day of August 2013, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in the City of Houston, Texas. Chairman Wright called the meeting to order at 10:09 a.m., and the roll was taken of the duly constituted officers and members of the Board:

Kerry Wright	Chairman	Present
Joe Ellis	Commissioner	Present
Roberto Gonzalez	Commissioner	Present
David Riddle	Vice Chairman	Present
Gerald Womack	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, Paula Burns, Horace Allison, and Kristen Domeracki of Harris County Housing Authority; Wanda LeBlanc, Che Williamson, Armi Easterby, Court Koenning, Keith Grady, and David Bryant.

**PUBLIC COMMENT:**

None

**BOARD ACTION ITEMS:**

**Discussion and request to approve or deny a resolution approving the application to access the Reservation System for 2014-2015 Amy Young Barrier Removal Program funds and authorizing the CEO to execute a written Reservation System Access Agreement for the program.**

Mr. McCasland presented information to the board regarding the Amy Young Barrier Removal

Program. The program is funded by the Texas Department of Housing and Community Affairs and \$354,705 annually has been allocated to the Houston Metro Area. The program provides one-time grants up to \$20,000 to persons with disabilities, qualified as low income, for home modifications necessary for accessibility and housing-related health and safety hazards. In the past, no one from the Metro Area or Harris County has claimed these funds. Mr. McCasland answered the Commissioner's questions regarding this program. Commissioner Ellis moved to approve the resolution, and Commissioner Gonzalez seconded; all were in the favor, and the motion passed.

**Discussion and request to approve or deny a resolution authorizing the CEO to expend funds for a preliminary design and feasibility study for affordable housing transit oriented development.**

Mr. McCasland presented information regarding a proposed partnership with METRO to build affordable housing near METRO transit centers. In order to move forward with this project, HCHA needs to develop preliminary design and feasibility studies to present to the HCHA Board of Commissioners and the METRO Board. This resolution would authorize \$5,000 for Glassman Shoemaker Maldonado Architects to create the necessary plans. Mr. McCasland answered Commissioner's questions regarding this project. Commissioner Womack moved to approve the resolution, and Commissioner Ellis seconded the motion; all were in favor, and the motion passed.

**Discussion and request to approve or deny a resolution authorizing the CEO to execute an AT&T Business Network Express Bundle Agreement for a Fiber Broadband Bundle-20Mbps estimated to save HCHA more than \$24,000 a year.**

Mr. McCasland presented information regarding a new contract for phone and internet services. This new contract would be for 24 months and total approximately \$26,960. AT&T is the only service provider that serves the HCHA area. This contract would represent a savings of more than \$24,000 annually without any loss in the quality of service. Mr. McCasland answered the Commissioner's questions regarding this contract. Commissioner Womack moved to approve the resolutions, and Commissioner Riddle seconded; all were in favor, and the motion passed.

**EXECUTIVE SESSION**

The Board went into executive session at 10:28 a.m. to discuss with the authority's attorney(s) matters regarding pending litigation, matters regarding contemplated litigation, discussion about the value or transfer of real property, and discussion regarding specific personnel matters.

The Board of Commissioners reconvened into public session at 12:41 p.m.

**ADDITIONAL BOARD ACTION**

Chairman Wright moved to grant the HCHA Chairman and the CEO the authority to amend the contract authorized by HCHA on June 18, 2013 regarding the recovery of damages suffered by HCHA to include the law firm of Martin, Disiere, Jefferson & Wisdom and to amend the contract to allow for the defense of HCHA in the case of Guy Rankin, IV versus Harris County Housing Authority. Commissioner Ellis seconded the motion. Commissioner Womack was not

present for this motion and Commissioner Gonzalez abstained; all others were in favor, and the motion carried.

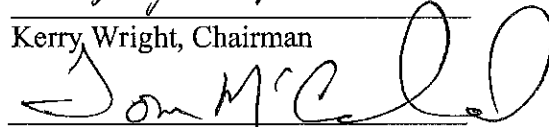
**ADJOURNMENT**

Commissioner Ellis moved to adjourn at 12:43 p.m., Commissioner Riddle seconded, all were in favor, and the motion carried.

Adopted and approved this 18th day of September 2013.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 13-41 to 13-43

**RESOLUTION NO. 13-41**

**RESOLUTION AUTHORIZING THE APPROVAL AND SUBMISSION OF AN APPLICATION TO ACCESS THE RESERVATION SYSTEM FOR THE AMY YOUNG BARRIER REMOVAL PROGRAM**

**WHEREAS**, the Texas Department of Housing and Community Affairs (TDHCA) Housing Trust Funds (HTF) published and release the 2014-2015 Amy Young Barrier Removal Program Notice of Funding Availability; and

**WHEREAS**, the TDHCA has \$3,578,250 (\$1,789,125 for 2014 and \$1,789,125 for 2015) in HTF funding for the Barrier Removal Program through the TDHCA's first-come, first-served reservation system; and

**WHEREAS**, the Houston Metro Area's (Region 6) allocation is \$354,705 (each year); and

**WHEREAS**, the program provides one time grants up to \$20,000 to persons with disabilities, qualified as low income, for home modifications necessary for accessibility and addressing housing related health and safety hazards; and

**WHEREAS**, the administrative fee shall not exceed 10% (\$2000) of the project costs, which shall be paid to the administrator(s) for the operation of the program and paid upon completion of each project; and

**WHEREAS**, staff of the Harris County Housing Authority has prepared and desires to submit an application to access the online application system;

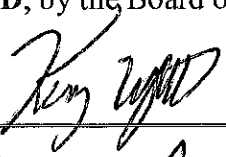
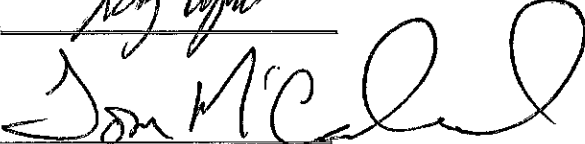
**NOW THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Harris County Housing Authority, approves the application to access the Reservation System for the 2014-2015 Amy Young Barrier Removal Program Funds and authorizes Tom McCasland, Chief Executive Officer of the Harris County Housing Authority, to execute a written Reservation System Access Agreement.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 19th of August 2013.

Chairman

Secretary

**RESOLUTION NO. 13-42**

**RESOLUTION AUTHORIZING THE CEO TO EXPEND FUNDS FOR A  
PRELIMINARY DESIGN AND FEASIBILITY STUDY FOR AN AFFORDABLE  
HOUSING TRANSIT ORIENTED DEVELOPMENT**

**WHEREAS**, the Harris County Housing Authority (HCHA) issued a Request for Qualifications (RFQ No. 13-01) for Architectural and Engineering Services (A&E) for the HCHA's Affordable Housing Development Program (AHDP); and

**WHEREAS**, the proposals were reviewed and evaluated by staff, and Glassman Shoemake Maldonado Architects, Inc (GSMA) was determined to be the most responsive, responsible and qualified Architectural & Engineering firm; and

**WHEREAS**, the HCHA requires the immediate and initial need of an A&E firm to undertake the design of an Affordable Housing Transit Oriented Development (TOD) to be developed in partnership with METRO; and

**WHEREAS**, GSMA is under contract to provide Architectural and Engineering Services for various projects associated with the HCHA's Affordable Housing Development Program; and

**WHEREAS**, the HCHA is in need of a preliminary design and feasibility study for a proposed 120+/- unit Affordable Housing Transit Oriented development; and

**WHEREAS**, GSMA has agreed to prepare a preliminary design and feasibility study for a fee in the amount of \$5000.00 (five thousand dollars); and

**WHEREAS**, staff has reviewed GSMA's fee proposal and determined it to be acceptable.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to negotiate and execute a sub-contract with Glassman Shoemake Maldonado Architects for preliminary design and feasibility study schematic for an Affordable Housing Transit Oriented Development and to expend funds in the amount of not to exceed \$5000.00 (five thousand dollars).

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 19th day of August 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_





**RESOLUTION NO. 13-43**

**RESOLUTION AUTHORIZING THE CEO TO EXECUTE AN AT&T BUSINESS  
NETWORK EXPRESS BUNDLE AGREEMENT**

**WHEREAS**, the Harris County Housing Authority (HCHA) incurs an approximate annual cost of \$38,144 for local and long distance phone services and internet expenses through AT&T; and

**WHEREAS**, HCHA has received a proposed agreement for fiber broadband services from AT&T that would reduce local and long distance phone services and internet expenses to approximately \$13,480; and

**WHEREAS**, moving phone and internet services to fiber broadband would save HCHA an estimated \$24,664 annually; and

**WHEREAS**, AT&T is the only Fiber Broadband provider that services HCHA's offices according to HCHA's information technology contractor; and

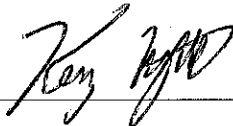
**WHEREAS**, the proposed agreement will be for 24 months and total approximately \$26,960;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Harris County Housing Authority that the Chief Executive Officer is hereby authorized to execute an AT&T Business Network Express Bundle Agreement for fiber broadband services.

This resolution shall be in full force and effect from and upon its adoption.

**PASSED**, by the Board of Commissioners this 19th day of August 2013.

Chairman: \_\_\_\_\_



Secretary: \_\_\_\_\_



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

**Houston, Texas**

**September 18, 2013**

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

Following a HUD training session, the Board of Commissioners of the Harris County Housing Authority met in regular session, open to the public, on the 18th day of September 2013, 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 12:58 p.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Horace Allison, Beverly Burroughs, Paul Curry, and Kristen Domeracki of the Harris County Housing Authority; David Cornwell, Wanda LeBlanc, Kristen Rieger, Court Koenning, Renqui (Sarah) Hou, Hidenori Sakai, and Harish Krishnarao were also in attendance.

**APPROVAL OF MINUTES FROM JULY 17 AND AUGUST 19, 2013**

Vice Chairman Riddle moved to approve the minutes from the July and August board meetings, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT**

None

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

Tom McCasland began his report by giving an update on HCHA's waitlist. As of May 2013, there were 20,718 households on the waitlist. 3,000 of these households have received letters of interest, and HCHA has issued 146 vouchers to these families. Of these 146 voucher holders, 71 have leased, 37 are currently searching, and 15 have allowed the vouchers to expire. HCHA hopes to issue 270 more vouchers within the next 30 days. Commissioner Womack expressed concerns over the current housing shortage in Houston and the prejudices some property owners have against individuals participating in the Housing Choice Voucher Program. Mr. McCasland assured the commissioners that HCHA provides resources to all clients to help them find housing before their voucher expires. Mr. McCasland answered the commissioners' questions regarding the process of bringing households off the waitlist and issuing vouchers.

Mr. McCasland gave an update on the status of over-housed households. In June 2013, the Board approved a change in HCHA's Administrative Plan allowing staff to limit voucher sizes to one bedroom for every two individuals. HCHA estimates that this change will reduce the voucher size for approximately one-fourth of non-disabled households. Staff will prioritize these non-disabled households when issuing new vouchers to over-housed families. Efforts to correct this issue thus far have been very successful, and HCHA hopes to reduce the number of over-housed households to less than 100 by next July. Mr. McCasland answered the commissioners' questions regarding the revised bedroom-size policy and emphasized that this policy allows HCHA to house more families during a time of reduced federal funding.

Mr. McCasland gave an update regarding communications with HUD. In August, HCHA sent HUD a letter confirming a total of \$3,706,295 owed for DHAP-like deposits. HCHA has issued a check for \$773,771 as a down payment on this debt, leaving a balance owed of \$2,933,154. HCHA has also confirmed that its net-restricted asset (NRA) balance should be \$3,632,923. HCHA's current NRA balance is -\$579,968.

After the recent audit of HCHA is completed, Mr. McCasland will turn his full attention to responding to HUD regarding the OIG report. This response is due in October 2013.

## **FINANCIAL AGENDA**

David Cornwell began his presentation by clarifying that NRA funds are held internally and do not need to be immediately repaid to HUD. He then asked the board for a one-month delay in the presentation of financial statements to the Board. Chairman Wright indicated that discussion and motions involving this request would be listed as action item seven. He then entertained a motion to have financial statements for any given month presented at the board meeting scheduled 6.5 weeks after the last day of that month, and the motion passed unanimously.

Mr. Cornwell reviewed the July 2013 financial statements and answered commissioners' questions. Financial information from Cypresswood Estates was not yet incorporated in to the July financial statement but will be included in all future financial statements. Mr. Cornwell also emphasized the facts that the Section 8 Program's restricted net assets balance has a deficit of over 3.2 million and that there is currently a balance due between HCHA programs. Addressing these issues will be a priority as HCHA continues to work towards improving its financial outcomes and meeting all HUD regulations. Overall, HCHA is doing well containing costs and generating income.

Chairman Wright asked about bad debt as a result of subsidy over-payments. These over-payments occur when clients do not report or under-report income. Mr. McCasland gave an overview of the history of this problem and reviewed HCHA policies allowing for repayment plans in certain situations.

### **ADMINISTRATIVE AGENDA**

Beverly Burroughs presented information on the lease-up rates for the HCV Program. Horace Allison spoke about the activities offered to tenants at properties within the Affordable Housing Division and then presented on the Division's development activities.

HCHA has responded to all GLO inquiries regarding its proposed projects and plans for use of GLO funds and is awaiting the GLO's execution of the sub-recipient agreement. HCHA has received a commitment notice for Westlock from the TDHCA and will try to close on the Westlock project during the first quarter of 2014, be under construction prior to summer 2014, and have the project completed by December 2015.

GSM Architects has developed a conceptual drawing for a permanent supportive housing development (85 units) in Midtown off of Pierce Street. HCHA staff presented plans for the development to the Midtown Working Group Committee and will revise the presentation to include additional information regarding services and community outreach at the committee's request. HCHA hopes to present again in front of the committee's October board meeting.

HCHA has met with METRO regarding an elderly housing development at the Southeast Transit Center (STC). GSM Architects has created a preliminary plan for a 120 unit mixed use/income development on the STC site. HCHA is reviewing these plans and working to create a formal proposal to present to METRO. Additionally, HCHA has evaluated other METRO sites and has found that the Pinemont site has potential for future development.

HCHA has received an access agreement for the Amy Young Barrier Program and two staff members will attend a training session for the program. HCHA will also seek to work with HCCSD to combine funding to address both ADA accommodations and life-threatening repairs to homes in need of renovation.

Proposed revisions to the TDHCA Qualified Allocation Plan will restrict low income housing tax credits (LIHTC) to family developments and will make elderly developments ineligible for LIHTC for the 2014 round. Additional changes to the QAP prevent a PHA from garnering points for funds contributed by itself or a related entity.

### **BOARD ACTION ITEMS**

Commissioner Womack was not present to vote on the following action items.

**Discussion and request to approve or deny a resolution changing HCHA's Fiscal Year to begin January 1 and end December 31.**

HCHA's fiscal year currently runs April 1<sup>st</sup> to March 31<sup>st</sup>, but its program year is based on the calendar year; this resolution will make HCHA's fiscal year match its program year. If approved, this resolution would not be fully effective until January 2015. Next year, HCHA would have a

nine month fiscal year lasting from April 1, 2014 to December 31, 2014. Chairman Wright moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing HCHA to accept the award of 2013 housing tax credit commitment notice on behalf of the Retreat at Westlock, LP, and authorizing HCHA to take such other steps as it deems necessary or convenient to carry out these resolutions.**

Previously, the Board authorized the CEO to enter into agreements as necessary to pursue the development of Retreat at Westlock. This resolution outlines the authority of the CEO in greater detail. Commissioner Gonzalez moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution approving travel expenses for the CEO.**

In July, Mr. McCasland attended and presented at the National Association of Housing and Redevelopment Officials Annual Conference in Denver, Colorado and also attended the National Alliance to End Homelessness Annual Conference in Washington DC. This resolution authorizes the Chairman of the Board to approve the reimbursement of the expenses incurred during this travel. Vice Chairman Riddle 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 transfer of funds to cover monthly affordable housing expenses.**

This resolution approves the transfer of funds to cover expenses allocated to the Affordable Housing Division. The expenses for August 2013 are higher than normal due to a MUD payment for conveyance facilities for Patriots by the Lake. Commissioner Ellis moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the execution of a contract for website development and services.**

At the last board meeting, the Board approved this resolution pertaining to the execution of a contract with Apache Advertising and Design (Apache) for website development. After that meeting, HCHA received a conflict of interest disclosure from Apache stating that Vice Chairman Riddle and Apache employee Matt Hoffpauir are business partners in an unrelated business, Pips Coffee, LLC. Chairman Wright wanted to ensure that all commissioners were fully informed of this information before authorizing the contract; therefore, the resolution was brought again before the Board for consideration. Commissioner Ellis expressed his concern with ensuring that there is no semblance of impropriety, and Chairman Wright responded to his concerns. Chairman Wright moved to approve the resolution, Commissioner Gonzalez seconded the motion, Vice Chairman Riddle abstained, and the rest were in favor. The motion carried.

**EXECUTIVE SESSION**

The Board went into executive session at 2:42 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, contemplated litigation, the value or transfer of real property, and personnel matters. The Board of Commissioners reconvened into public session at 3:22 p.m.



### **ADDITIONAL BOARD ACTION**

Chairman Wright moved to authorize Harris County Housing Authority's CEO to spend \$6,000 for an application fee to purchase mitigation credits for the Patriots by the Lake property. Vice Chairman Riddle seconded the motion, all were in favor, and the motion passed.

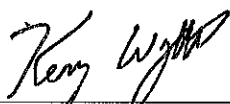
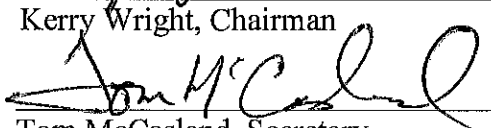
### **COMMENTS BY COMMISSIONERS**

Mr. McCasland and the Board extended their thanks to Wanda LeBlanc for her assistance in obtaining mitigation credits for the Patriots by the Lake property.

### **ADJOURNMENT**

Vice Chairman Riddle moved to adjourn at 3:29 p.m., Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 16th day of October 2013.

  
\_\_\_\_\_  
Kerry Wright, Chairman  
  
\_\_\_\_\_  
Tom McCasland, Secretary

Attachments: Resolutions 13-44 to 13-48

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

**Houston, Texas**

**October 16, 2013**

**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 16th day of October 2013, 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 1:31 p.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Horace Allison, Paula Burns, Beverly Burroughs, Paul Curry, and Kristen Domeracki of the Harris County Housing Authority; Wanda LeBlanc, Ella Edminston, Sabrina Madden-Marshall, Patrick Madden, Tywania Polk, Sean McCarthy, Keith Grady, Che Williamson, and Phil Sharp were also in attendance.

**APPROVAL OF MINUTES FROM SEPTEMBER 18, 2013**

Commissioner Womack moved to approve the minutes from the September 18<sup>th</sup> board meeting, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT**

Sabrina Madden-Marshall questioned the commissioners about how the Housing Choice Voucher Program operates and about the procedures for applying for assistance, accepting applicants, terminating participants, and re-instating participants after termination. After a brief discussion, Commissioner Womack asked that HCHA staff meet with Ms. Madden-Marshall to answer her questions and address her concerns. Chairman Wright asked that staff provide the Board with an update regarding the outcome of this meeting.

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

Tom McCasland began his report by giving an update on HCHA's response to the OIG report. HCHA received a letter dated September 4, 2013 from Dan Rodriguez requesting information and supporting documentation regarding the actions HCHA has taken in response to the corrective actions required by the OIG. A response to this letter is due October 30, 2013. HCHA is in the process of preparing the requested information and documentation; however, some documents required for the response are unavailable due to the federal government shutdown. If the federal government reopens, HCHA hopes to submit an initial response by October 18, 2013. Several action items presented during the October board meeting address concerns raised by the OIG report.

Mr. McCasland informed the commissioners that HCHA's funding is based on the calendar year and is secure through December 1, 2013. Mr. McCasland answered the commissioner's questions regarding potential decreases in government funding and how other PHAs are preparing for possible funding reductions.

Mr. McCasland gave an update on the HCV lease-up rates. HCHA continues to issue vouchers to applicants on its waiting list, and on October 1st, it absorbed 72 clients who have ported into the HCHA service area. Efforts to lease up clients will continue as HCHA strives to utilize its full Annual Budget Authority.

The VA has verbally agreed to an arrangement to utilize HCHA office space, but HCHA has not yet received the executed licensing agreement. Once HCHA receives this agreement, VA case managers will be on site and able to coordinate more effectively with the VASH case manager. Mr. McCasland answered the commissioners' questions regarding the financial benefits of allowing VA case managers to use HCHA office space.

## **FINANCIAL AGENDA**

Paul Curry presented the August financial report. Financial data from Cypresswood Estates is now incorporated into the financial report. HCHA lines of business are performing as budgeted even though the Section 8 Program is currently showing a deficit. Funds budgeted to be transferred into the Section 8 Program have not yet been transferred, but should be transferred within the next 45-60 days. Cypresswood Estates is currently over budget in regards to its contract costs even though its net cash flow is exceeding the budgeted amount. Staff will continue working with Cypresswood Estates to determine the cause for the budget overage. HCHA has made great efforts to reduce costs associated with overhead by re-negotiating contacts and taking proactive steps to reduce energy costs. Mr. Curry answered the commissioners' questions regarding HCHA's efforts to reduce costs and address the budget overage for one line-item at Cypresswood Estates. Mr. McCasland extended his thanks to Mr. Curry, Kim Do, and David Cornwell for their dedication, attention, and effort in helping HCHA move towards a sound financial status.

## **ADMINISTRATIVE AGENDA**

Beverly Burroughs presented information on the lease-up rates for the HCV Program. Currently, staff members are making a large effort to increase the lease-up rate to 75 units each month. Of the 268 vouchers issued from the waitlist, 116 families have signed leases, 21 vouchers have expired, and 137 vouchers are in searching status.

Paula Burns reviewed the status of properties within the Affordable Housing Division. Many of the properties are in the process of preparing annual budgets for HCHA review and approval by mid-November. Ms. Burns answered questions regarding the nature of these budgets, and the commissioners encouraged the property managers to attend future board meetings.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA is awaiting the GLO's execution of the sub-recipient agreement for funding. HCHA is waiting to receive the 30% construction documents for the Retreat at Westlock. These documents are due by October 31, 2013. Once HCHA staff has reviewed these documents, they will provide HCCSD with a copy for its review. This property must meet the requirements for an energy star rating.

HCHA staff will meet with developers in early November to discuss a proposal to build phase II of the Sierra Meadows development. These developers have also expressed a desire to obtain HCHA's General Partnership interest for the current Sierra Meadows development. Mr. Allison answered the commissioners' questions regarding the developers and the possibility of further development.

The Green Building Council hosted a green tour of Cypresswood Estates and approximately 22-25 visitors attended. The Council has asked Mr. Allison to participate in future panels to discuss combining affordable housing and green initiatives.

GSM Architects is continuing to prepare drawings and plans for the proposed permanent supportive housing project in Midtown. This development will have 85 units including one bedroom and efficiency apartments. HCHA is also working with METRO to develop transit-oriented development opportunities. Staff will meet soon to review plans for a proposed development in the Southeast Transit Center with 120 units for seniors. HCHA staff has met with key parties interested in this development. Mr. Allison answered the commissioners' questions regarding HCHA's efforts to involve community leaders and to address community concerns.

HCHA has executed agreements and visually inspected several homes as part of the Amy Young Barrier Removal Program. Funding for remodeling projects will be given on a first come, first serve basis, and HCHA may submit proposals for funding approval on November 1, 2013. HCHA would like to complete at least five homes in the first round of funding. Staff has sent out a request for quotes for inspectors, and extended the deadline for an RFP for contractors until October 29, 2013.

Mr. Allison was recently appointed by Mayor Parker to the Board of Directors of Tax Increment Reinvestment Zone Number 25, also known as the Hiram Clarke/Fort Bend Houston Zone. The Board extended its congratulations to Mr. Allison for this recognition.

### **BOARD ACTION ITEMS**

**Discussion and request to approve or deny a resolution authorizing an interlocal agreement with Harris County to provide medical, dental, and vision insurance benefits to eligible HCHA employees.**

This draft interlocal agreement with Harris County will allow HCHA to provide insurance to eligible employees at the same cost per employee as paid by the County. The insurance will include medical, dental, and vision benefits, and is planned to start January 1, 2014. This resolution authorizes the CEO to negotiate and sign the interlocal agreement. Vice Chairman

Riddle moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the execution of a contract to provide technical support services.**

HCHA terminated its full time IT position and has since been utilizing the services of an independent contractor, Jonathan Mendoza, to meet its technical support needs. This contract formalizes this arrangement and allows for 20 hours per month of IT services for a monthly \$2000 fee. This contract represents a total savings of \$34,000 when compared to the cost of employing a full time IT employee. Mr. McCasland answered the commissioners' questions in regards to HCHA's current IT needs and practices. Commissioner Womack moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the continuation of a contract with Corona Professional Services for office cleaning services.**

**Discussion and request to approve or deny a resolution authorizing the continuation of contracts with Global Services, LLC for copier leases.**

**Discussion and request to approve or deny a resolution authorizing the continuation of a contract with Global Services, LLC for the lease of DocuWare software.**

These resolutions relate to four contracts, three of which are above the \$25,000 CEO approval limit and therefore require Board approval. HCHA has no record of the Board approving these contracts prior to their signing, and does not have sufficient information to conclude that they were properly procured. However, HCHA staff believes that these contracts represent reasonable market values and has determined that buying out or terminating the contracts would not be in HCHA's best interest. Therefore, these resolutions seek Board approval to continue these contracts until they expire, at which point, the contracts will be procured according to HCHA's Procurement Policy. Vice Chairman Riddle moved to approve the resolutions allowing for the continuation of contracts with Corona Professional Services and Global Services, LLC, Commissioner Womack seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the reimbursement of overnight travel expenses for Paula Burus and Horace Allison.**

In September, Mr. Allison and Ms. Burns attended training workshops related to the Amy Young Barrier Removal Program. This resolution authorizes the Chief Executive Officer to approve the reimbursement of the expenses incurred during this travel. Commissioner Womack moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing the transfer of funds to cover monthly affordable housing expenses.**

This resolution approves the transfer of funds to cover expenses allocated to the Affordable Housing Division. The expenses for September 2013 totaled \$40,809.52. Once financial procedures are fully implemented, these funds will transfer automatically. Commissioner Gonzalez moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing architectural and engineering services for a permanent supportive housing development.**



The Board has requested that all expenses for this development be subject to Board approval; therefore, this resolution requests Board approval for \$5000 to be paid for revised architectural design documents related to the Midtown project to develop 85 permanent supportive housing units. Commissioner Womack moved to approve the resolution, Commissioner Gonzalez seconded, four commissioners were in favor, and Vice Chairman Riddle was against. The motion carried.

**Discussion and request to approve or deny a resolution authorizing a memorandum of agreement with the Midtown Redevelopment Authority to acquire a land parcel for a permanent supportive housing development.**

This resolution allows the Chief Executive Officer to negotiate and execute an agreement with the Midtown Redevelopment Authority for site control of a property located at Pierce and Live Oak Streets southeast of downtown Houston. This property will be the site of a proposed permanent supportive housing development comprised of 85 units. The resolution authorized the CEO to execute an agreement that does not exceed \$1000 and makes HCHA's development commitment contingent upon approval by the GLO. Commissioner Womack moved to approve the resolution, Commissioner Ellis seconded, four commissioners were in favor, and Vice Chairman Riddle was against. The motion carried.

**Discussion and request to approve or deny a resolution approving a contract for collection services.**

HCHA did not receive any responses to RFP 13-08 for collection services. Mr. McCasland and the commissioners discussed the importance of procuring collection services and alternative options for obtaining these services. Collecting on outstanding debt is a HUD recommendation, and HCHA staff is committed to meeting this need.

**Discussion and request to approve or deny a resolution approving a contract for fee accounting services.**

HCHA received two proposals in response to RFP 13-07 for fee accounting services. After reviewing these proposals, an evaluation committee determined that the terms of The Cornwell Associates' proposal would be most advantageous to HCHA. This resolution grants the Chief Executive Officer the authority to negotiate and execute a two-year contract with The Cornwell Associates for fee accounting services not to exceed \$100,000 per fiscal year. Previously, HCHA paid approximately \$150,000 annually for these services. Mr. McCasland answered the commissioners' questions regarding current levels of staff compensation. Commissioner Ellis 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 a contract for brokerage services.**

Discussion of this resolution was tabled until after the commissioners met in executive session.

**Discussion and request to approve or deny a resolution approving a Fixed Asset Policy.**

This policy formalizes current practices into a written policy and outlines procedures for the depreciation of assets valued in excess of \$1,000. This policy is something that the OIG has requested and will be included in HCHA's response to the OIG. Commissioner Ellis 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 a Cost Allocation Policy.**

This policy formalizes current practices into a written policy that ensures expenses are charged to the appropriate program or line of business. Vice Chairman Riddle moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion passed.

**EXECUTIVE SESSION**

The Board went into executive session at 3:10 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, contemplated litigation, the value or transfer of real property, and personnel matters. The Board of Commissioners reconvened into public session at 5:00 p.m.

**ADDITIONAL BOARD ACTION**

**Discussion and request to approve or deny a resolution approving a contract for brokerage services.**

Commissioner Womack moved to allow the Chief Executive Officer to negotiate and execute a contract with Lewis Property Company (LPC) for real estate brokerage services. He stipulated that this contract must not exceed a term of two years, must include the right to terminate, and should be subject to other terms outlined in an October 2, 2013 letter from LPC to HCHA. Mr. McCasland asked for permission to incorporate these terms into a formal resolution. Commissioner Womack agreed to the resolution, and moved to approve it, Commissioner Gonzalez seconded, all were in favor, and the motion passed.


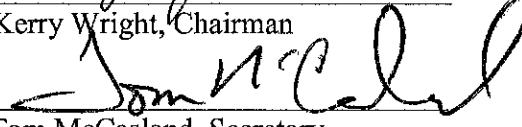
**COMMENTS BY COMMISSIONERS**

None.

**ADJOURNMENT**

Commissioner Womack moved to adjourn at 5:01 p.m., Commissioner Gonzalez seconded, all were in favor, and the motion carried.

Adopted and approved this 20th day of November 2013.

  
Kerry Wright, Chairman  
  
Tom McCasland, Secretary

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

**Houston, Texas**

**November 20, 2013**

**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 20th day of November 2013, 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 1:30 p.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Horace Allison, Paula Burns, Beverly Burroughs, Paul Curry, and Kristen Domeracki of the Harris County Housing Authority; David Cornwell, Ella Edmiston, and Court Koenning were also in attendance.

**APPROVAL OF MINUTES FROM OCTOBER 16, 2013**

Vice Chairman Riddle moved to approve the minutes from the October 16th board meeting, Commissioner Gonzalez seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT**

None.

**CHIEF EXECUTIVE OFFICER'S REPORT**

Tom McCasland began his report by giving an update on HCHA's response to the OIG report. HCHA sent a response in October outlining corrective actions it has taken in response to the OIG report. Of the 18 corrective actions, 10 are completed or required no action, four will be completed by December 2<sup>nd</sup>, and four are pending on-going litigation. Mr. McCasland answered

the commissioners' questions regarding the OIG response and when all corrective actions will be completed.

Mr. McCasland then reviewed the status of the HCHA PHA Five Year and Annual Plan, which will be due in January 2014. HCHA has received feedback from a resident advisory board and is working on a draft of these plans. Because these plans require a review of HCHA's mission and goals, HCHA staff would like input from the Board regarding these items. Chairman Wright created a subcommittee comprised of Vice Chairman Riddle and Commissioner Gonzalez to review and finalize the Five Year Plan to be submitted to the Board of Commissioners for approval.

Mr. McCasland recognized the important contributions and work of Horace Allison and Paula Burns in the Affordable Housing Division. Mr. McCasland also recognized the efforts of Mr. Allison, Paul Curry, and David Cornwell in ensuring that a recent review by the GLO went smoothly. Early feedback from the GLO suggests that they were pleased with the information they received during their visit and have no concerns about continuing GLO funding.

November 11, 2013 was Veterans Day, and Vice Chairman Riddle thanked Commissioner Joe Ellis and all veterans for their service to the nation. Mr. McCasland reported that efforts to end veteran homelessness have progressed such that it may be possible to provide a home to every homeless veteran who is ready to move into one by the end of next year. Given this expectation, HCHA may soon begin to utilize VASH vouchers to house non-chronically homeless veterans.

### **FINANCIAL AGENDA**

David Cornwell presented the September financial report. Although the Section 8 Program is currently showing a deficit, funds budgeted to be transferred into the Section 8 Program should be transferred soon and should eliminate the deficit in that program. HCHA is in the process of closing out its DHAP accounts and is starting to integrate records from its seven LLCs into its financial reports. Previously, these LLCs have not been audited, but HCHA has issued an RFP for auditing and tax preparation services for the LLCs. Mr. Cornwell answered the commissioners' questions regarding the LLCs and HCHA properties. He estimated that each LLC has less than 10 transactions per year. HCHA will also work to ensure that all of the LLCs have the same December 31 year-end schedule. Overall, HCHA has had positive financial results for the first six months of the fiscal year.

### **ADMINISTRATIVE AGENDA**

Beverly Burroughs presented information on the lease-up rates for the HCV Program. Currently, the HCV lease-up rate is at 98%, VASH is at 82%, SRO is at 94%, and the Mod Rehab Program is leased at 100%. Ms. Burroughs gave the commissioners an update on her meetings with the two families that attended October's board meeting with questions about the HCV Program.

Paula Burns reviewed the status of properties within the Affordable Housing Division. Cornerstone Village, Baybrook Park, and Cypresswood Estates all recently passed a HCCSD HOME annual inspections. Louetta Village and Magnolia Estates are both in the process of cleaning and updating their outdoor areas.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA recently underwent a review by the GLO to assess procurement and financial procedures.

This review was in response to concerns raised by the recent OIG report. Based on information gathered during this visit, GLO staff will create a flow chart of HCHA processes for HCHA staff to review. Mr. Allison answered the commissioners' questions regarding the GLO visit.

HCHA returned the commitment packet for the Retreat at Westlock to TDHCA in September, and subsequently received an inquiry from TDHCA seeking clarification on the applicability of funding from the HCHA Public Facility Corporation (PFC). HCHA has sent a letter in response verifying that the PFC Board is substantially the same as the HCHA Board and is appointed by the Commissioners' Court. With this response, the project is ready to move forward. HCHA expects to receive construction bids by March of next year and to break ground in the summer of 2014.

HCHA staff met with developers to discuss a proposal to build phase II of the Sierra Meadows development. The developers proposed a market-rate housing community, and HCHA staff explained that HCHA's primary focus is on building affordable housing; however, HCHA will review the details of any proposed plan to see if it supports HCHA's affordable housing goals.

The Green Building Council hosted a green tour of Cypresswood Estates, and Mr. Allison has been asked to give a presentation on green features in affordable housing and other kinds of housing developments. He is also working with a group to help locate sites within Houston for a proposed container-home community. Mr. Allison believes that modular home construction will become increasingly popular in the future.

HCHA staff met with the Midtown Redevelopment Authority to discuss a revised presentation regarding a proposed plan for a permanent supportive housing project in Midtown. The Authority has asked HCHA to place greater emphasis on operational issues to address community concerns. In the coming weeks, staff will develop guidelines and procedures on how to address security issues, resident non-compliance, and other community concerns.

HCHA staff is in the process of reviewing and finalizing architectural drawings for a senior community in the Southeast Transit Center. This project will likely be funded through GLO and private sector sources.

HCHA has executed agreements and visually inspected several homes as part of the Amy Young Barrier Removal Program. Five homes were accepted in the first round of funding and staff is working on developing scope of work and cost estimates for bidding the repair work. Six firms have responded to an RFP for construction work in relation to this program, and this month's board agenda contains a resolution for board approval of these firms.

Prior to moving to action items, Chairman Wright notified staff and the board members that he has created a subcommittee composed of Commissioner Gonzalez and Commissioner Ellis to conduct a standard, semi-annual performance review of Mr. McCasland.

## **BOARD ACTION ITEMS**

### **Discussion and request to approve or deny a resolution authorizing a Financial Reporting Policy.**

This policy codifies financial reporting procedures that have been adopted and implemented during the preceding eighteen months. This policy, along with other financial and procurement policies, will help ensure that HCHA maintains sound accounting practices. Commissioner



Womack moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing revisions to the HCHA Procurement Policy.**

As HCHA continues to review practices related to procurement and contracting, staff have recommended changes to the Procurement Policy. These changes better reflect procurement practices at HCHA and help bring the policy into better alignment with the HUD Procurement Handbook. HCHA has established Kim Do as a contracting officer to maintain records of all contracts and to ensure HCHA has contracts with vendors prior to issuing payment. Mr. McCasland answered the commissioners' questions regarding safeguards on accounting and contracting procedures. Commissioner Gonzalez moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing revisions to the HCHA Ethics Policy.**

The OIG requested that HCHA implement a policy for annual trainings for the commissioners to review the Ethics Policy and other responsibilities they have as commissioners. HCHA has revised its Ethics Policy to include this requirement. Commissioner Womack moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing revisions to the HCHA Administrative Plan.**

Staff members have recommended several changes to the HCHA Administrative Plan including implementing a procedure for self-certification of corrections of non-life threatening deficiencies, changes in payment standards, and changes in policies related to project-based vouchers. The commissioners, Mr. McCasland, and Angela Sklavos also discussed an included change relating to time extensions to correct life-threatening deficiencies. This change was intended to provide tenants and owners more time to effect changes in the event of life-threatening emergencies; with this adjustment, HCHA would require proof that the owner/tenant had taken the necessary steps to correct the emergency within 24 hours, but would allow for a single 24 hour extension in the event that the correction could not be effected within the initial 24 hour timeframe. The commissioners expressed concerns about the short timeframe for allowing corrections to these deficiencies. This change was not included in the resolution passed by the Board. The self-certification procedure would allow HCHA to save resources and time by allowing tenants/owners to self-certify corrections to minor, non-life threatening emergencies. The change in payment standards would allow HCHA to use a 90% FMR payment standard in ZIP codes in which the small area FMR is below 90% of the Harris County FMR. All other ZIP codes within the HCHA service area will be funded at 100% FMR. HCHA hopes that this change will encourage families to move to 100% FMR areas where the schools are more likely to offer a better educational experience. HCHA made changes to its project-based voucher policies to reflect the changes made by the Houston Housing Authority. Vice Chairman Riddle 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 authorizing the transfer of funds to cover monthly affordable housing expenses.**

This resolution approves the transfer of funds to cover expenses allocated to the Affordable

Housing Division. The expenses for October 2013 totaled \$27,320.76. Once financial procedures are fully implemented, these funds will transfer automatically. Commissioner Womack 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 a Section 3 Policy.**

This policy will help ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible and consistent with federal, state and local laws and regulation, be directed toward low and very low income persons (especially those who are recipients of government assistance for housing) and to entities which provide economic opportunities to low and very low income persons. Mr. Allison answered the commissioners' questions regarding this policy. Although HCHA does not have record of the Board previously approving this policy, HCHA contracting practices have been in compliance with Section 3 requirements. Commissioner Womack 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 a membership agreement with the Housing Authority Risk Retention Group, Inc.**

This resolution is to approve a membership agreement as required by HCHA's insurance provider, the Housing Authority Insurance (HAI) Group. HCHA plans to solicit proposals for a new insurance provider as soon as possible; this agreement does not extend HCHA's agreement with HAI, but it is required as an attachment to HCHA's current contract. Mr. McCasland and Mr. Cornwell answered the commissioners' questions regarding the agreement. Commissioner Womack moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution approving the qualification-based selection of contractors for the Amy Young Barrier Removal Program and authorizing the Chief Executive Officer to execute contracts for the repair of the homes under this program.**

HCHA issued a Request for Qualifications 13-09 for contractors to make repairs as part of the Amy Young Barrier Removal Program and received six responses. This resolution gives Board approval for all six companies to bid on repair contracts for this program; award of the contract will go to the lowest responsible bidder, and each bid may not exceed \$20,000. Commissioner Womack moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**Discussion and request to approve or deny a resolution authorizing HCHA to maintain TCDRS plan provisions for the 2014 plan year.**

HCHA provides retirement benefits for eligible employees through the Texas County and District Retirement System and must approve its plan provisions annually. This resolution authorizes the Chief Executive Officer to approve a certification maintaining current plan provisions for the 2014 plan year. Mr. McCasland answered the commissioners' questions regarding HCHA's contribution rates. Vice Chairman Riddle moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion carried.

### **EXECUTIVE SESSION**

The Board went into executive session at 3:06 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, contemplated litigation, the value or transfer of real property, and personnel matters. The Board of Commissioners reconvened into public session at 3:28 p.m.

### **ADDITIONAL BOARD ACTION**

None.

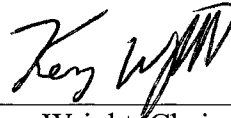
### **COMMENTS BY COMMISSIONERS**

The next board meeting will take place December 18<sup>th</sup> at 10 a.m.

### **ADJOURNMENT**

Vice Chairman Riddle moved to adjourn at 3:31 p.m., Commissioner Womack seconded, all were in favor, and the motion carried.

Adopted and approved this 18th day of December 2013.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 13-62 to 13-70

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

**Houston, Texas**

**December 18, 2013**

**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 18th day of December 2013, 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 10:35 a.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Angela Sklavos, Horace Allison, Paula Burns, Beverly Burroughs, Paul Curry, and Kristen Domeracki of the Harris County Housing Authority; David Cornwell, Ella Edmiston, Wanda LeBlanc, Laura Lindley, Candace Davison, Barry Kahn and Court Koenning were also in attendance.

**APPROVAL OF MINUTES FROM NOVEMBER 20, 2013**

Commissioner Womack moved to approve the minutes from the November 20, 2013 board meeting, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

**PUBLIC COMMENT**

None.

**CHIEF EXECUTIVE OFFICER'S REPORT**

Tom McCasland began his report by giving an update on HCHA's response to the OIG report. On December 17<sup>th</sup>, Mr. McCasland submitted a letter to the local HUD office outlining HCHA's

response to corrective action 1A regarding 2.4 million dollars in unsupported expenses. This letter included a payment agreement for \$679,173.56 in expenses that HCHA agrees are unsupported using federal funds and should be repaid.

Mr. McCasland also reviewed the GLO's response to the financial procedures review that took place on November 12<sup>th</sup> and 13<sup>th</sup>. This response was very positive with only three observations that require action from HCHA.

Paula Burns introduced guests attending the board meeting. The board welcomed Laura Lindley, property manager of Cornerstone Village, and Candace Davison from Louetta Village to the meeting and encouraged them to give the board any feedback or recommendations that may be useful.

Mr. McCasland stated that today's actions items will accomplish HCHA's goals of segregating funds between lines of business and providing the appropriate due to-due from entries. For this significant accomplishment, Mr. McCasland recognized the hard work of the Finance Department including Kim Do, Paul Curry, and David Cornwell.

### **FINANCIAL AGENDA**

Mr. Cornwell presented the October financial report, stating that the financial reports are substantially representative of the current financial status of the authority; however, the report does not include amounts that will be negotiated with HUD/OIG regarding balances that need to be repaid and what lines of business will be used to repay those funds. As of January 1<sup>st</sup>, the COCC will be the common paymaster for all of HCHA except for Section 8 voucher HAP and utility payments. HCHA currently has a \$7 million due to-due from balance, which was a concern raised by the OIG. This balance is due to Cypresswood Estates owing DHAP 540 4.4 million, and the HCV program owing Affordable Housing 2 million and the COCC 1.5 million. HCHA expects to settle this balance after the sale of Patriots by the Lake. Mr. Cornwell and Mr. McCasland answered the commissioners' questions regarding the financial statements and the corrective actions required by HUD and the OIG. HCHA expects responses to most of its proposals regarding corrective actions by the end of December; however, staff is responding to each corrective action individually so the response times from HUD will vary.

Because the financial statements as presented already included the provisions and adjustments recommended in action item two, Chairman Wright directed the board to consider action item two.

### **Discussion and request to approve or deny a resolution ratifying journal entries and balance sheet adjustments.**

Although the DHAP programs have been closed out by HUD, HCHA still has open DHAP accounts. HCHA would like to close these accounts with the exception of DHAP Harris County, which owes \$2.9 million for utility deposits, and transfer the funds to the HCV program. HCHA regards this transfer as appropriate because DHAP participants were transferred to the HCV program. DVP earned administrative fees are nonfederal funds, and HCHA proposes to transfer the DVP account balance transfer to the Affordable Housing division. The resolution also proposes to show Cypresswood Estates negative balance as due to the DHAP Ike-Harris County



account. This amount will be paid in full once the Patriots by the Lake property sells. Mr. Cornwell and Mr. McCasland answered the commissioners' questions regarding documentation and support for the proposed budget adjustments. Based on the information that HCHA can verify, management is confident that the proposed adjustments represent the best way forward. Vice Chairman Riddle moved to approve the resolution, Commissioner Ellis seconded the motion, all were in favor, and the motion carried.

### **ADMINISTRATIVE AGENDA**

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 99% of HCHA's annual budget authority, VASH is at 81.1%, SRO is at 99%, and the Mod Rehab Program is leased at 100%.

Ms. Burns reviewed the status of properties within the Affordable Housing Division. Several properties have holiday events planned. Louetta Village had a HOME monitoring visit without any findings and is in the process of cleaning the exterior of its buildings. Primrose and Baybrook Park both had inspection visits with only minor repairs required. The clubhouse at Waterside Court was broken into and some community computers were damaged; Commissioner Womack recommended adding cameras to the premises. Sierra Meadows is seeking bids for resident services to plan activities and encourage resident participation at the property. Ms. Burns answered the commissioners' questions regarding security at the properties.

Horace Allison presented on development activities within the Affordable Housing Division. Mr. Allison reviewed the recommendations by the GLO after an on-site review of financial and procurement procedures. These recommendations included digitizing contract files and observing how project budgets will be monitored. Mr. Allison thanked all staff who assisted with this visit.

HCHA is moving forward with the Retreat at Westlock and hopes to receive 60% documents by December 20th; once received, these documents will be forwarded to HCCSD for its review. The developer is continuing to enter into contracts with Section 3 sub-consultants. Barry Kahn answered the commissioners' questions regarding the timeline for construction. HCHA expects to begin construction on this property during the summer of 2014.

The deadline for pre-applications for the LIHTC program is likely January 16, 2014. HCHA has been reviewing potential sites for development, and HCHA will submit multiple pre-applications in order to maximize chances of receiving funding.

HCHA staff will meet after the first of the year with METRO to discuss a proposed development near the Southeast Transit Center at 6000 Scottcrest. Commissioner Womack questioned whether this development will be near the new rail line at Palm Center; Mr. Allison stated that although not near the new rail line, this development is in a community revitalization area targeted by the City of Houston for redevelopment. Commissioner Womack expressed concerns regarding the proposed sites' distance from the new rail line, especially given the need of members of the community for transportation. Moreover, he stated that many other services are being built or relocated to be closer to the rail line, including a new public library and a new HEB grocery store. Mr. Allison assured the commissioners that future developments with METRO will focus

on areas along the rail line and that the current site is near a transit center. Mr. Allison also stated that another developer, Itex, is developing the area near Palm Center, and HCHA did not want to be in direct competition with this developer.

Commissioner Womack stated that in order to make a large impact on the community in the neighborhood, multiple developments should be initiated. He also stressed the importance and need for homeless and elderly housing in the community. Mr. McCasland indicated that original plans to build housing for the homeless near the rail site received significant community pushback, and he welcomed any assistance in helping to advance efforts to build homeless or elderly housing in the neighborhood. HCHA expects to receive the land for the proposed development free or at an extremely low cost from METRO. Given the low cost of the land, Commissioner Womack assented to moving forward with the project, but emphasized that he wanted to increase the concentration of housing and services in the areas with the greatest need. HCHA is also working with the Midtown Redevelopment Authority to get their approval to develop a site at Live Oak.

HCHA is in the process of developing and submitting work specifications for five homes previously identified as meeting program requirements for the Amy Young Barrier Removal Program. These specifications must be submitted to TDHCA by the December 22<sup>nd</sup>. After approval from TDHCA, work will go out for bids to the five companies previously approved by the board. Mr. Allison addressed the commissioners' questions and concerns regarding the program selection criteria, advertising outreach, and the location of the five homes. The commissioners' emphasized the importance of targeting HCHA programs, developments, and outreach efforts to areas with the greatest need.

### **BOARD ACTION ITEMS**

#### **Discussion and request to approve or deny a resolution authorizing the transfer of funds to cover monthly affordable housing expenses.**

This resolution approves the transfer of funds to cover expenses allocated to the Affordable Housing Division. The expenses for November 2013 totaled \$22,255.58. Once financial procedures are fully implemented on January 1st, these funds will transfer automatically. Commissioner Womack moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

#### **Discussion and request to approve or deny a resolution approving a contract for audit and tax preparation services.**

This resolution relates to an RFP for audit and tax preparation services for 14 entities related to HCHA's seven LIHTC developments. Staff members have judged the proposal submitted by CliftonLarsonAllen (CLA) to be most advantageous to HCHA and recommend that the board approve the negotiation and execution of a contract with CLA to provide these services. This contract shall be for two years with the option of a two year extension and shall not exceed \$82,200 for fiscal year 2103, \$85,900 for fiscal year 2014, and \$89,600 for fiscal year 2015. HUD has recommended that the authority change auditors every three to four years. Mr. McCasland asked to amend the resolution to state that those entities that have already begun audit/tax preparation services with other companies for the current fiscal year will be allowed to remain with their current service provider. Commissioner Womack moved to approve the

resolution as amended, Vice Chairman Riddle seconded the motion, all were in favor, and the resolution passed.

**Discussion and request to approve or deny a resolution approving an extension of HCHA's interlocal agreement with the Harris County Attorney's Office for general counsel services.**

HCHA's current interlocal agreement with the County Attorney's Office expires December 31, 2013. This resolution approves an extension of this contract for a number of years determined by the board. Both parties to this contract may terminate it for any reason with 30 days' notice. Chairman Wright moved to approve the resolution as a one-year extension, Commissioner Ellis seconded, three were in favor and Vice Chairman Riddle was opposed, the resolution passed.

**Discussion and request to approve or deny a resolution authorizing the CEO to enter into various payment agreements with HUD not to exceed a total of \$7,743,506 to be repaid to HCHA's HCV and DHAP IKE lines of business.**

This resolution allows the CEO to enter into payment agreements for corrective action items required by the OIG. HUD has requested that HCHA provide payment agreements prior to its approval of proposed repayment amounts. HCHA acknowledges mispending 8.5 million dollars as of December 2012 and must repay these funds. This resolution allows HCHA to enter into agreements up to the remaining \$7.7 million amount. HCHA has already repaid \$773,771. Mr. McCasland will present any response HCHA receives from HUD regarding the corrective actions to the board. Vice Chairman Riddle thanked Mr. McCasland and Mr. Cornwell for their work in preparing the responses to the OIG and HUD. Vice Chairman Riddle moved to approve the resolution, Commissioner Ellis seconded the motion, all were in favor, and the motion passed.

**Discussion and request to approve or deny a resolution authorizing HCHA to prepare and submit a LIHTC pre-application to the Texas Department of Housing and Community Affairs.**

This resolution relates to the upcoming LIHTC cycle and would allow HCHA to submit a pre-application for this cycle. Mr. McCasland recommended that the resolution be revised to allow HCHA to submit up to three pre-applications. HCHA currently has one developer under contract to assist with these pre-applications, which will be due January 16<sup>th</sup>. Chairman Wright moved to approve the motion as amended, Commissioner Womack seconded the motion, all were in favor, and the motion passed.

**Discussion and request to approve or deny a resolution authorizing HCHA to provide HUD the annual REAC submission as prepared by HCHA's independent auditors.**

Staff had planned for representatives from CliftonLarsonAllen to present the draft financial statements from the last fiscal year; however, they were not able to make it to the December board meeting. Because part of this financial statement is due to HUD in December, this resolution allows the submission of the required data in time to meet the HUD deadline. A draft of this statement will be given to the board when available and will be presented in January for the board's final approval. Commissioner Womack moved to approve the resolution, Vice Chairman Riddle seconded the motion, all were in favor, and the motion passed.

**EXECUTIVE SESSION**

The Board went into executive session at 12:04 p.m. to discuss with the authority's attorney(s) matters regarding pending litigation, contemplated litigation, and the value or transfer of real property. The Board of Commissioners reconvened into public session at 12:27 p.m.

**ADDITIONAL BOARD ACTION**

None.

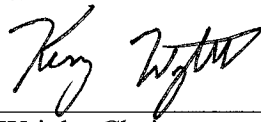
**COMMENTS BY COMMISSIONERS**

None.

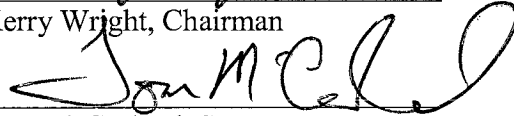
**ADJOURNMENT**

Vice Chairman Riddle moved to adjourn at 12:28 p.m., Commissioner Womack seconded, all were in favor, and the motion carried.

Adopted and approved this 15th day of January 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 13-71 to 13-77