

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

Houston, Texas

January 15, 2014

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

The Board of Commissioners of the Harris County Housing Authority met in regular session, open to the public, on the 15th day of January 2014, at the Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:08 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	Absent
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, Mandy Heagy, Robert Thurmond IV, Robert Thurmond III, and Michele Bolds were also in attendance.

APPROVAL OF MINUTES FROM DECEMBER 18, 2013

Commissioner Womack moved to approve the minutes from the December 18, 2013 board meeting, Commissioner Ellis seconded, all were in favor, and the motion carried.

PUBLIC COMMENT

Robert Thurmond IV from the Cathedral Justice Project presented information related to the case of Michele Bolds, a client recently terminated from the HCV program. Mr. Thurmond appealed to the commissioners to overturn the final decision of an informal hearing to terminate Ms. Bolds' assistance and claimed that several violations of the HCHA Administrative Plan and federal regulations occurred throughout the termination and informal hearing process. Specifically, Mr. Thurmond stated that HCHA ignored Ms. Bolds' request for a hearing after

Estates expenses paid from federal funds; HCHA requested reimbursement from Harris County, but the County declined to reimburse HCHA for these expenses. HCHA has submitted a payment agreement to repay these expenses.

Corrective Action 2E: The OIG identified \$7,010,079 of misspent funds relating to a damage assessment. These expenses are the subject of on-going litigation; however, HCHA has confirmed that \$2,971,168 of this amount was misspent federal funds and has submitted a payment plan for this amount.

Corrective Action 2F: The OIG report identified \$8,011,036 in unreimbursed expenditures possibly made with federal funds related to Patriots by the Lake. HCHA determined that the affordable housing account was positive at the time of these expenses (prior to 2012); therefore, these expenses must have been paid from non-federal sources. This response does not suggest that the funds were well spent, but only that they did not originate from federal funds and therefore no repayment is required.

Corrective Action 2G: The OIG identified \$514,314 missing from HCHA's net-restricted assets fund; HCHA has reimbursed this fund for the full amount. The Quality Assessment Division report HCHA received regarding the NRA is larger than this amount, and the QAD balance is what is included in the total repayment amount presented to the board.

Corrective Action 3A: The OIG identified \$87,000 in expediting fees possibly paid with federal funds; HCHA has not acknowledged that this was an inappropriate expense, but it has agreed that the fees should have been paid from non-federal funds. HCHA returned the full amount to the proper account as of November 30, 2013.

Corrective Action 3B: The OIG report identified \$582,595 spent under contracts that violated conflict-of-interest prohibitions. These contracts are the subject of on-going litigation, but HCHA has determined that \$574,142.50 of this amount came from federal funds and has submitted a repayment agreement for this amount. Prior to the issuance of the OIG report, HCHA had paid \$773,771 (corrective action 2C) to reimburse federal accounts for expenses paid from federal funds under contracts that violated conflict-of-interest prohibitions.

Corrective Action 3C: The OIG report identified \$1,270,423 of questionable contract and procurement payments. HCHA has supported the source of funds for \$561,892 and supported that \$104,338 came from non-federal sources. HCHA has submitted a payment plan for the remaining \$605,193.

Corrective Actions 3D and 3E: The OIG required HCHA to adopt contracting policies and policies relating to commissioner training. HCHA submitted documentation on October 31, 2013 showing the board's approval of contracting policies and procedures. HCHA also submitted documentation showing board approval for policy revisions requiring annual commissioner trainings and documentation that two such trainings have occurred under the new administration.

In total, the OIG report questioned approximately \$27.4 million in expenses and HCHA has agreed to repay \$8.5 million. Of this amount, \$7.6 million has yet to be repaid. If HUD accepts

As part of the audit, CLA staff reviewed financial records and approximately 200 HCV case files. The audit resulted in four findings, two of which were material weaknesses and two of which were identified as significant deficiencies. The material weaknesses included material audit adjustments due to errors in deferred ground lease revenue and errors involving commingling of program funds and problems with cash management. Although HCHA addressed the problems with the comingling of funds as of October 2012, this finding will remain on the report until all funds have been fully restored to the appropriate lines of business after the close out of the repayment agreements in response to the OIG report. Significant deficiencies included errors in rent reasonableness procedures and the late submission of unaudited records to REAC. In regards to rent reasonableness, auditors found eight instances in which staff performed rent reasonableness calculations after having already approved rental increases. Mr. McCasland has addressed this issue with the appropriate staff, and HCHA has implemented new quality control measures to catch any future errors in a timely manner. Unaudited REAC submissions are due 60 days after the end of the authority's fiscal year, and this deadline was missed for the 2013 fiscal year. HCHA staff received verbal permission for the late submission; however, in accordance with accounting rules and procedures, it must still remain a finding in the audit report. Other than an audit finding, there is no penalty for missing the REAC deadline. Two of the findings from the 2012 fiscal year audit were cleared in the 2013 audit.

In its letter to management, CLA included additional recommendations that did not rise to the level of findings. These recommendations included establishing a process to review policies related to internal controls annually, implementing procurement procedures to document searches within the HUD Limited Denial of Participation and GSA Excluded Parties Listing Service Systems, establishing a cost allocation plan for allocating expenses associated with multiple programs, and establishing procedures to properly accrue accounts payable at the end of the year. In response to the commissioners' questions, Mr. Curry assured the board that these recommendations have been implemented.

Chairman Wright asked for further information regarding the material weakness finding related to errors in the deferral of ground lease revenue. Ms. Heagy explained that although previous auditors had advised HCHA to take the ground lease revenue for Cypresswood Estates all at once, the revenue should have been deferred over the life of the ground lease. This error was not found on previous audits, but was discovered this time due to heightened scrutiny requirements for HCHA's tax credit entities.

Ms. Heagy reviewed the contents of a board report provided to each commissioner; this report reviewed policies and accounting practices utilized in the audit, included a report showing adjustments to journal entries, and included a summary of passed journal adjustments. Ms. Heagy then reviewed changes in GASB rules that may affect the authority in the next fiscal year; these changes include a new regulation that requires organizations to record liabilities due to pension funds. In response to the commissioners' questions, Ms. Heagy advised that her most important recommendation moving forward is that HCHA continue to follow established procedures to prevent the co-mingling of federal and non-federal funds. Commissioner Womack moved to approve the resolution approving the financial statements as prepared by CLA,

HCHA is continuing to receive referrals from the VA for VASH clients.

Paula Burns reviewed the status of properties within the Affordable Housing Division. Many of the properties are 100% occupied; however, Primrose at Heritage Park, Magnolia Estates, and Cypresswood Estates have vacant units that are reserved for families at 60% AMI. At Cypresswood, staff is working to get permission to make more units available to families with incomes levels at 80% AMI.

Horace Allison presented on development activities within the Affordable Housing Division. The GLO has expressed support for a proposed elderly development near the Southeast Transit Center but has concerns over a proposed permanent supportive housing development in Midtown due to its location in an economically impacted area. The GLO has requested additional information regarding the Midtown development to demonstrate that it provides a viable solution to meet a need in the area.

HCHA has received the 60% documents for Retreat at Westlock and forwarded them the HCCSD for review. Finding sites and creating successful LIHTC applications this year is difficult because of requirements for building in high opportunity areas with excellent schools. Staff has identified two potential tracts, one off of Tidwell and Beltway 8 and the other at FM 1960 near Kuykendahl. Any proposed developments must be for family housing due to changes in TDHCA's Qualified Allocation Plan, which does not allow for elderly developments this year.

The Midtown Redevelopment Authority has asked HCHA staff to continue meeting with organizations and leaders in the third ward in order to build support for a development at Live Oak. Architects have developed preliminary drawings for a transit-oriented development (TOD), which will be forwarded to METRO for its review. Staff will continue meeting with community leaders near the proposed TOD site to build support for the project. Commissioner Womack recommended several leaders that staff might meet with and advised that it might be best to have METRO's support and assurance of site control before moving forward.

The applications and work specifications for all five homes have been accepted by the Amy Young Barrier Removal Program. Staff members plan to receive bids for construction on these homes before the end of the month. Mr. Allison responded to the commissioners' questions regarding how participants in this program were selected and how the program was advertised.

Chairman Wright asked about the deadline for using GLO funding. Mr. Allison and Mr. McCasland advised that the original deadline for using the funds was 2015, but HCHA has been informed that as long as the authority is moving forward with development plans, the GLO will not withdraw its funding. In response to a request from Chairman Wright, Mr. McCasland agreed to request written confirmation that HCHA will not lose its funding. Mr. McCasland advised that although HCHA has not yet spent any GLO funds, it expects to have enough funding to support two projects. The staff's first preference would be to fund new construction; however, if necessary to use the funds in a timely manner, HCHA would consider rehabilitating an existing structure. Staff members have been very responsive to all GLO requests for information and documentation.

ADDITIONAL BOARD ACTION

None.

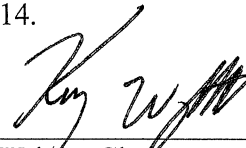
COMMENTS BY COMMISSIONERS

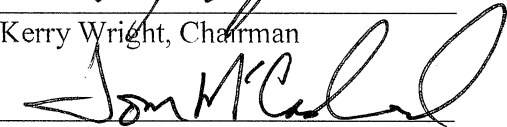
None.

ADJOURNMENT

Commissioner Womack moved to adjourn at 4:24 p.m., Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 26th day of February 2014.



Kerry Wright, Chairman

Tom McCasland, Secretary

Attachments: Resolutions 14-01 to 14-05

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

Houston, Texas

February 26, 2014

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

The Board of Commissioners of the Harris County Housing Authority met in regular session, open to the public, on the 26th day of February 2014, at the Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:03 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	Absent
David Riddle	Vice Chairman	Present
Gerald Womack	Commissioner	Absent

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; Ella Edmiston, Wanda LeBlanc, Jayme Fraser, Barry Kahn, Barry Palmer, Lloyd Jernigan, Abigail Butts, Keith Grady, and Dan Cratty were also in attendance.

APPROVAL OF MINUTES FROM JANUARY 15, 2014

Commissioner Ellis moved to approve the minutes from the January 15, 2014 board meeting, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

PUBLIC COMMENT

Vice Chairman Riddle welcomed his niece, Abigail Butts, to the board meeting.

CHIEF EXECUTIVE OFFICER'S REPORT

Tom McCasland began his report by giving an update on HCHA's response to the June 19, 2013 OIG report. HCHA has submitted a response for each of the 14 corrective action items required by the OIG and is awaiting a response from HUD. Mr. McCasland met with Dr. Pringle, Director

of the HUD Houston Field Office, on February 25, 2014 to discuss the close out action items and to request that HUD move forward with a final resolution. HCHA hopes to have a response from HUD by the next board meeting.

Mr. McCasland then gave an overview of HCHA's zero income clients. HUD requires that households report all income, and households reporting zero-income raise potential fraud concerns. These concerns are significant especially when non-disabled adult households report zero income and when families report zero-income for several months. HCHA has focused on these households to ensure that these families are not being over-subsidized at the expense of others on the HCV waitlist. Case managers meet with these families monthly to verify their income and discuss how the families are able to pay for common expenses such as vehicles, phones, and utilities. By reducing the number of zero-income clients, HCHA will be able to serve more people on its waitlist. In October 2012, HCHA had 304 zero-income clients (not including an additional 62 zero-income clients that were homeless when they joined the program). Today, HCHA has reduced the number of zero-income clients to 68 (excluding formerly homeless clients and those recently absorbed/porting from other housing authorities). Clients that joined the program after being homeless are not being interviewed monthly and are not included in these above statistics because HCHA's primary goal for the first 12 months with these families is stabilization. The most significant reduction in zero-income households since 2012 has been families with children. HCHA will continue working with these clients and giving referrals as necessary for assistance and job training.

Mr. McCasland addressed HCHA's VASH lease-up rate, saying that the ability to house these chronically homeless veterans is both a moral and economic issue. Helping these veterans find housing is often the first step to stabilizing them enough to receive other services and treatment. Thus, finding stable housing is often a matter of life and death for these veterans. HCHA is continuing to work with VA case managers to house these veterans; however, the authority continues to struggle to receive enough referrals from the VA to fully utilize the VASH vouchers it has received from the federal government. Mr. McCasland answered the commissioners' questions regarding why HCHA has not received sufficient referrals, saying that the problem is primarily due to the VA case managers carrying case loads higher than the 1-25 cases for which the program is funded. The board thanked Mr. McCasland for his passion on this issue. HCHA hopes to have a commitment from the VA for 30 referrals every month. Having unused vouchers also reflects poorly on HCHA and may lead to HCHA being passed over when funding for additional VASH becomes available.

Mr. McCasland then gave an overview of the Family Self Sufficiency (FSS) program. HCHA ended its FSS program in 2006, but plans to re-start the program this year. The FSS program provides intensive case management to participant families with a goal of increasing family income and overcoming barriers to self-sufficiency. As an incentive for HCV participants to join the FSS program, HUD allows HCHA to place \$1 in an escrow account for every \$1 the family pays in increased rent due to increased earned income. Upon successful completion of the five-year program, the client can withdraw the funds saved in the escrow account and use it however he or she wishes. HUD provides funding for the escrow accounts, but HCHA must fund the addition of FSS case managers whose role would be to assess each household member, provide referrals to privately funded organizations, and serve as life-coaches for participants. HCHA has

contacted both the County and private foundations seeking partnerships and funding for this program. HCHA estimates the program will require additional expenditures of \$122,000 for the first year, and cost \$300,000 for each subsequent year. HCHA would eventually like to hire four FSS case managers to provide services to approximately 16% of HCHA's non-senior, non-disabled population. The main focus of the FSS program will be to move working families from 30% of the area median income to more than 80% of the area median income. FSS case managers will provide referrals for necessary services and will act as life-coaches to help guide clients through the process of increasing their income potential. Chairman Wright asked about the likelihood of receiving funding for this program, and Mr. McCasland assured the board that he is confident that HCHA will be able to obtain funding. HCHA anticipates starting the FSS program as early as April 1, 2014.

Mr. McCasland then reviewed the draft FY 2015 budget. This budget was created using the second revision of the FY 2014 budget as a baseline. Anticipated cost savings as HCHA is able to re-bid expiring contracts and receive more competitive rates are not included in this budget. The budget as presented is for twelve months to allow the commissioners to compare it with the FY 2014 budget; however, Mr. McCasland reminded the board that the actual 2015 fiscal year will last from March to December in order to accommodate the board's decision to align the fiscal year with the calendar year.

Discussion and request to approve or deny a resolution approving a second revision to the FY 2014 budget.

This second revision to the FY2014 budget addresses changes in the budget due to the operating transfers approved by the board late last year. These transfers ensured proper segregation of funds. Minor adjustments also included in this second revision address slight changes in the allocation process between lines of business (LOBs) and the elimination of a transfer from COCC to HCV. This reduction will ensure that the COCC has sufficient operating cash to cover at least two months of operating expenses. Vice Chairman Riddle moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion carried.

FINANCIAL AGENDA

Paul Curry presented the financial statements from December 2013. He began by stating that all funds are fully segregated and all LOBs are fully funded. The COCC is the paymaster for all expenses except those from the HCV Program and utility payments. Inter-fund balances have been restored to their proper amounts and moving forward, funds will be transferred when checks are processed. Mr. Curry thanked the Board and Mr. McCasland for hiring David Cornwell, who has been instrumental to correcting HCHA's financial records and ensuring compliance with HUD regulations. The board thanked Mr. Curry for all of his work.

Mr. Curry noted that the Mod Rehab program currently has a deficit but stated that this deficit will be corrected by the end of the year settlement with HUD. Total revenue is at 104% of the budgeted amount due to port-in revenue, and total administrative and operating expenses are under budget. Overall, HCHA's LOBs are doing well staying on or under budget, and the authority has cut expenses by decreasing contract and salary costs. Mr. Curry answered the commissioners' questions regarding various line items in the budget. Overages in December legal expenses were due to a one-time payment to Coats Rose for services related to the OIG

response. Overages in office rent are due to the fact that the balance for this line item includes costs of utilities and water; however, the budget lists utilities and water under a separate line item. HCHA underestimated the costs of office equipment and software expenses in the FY 2014 budget.

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV Program. Currently, the HCV lease-up rate is at 97% of HCHA's annual budget authority, VASH is at 84%, SRO is at 99%, and the Mod Rehab Program is leased at 88% of authorized vouchers. Ms. Burroughs then gave the commissioners an update on a participant who came to a previous board meeting alleging that HCHA had not followed proper procedures prior its decision to terminate her assistance. HCHA staff investigated these claims and found that although HCHA made a procedural error in the case, there is likely sufficient evidence to support a finding of program fraud due to unreported income and family composition. While staff continues to investigate the matter, HCHA is continuing to make its portion of rental payments and has made up for any missed payments to the client's landlord.

Paula Burns reviewed the status of properties within the Affordable Housing Division. Cornerstone Village, Louetta Village, Sierra Meadows and Waterside Court are all 100% leased. Baybrook has one vacant unit; Primrose at Heritage Park has four vacant units; Cypresswood Estates has four vacant units, and Magnolia Estates currently has five vacant units. A HOME inspection of Waterside Court did not result in any findings, and staff members are waiting to hear the results of HOME inspections of Cypresswood Estates and Sierra Meadows. Chairman Wright asked that Ms. Burns provide the board with options for having a board meeting at one of the properties, and Ms. Burns promised to identify an appropriate space/date for a future meeting.

Horace Allison presented on development activities within the Affordable Housing Division. Mr. Allison met with Jeff Crozier from the GLO on February 26, 2014. The GLO would like complete proposals packages for how HCHA will spend funds granted to it as soon as possible. In general, the GLO is supportive of the transit oriented development at Bernicia Place, but it would like more information regarding the planned permanent supportive housing development of Fenix Estates. The GLO's concerns regarding the latter development are due to its proposed location in a minority impacted area. HCHA will provide the GLO will all requested information and will identify possible alternative sites.

HCCSD has granted the Retreat at Westlock an additional \$800,000 in funding, \$300,000 in the form of Texas Community Development Block Grant-Disaster Recovery funds and \$500,000 in HOME funds. HCHA will be sending a revised budget incorporating this funding and adding 20 30% AMI units for HCCSD's review. Barry Kahn, the developer for this project, explained that converting 60% AMI to 30% AMI units costs approximately \$40,000 per unit in additional costs. The additional funding from HCCSD will compensate for the costs associated with providing more 30% AMI units.

HCHA will submit a LIHTC application for Tidwell Lakes Ranch, an 89 unit, single family detached housing development. It will have 31 units at 60% AMI, 36 unit as 50% AMI, and 18

units at 30% AMI. Each home will be approximately 1,400 square feet, and the project is expected to cost \$18 million. HCHA staff members have elected to place the Hufsmith Ranch project on hold at this time.

Three construction bids received as part of the Amy Young Barrier Removal Program exceeded the allowable budget. Two contractors submitted revised bids of approximately \$18,200 per home, and these allowable bids have been submitted to the TDHCA office for approval. Extensive Custom Cabinet & Trim will provide construction services for two homes, and CEDA-TEX Services, Inc. will provide construction services for the other three. The contractors will have 60 days to complete the work following a pre-construction meeting.

BOARD ACTION ITEMS

Discussion and request to approve or deny a resolution approving the 2015 PHA Annual and Five Year Plan.

HUD requires that PHAs submit Annual and Five Year PHA plans, and HCHA must submit a revised version of both plans this year. A subcommittee composed of Vice Chairman Riddle and Commissioner Gonzalez was formed to provide input and guidance regarding these plans. The sub-committee also provided recommendations for a revised mission statement, vision statement, and guiding principles for the board's consideration. The Five Year Plan includes a detailed demographic analysis of HCHA's current waitlist and closely follows HUD's guidelines and recommended priorities for PHA plans. Vice Chairman Riddle asked that the mission and vision statements as recommended by the sub-committee be incorporated into the Five Year Plan, but also asked to discuss these statements further when all commissioners are present. Mr. McCasland recommended making all of the guiding principles parallel in structure. Vice Chairman Riddle moved to approve the resolution with the understanding that the mission/vision statements and the guiding principles may be revised at a later date, Commissioner Ellis seconded, all were in favor, and the motion passed. Vice Chairman Riddle thanked Commissioner Gonzalez for the valuable role he played in developing the revised mission and vision statements.

Discussion and request to approve or deny revisions to the HCHA Employee Handbook.

Staff members have recommended revising the Employee Handbook to clarify current policy, incorporate legal changes recommended by ADP, and to codify new policies. Proposed changes include a new inclement weather policy and a recommendation to eliminate HCHA's longevity pay policy, which pays employees additional benefits based on how long they have worked for the authority. Any additional benefits already accrued due to longevity pay will be incorporated into each employee's base salary so this change will not have negative financial consequences. Future increases in pay will be based on merit or cost of living increases as appropriate. Mr. McCasland answered the commissioners' questions regarding the impact of this change on HCHA employees. Most employees are currently receiving less than \$50 per pay period in longevity pay. Legal counsel has approved the elimination of this policy. Commissioner Ellis moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion passed.

Discussion and request to approve or deny a resolution approving revisions to the HCHA Administrative Plan.

Staff members have revised the HCHA Administrative Plan to eliminate redundant, unnecessary, or contradictory information. Additionally, staff members have recommended eliminating any extensions on emergency fail items in accordance with HUD guidelines and instituting a second re-inspection fee of \$75 if HCHA inspects a unit three times and the owner is responsible for the failed items. HCHA hopes that the latter recommendation will serve as an incentive for landlords to properly maintain units prior to inspection and to correct any deficiencies in a timely manner. Staff has further recommended limiting rental increases to once every 12 months as is the industry standard, allowing HCHA staff to serve as informal hearing officers as long as the staff member was not involved in the contested decisions, and requiring participants to pay for hardcopies of documents requested in preparation for an informal hearing. Although participants will be asked to pay for paper copies, HCHA will continue to provide electronic copies of documents requested in preparation for an informal hearing at no cost. Finally, staff recommended a change specifying HCHA staff members who may access the file room. Mr. McCasland answered the commissioners' questions regarding the informal hearing process. Most housing authorities allow staff members to serve as informal hearing officers, and this change is expected to save HCHA \$24,000 annually. These hearings allow the housing authority to identify errors early in the process before a case goes to litigation. As Executive Director, Mr. McCasland provides the final decision on any appeals from the informal hearing process. Vice Chairman Riddle moved to approve the motion, Commissioner Ellis seconded, all were in favor, and the motion passed.

Discussion and request to approve or deny a resolution authorizing the negotiation and execution of a LIHTC application and authorizing other necessary documents, agreements, and actions related thereto.

Barry Palmer from Coats Rose and Mr. Kahn, the developer on this project, were available to answer the commissioners' questions regarding this resolution, which authorizes the submission of a LIHTC application for Tidwell Lakes Ranch and further authorizes all necessary actions, agreements, or documents related to moving forward with this application. HCHA is prepared to move forward with the application process, but is not committing any HCHA funds to the project at this point. Staff members envision the general funding for this project to come from the LIHTC program. Commissioner Ellis moved to approve the resolution, Vice Chairman Riddle seconded, all were in favor, and the motion carried.

EXECUTIVE SESSION

The Board went into executive session at 2:45 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 3:40 p.m.

ADDITIONAL BOARD ACTION

None.

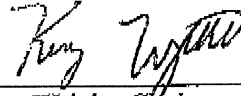
COMMENTS BY COMMISSIONERS

None.

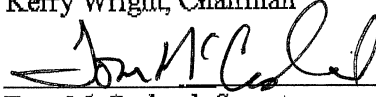
ADJOURNMENT

Vice Chairman Riddle moved to adjourn at 3:41 p.m., Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 19th day of March 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-06 to 14-10

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

Houston, Texas

March 19, 2014

**THE STATE OF TEXAS §
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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 March 2014, at the Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:05 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	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, Garret Berg, Wanda LeBlanc, and Court Koenning were also in attendance.

ELECTION OF OFFICERS

Chairman Wright tabled the election of officers until such time as all commissioners are present.

APPROVAL OF MINUTES FROM FEBRUARY 26, 2014

Vice Chairman Riddle moved to approve the minutes from the February 26, 2014 board meeting, Commissioner Ellis seconded, all were in favor, and the motion carried.

PUBLIC COMMENT

Chairman Wright welcomed Garret Berg from County Commissioner Jack Cagle's Office to the board meeting.

CHIEF EXECUTIVE OFFICER'S REPORT

Tom McCasland began by giving an update on the eight corrective actions required by the HUD Quality Assurance Division (QAD) report issued June 20, 2013. HCHA provided responses to all of the corrective actions on July 22, 2013. On March 12, 2014, HCHA received a response from QAD indicating that five of the eight corrective actions were closed and requesting additional information for the remaining three corrective actions. HCHA will immediately respond with the requested information.

Mr. McCasland gave an update on the closeout of the 14 corrective actions required by the OIG. HCHA has received a verbal indication that its proposed closeout of these corrective actions has been accepted. Staff expects to receive written confirmation of the closeout within 30 days. Mr. McCasland believes that QAD and the OIG may issue their approval of HCHA's proposed closeouts simultaneously.

Mr. McCasland addressed the VASH program, saying that the VA case managers are continuing to perform well given their high caseloads, and HCHA is on track to be fully leased-up by July 1, 2014. To be fully leased, HCHA must lease 22 veterans next month, and Mr. McCasland will continue to update the board on the VASH lease-up rate until the VASH program is fully leased. The primary issue moving forward is ensuring enough VASH case managers to allow for an appropriate caseload of one case manager per 25 VASH clients. Mr. McCasland responded to questions from Chairman Wright, saying that HCHA currently has approximately 50 outstanding vouchers and needs to secure enough referrals to address these outstanding vouchers and attrition. On March 27, Mr. McCasland will attend a 25 Cities Workshop in Washington, DC; the purpose of this workshop is to accelerate the pace and integrate efforts towards ending Veteran and chronic homelessness in the 25 cities with the largest concentration of homeless Veterans. The workshop is sponsored by HUD, VA, USICH, and the Home Depot Foundation. The latter organization will provide funding for Mr. McCasland's travel and lodging expenses. If necessary, Mr. McCasland will make arrangements to meet with HUD officials to address any outstanding concerns regarding HCHA's response to the OIG and QAD reports.

FINANCIAL AGENDA

David Cornwell presented the financial statements for January 2014. The inter-program due-to-due from balance should be zero as soon as HCHA is able to sell the Patriots by the Lake property. Unrestricted cash assets are positive, and HCHA no longer has any liabilities from bank overdrafts. Total operating expenses are under budget and total revenues are over-budget by 1 percent. All programs have positive cash flows except the MOD Rehab program. The Finance Department will be re-examining allocations to this program, but overall, all other lines of business are doing well financially. Mr. McCasland reminded the commissioners that the February check register and contract log are included behind the financial statements in the board packet.

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV Program. Currently, the HCV lease-up rate is at 97.6% of HCHA's annual budget authority, VASH is at 84.7%, SRO is at 100%, and the Mod Rehab Program is leased at 88% of authorized vouchers. Ms. Burroughs then introduced Debra McCray, HCV Supervisor, and told the commissioners that Ms. McCray

plays an important role in the success of the HCV Program.

Paula Burns reviewed the status of properties within the Affordable Housing Division. All of the Affordable Housing properties are over 96% leased. In March, a tenant shot at intruders who broke into his home at Waterside Court, and the property experienced minor damage as a result of the shooting. The property manager reports that things have now returned to normal at the property. Chairman Wright asked about holding the next board meeting at one of the properties, and Ms. Burns confirmed that Sierra Meadows will be available for the next board meeting at 1pm.

Horace Allison presented on development activities within the Affordable Housing Division. All five homes have been approved by TDHCA as part of the Amy Young Barrier Removal Program. HCHA staff will hold a pre-construction meeting next week with contractors who will have 60 days after the meeting to complete the repairs. Staff needed to make some modifications to the initial contracts in order to lower costs. There were no findings as a result of a desk audit conducted by TDHCA.

Staff will have a meeting next week with METRO to discuss an agreement regarding the land for Bernicia place, and staff will also discuss other potential sites for transit-oriented development. In response to a notice of funding availability, staff is reviewing site locations for project-based, VASH vouchers. Mr. Allison is currently discussing options with CSD and may contact New Hope Housing to identify a suitable development. Staff is awaiting a response from the Midtown Redevelopment Authority in regards to any additional information they may need.

HCHA submitted its 90% LIHTC application for Tidwell Lakes and is waiting to hear back from TDHCA. The city is supportive of this project. HCHA received a letter from HCCSD increasing the funding for the Retreat at Westlock by \$800,000. Staff has sent an extension request for this project, but still plans to close on this project in June or July. The investor for this project has agreed to increase funding from 92 cents to 99 cents on the dollar for the tax credits. HCHA will submit a new letter of intent to TDHCA so that they may incorporate this change in their underwriting analysis.

Staff from the GLO is supportive of transit-oriented development (TOD) proposals and are open to additional TOD projects. Although there is a 2015 deadline for utilizing GLO funds, Jeff Crozier from the GLO has verbally confirmed that the funds will be available as long as HCHA continues to make progress on its planned developments. Mr. Allison answered the commissioners' questions regarding these funds and the developers contracted to work with HCHA's Affordable Housing Division. Mr. Allison stated that HCHA will seek written confirmation that the GLO funds will not expire as long as the authority continues to progress in its development activities and indicated that Barry Kahn is the developer for all of HCHA's tax credit properties. Two years ago, HCHA issued a RFP for developer-partners, and Mr. Kahn's company submitted the only response. HCHA will be able to reissue the RFP later this year and should have a greater response due to greater stability within HCHA and the QAP. HCHA could choose as many as two developers to work with, depending upon the quality of the responses. Commissioner Womack encouraged Mr. Allison to check with the state to receive a list of potential developer-partners.

BOARD ACTION ITEMS

Discussion and request to approve or deny a 2014 Investment Policy.

Texas Government Code requires that entities review their investment policies at least once a year. Investment policies must emphasize the safety of principal and liquidity and address investment diversification, yield, and maturity, and address the quality and capability of investment management. This resolution meets these requirements and further appoints Julie Guyton of Amegy Bank as the HCHA investment officer. The policy as presented to the board does not have any recommended changes from last year. Commissioner Womack moved to approve the resolution, Commissioner Ellis seconded, all were in favor, and the motion passed.

Discussion and request to approve or deny a resolution approving the FY2015 budget.

A draft version of the FY2015 budget was presented to the board on February 26, 2014. Five minor edits have been made to the draft budget, which represent a \$7,680 difference in the anticipated net income of the authority. Anticipated revenues as reflected in the budget are sufficient to meet all proposed expenses. Commissioner Womack asked if HCHA had any funds held in reserve to handle unanticipated expenses, and Mr. Cornwell responded that although HCHA does not have a "rainy day fund," he is pleased to have a balanced budget given the approximately 20% reduction in administration fees from HUD. Ultimately, Mr. Cornwell would recommend that HCHA hold one million dollars in reserve. Chairman Wright asked why the FY2015 budget showed a reduced cash flow compared to the FY2014 budget. Mr. McCasland explained that last year, the County provided \$250,000 in funding to help offset the effects of sequestration, and this amount is not included in the FY2015 budget. Mr. Cornwell further offered that HCHA expects continued savings as it rebids contracts and brings some processes, such as payroll processing, in-house. Mr. Cornwell responded to the commissioners' questions regarding payroll, saying that he will oversee the payroll process and that most of the housing authorities he works with have in-house payroll processing.

Commissioner Womack asked about employee raises included in the budget. Mr. McCasland explained that although a 3% raise is budgeted for employees, most employees will receive a raise between 0-5% based upon their performance. Two employees have budgeted raises above 5% due to significant increases in responsibility. Mr. McCasland answered questions regarding the number of inspectors HCHA currently employs and the timing of those inspections. HCHA has increased the efficiency of the inspection process by reducing the size of inspection zones in order to decrease drive time, and staff will continue to evaluate the inspection process to increase efficiencies and minimize costs. In response to an inquiry from Vice Chairman Riddle, Mr. Cornwell reviewed other possibilities for reduced expenses, which may include reduced liability coverage for the authority and in the long-term, possibly bringing a developer in-house.

Mr. McCasland reminded the commissioners that although the budget as presented includes 12 months, if HUD approves the change, this fiscal year will only be nine months, and HCHA will change to a January-December fiscal year. If this change is approved, this budget may be renamed FY2014-B to indicate that no part of the fiscal year overlaps with 2015. Staff expects to receive a final decision from HUD regarding its fiscal year in approximately 45 days. Vice Chairman Riddle moved to approve the resolution, Commissioner Womack seconded, all were in favor, and the motion passed.

Discussion and request to approve or deny a resolution approving revisions to the HCHA Administrative Plan.

Staff has recommended minor changes to the Administrative Plan relating to financial hardship exemptions, self-certification inspection procedures, and the family self-sufficiency program. The financial hardship exemption would allow HCHA to waive the minimum \$50 rent requirement for participants with zero-income who are full time students or are enrolled full time in a job training program. HCHA wants to provide incentives and support for those striving to increase their income and achieve self-sufficiency. The changes to the self-certification procedures allow HCHA to notify tenants/landlords of inspection requirements and results by mail, email or fax, and the FSS changes include mandatory FSS language in preparation for the FSS program that HCHA hopes to implement in the coming months. Vice Chairman Riddle moved to approve the motion, Commissioner Womack seconded, all were in favor, and the motion passed.

Discussion and request to approve or deny a resolution authorizing the development of a Family Self-Sufficiency program, the negotiations and execution of agreements with FSS service providers, and the provision of funds to cover initial costs related to FSS case manager salaries and benefits.

Mr. McCasland gave the board an overview of the family self-sufficiency program during the February 26, 2014 board meeting, and this resolution included a draft of the HCHA FSS action plan as an attachment. This plan must be approved by HUD prior to the start of the FSS program. A recent article from the Houston Chronicle regarding the FSS program was also included in the board book. Currently, HCHA plans to partner with the United Way THRIVE program, which already works to increase the earnings of low-income families. This resolution authorizes HCHA to move forward with establishing the FSS plan and implementing the FSS program. Staff anticipates this program being funded by public and private sources. These funds will likely flow through the United Way program, which will provide the FSS case managers. These case managers will be social workers who will initially manage 50 clients. HCHA's goal is to graduate participants in five years or less at a graduation rate of 50%. This graduation rate would put HCHA in the top 90% of FSS programs nationwide.

HCHA hopes that participants will complete the FSS program by reaching 80% AMI. The program will be open to all HCV participants, and recruitment efforts will include intake briefings. Government funding is expected to cover approximately 20% of the costs, with private funders paying for the remaining 80%. As soon as HCHA receives a commitment for these funds, it hopes to expend COCC funds to initially cover case manager salaries and benefits. This initial expenditure should be reimbursed by private funding. This resolution authorizes this expenditure (with budget revisions to follow), provided that HCHA does not exceed the amount budgeted for COCC salaries and benefits.

Chairman Wright asked when the FSS program will begin. Mr. McCasland will meet with representatives from the United Way THRIVE program before the next board meeting and hopes to have a verbal commitment of support from private foundations within 30 days. He anticipates starting the program within 60-90 days. 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 authorizing the CEO to negotiate and execute a contract for insurance coverage.

Mr. McCasland explained that discussion of this action item was not necessary because the anticipated cost of this contract does not require board approval. Vice Chairman Riddle moved to table this action item, Commissioner Womack seconded, all were in favor, and the motion carried.

Discussion and request to approve or deny a resolution approving revisions to the Cost Allocation Policy.

Staff has recommended changing the Cost Allocation Policy to authorize internal transfers as required by the Cost Allocation Policy and to zero out inter-fund balances. Only the board may authorize internal transfers of funds unrelated to the Cost Allocation Policy or to the proper allocation of received funds. Commissioner Womack 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 2:12 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 2:20 p.m.

ADDITIONAL BOARD ACTION

None.

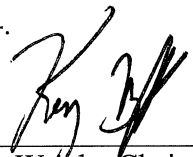
COMMENTS BY COMMISSIONERS

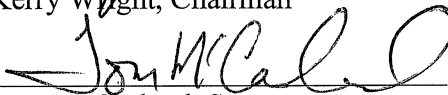
None.

ADJOURNMENT

Vice Chairman Riddle moved to adjourn at 2:21 p.m., Commissioner Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 15th day of April 2014.



Kerry Wright, Chairman


Tom McCasland, Secretary

Attachments: Resolutions 14-11 to 14-15

**MINUTES OF A SPECIAL MEETING OF THE BOARD
OF
HARRIS COUNTY HOUSING AUTHORITY**

Houston, Texas

April 7, 2014

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

The Board of Commissioners of the Harris County Housing Authority met in a special session, open to the public, on the 7th day of April 2014, at the Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 2:40 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
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 and Kristen Domeracki of the Harris County Housing Authority; Greg Lewis, Ella Edmiston, and Adam Williams were also in attendance.

PUBLIC COMMENT

Chairman Wright recognized the contributions of former Vice Chairman David Riddle, who resigned from the board effective April 4, 2014 in order to pursue other avenues of public service.

BOARD ACTION ITEMS

Discussion and request to approve or deny a resolution approving the 2015 PHA Annual and Five Year Plan.

This plan was previously approved by the board on February 26, 2014; however, at that board meeting, not all commissioners were present, and there was a request to re-visit the plan when all members were present. This version of the PHA plan includes a revised mission and vision statement as well as new guiding principles for the authority. Vice Chairman Riddle and

Commissioner Gonzalez were on a subcommittee that reviewed these plans and helped craft the new mission statement. Mr. McCasland thanked Vice Chairman Riddle for his service on the Board. Commissioner Womack 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 2:45 p.m. to discuss with the authority's attorney(s) matters regarding the value or transfer of real property. The Board of Commissioners reconvened into public session at 3:45 p.m.

ADDITIONAL BOARD ACTION

Chairman Wright introduced a resolution arising from executive session regarding the disposition of property. This resolution authorizes the authority's CEO, in consultation with its disposition broker and attorney, to negotiate and execute a letter of intent and subsequently to negotiate a contract for sale subject to the terms and instructions provided by the board in executive session and provided that the contract for sale will be presented to the board for final approval after it has been negotiated. Commissioner Gonzalez moved to approve the resolution, Commission Womack seconded, all were in favor and the motion passed.


COMMENTS BY COMMISSIONERS

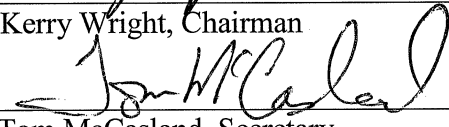
Chairman Wright thanked Mr. McCasland and the Greg Lewis Property Company for the wonderful work they have done. Chairman Wright further asked that the time and location of the next board meeting be changed to 1 p.m. on April 15, 2014 in the HCHA Board Room. The May board meeting will be scheduled for 1 p.m. on May 14, 2014 at one of HCHA's affordable housing properties.

ADJOURNMENT

Commissioner Gonzalez moved to adjourn at 3:53 p.m., Commissioner Womack seconded, all were in favor, and the motion carried.

Adopted and approved this 15th day of April 2014.



Kerry Wright, Chairman


Tom McCasland, Secretary

Attachments: Resolutions 14-16 to 14-17

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

Houston, Texas

April 15, 2014

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

The Board of Commissioners of the Harris County Housing Authority met in regular session, open to the public, on the 15th day of April 2014, at the Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:10 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

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

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

ELECTION OF OFFICERS

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

APPROVAL OF MINUTES FROM MARCH 19 AND APRIL 7, 2014

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

PUBLIC COMMENT

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

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

CHIEF EXECUTIVE OFFICER'S REPORT

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

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

FINANCIAL AGENDA

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

moved in-house, which has streamlined the payroll process. All programs except the Mod Rehab program currently have positive cash flow. The Mod Rehab program's deficit should be corrected by an end of the year settlement with HUD. Total revenue is at 101% of the budgeted amount and operating expenses are under budget. The authority has exceeded expected revenues due to fraud recovery efforts, and Mr. McCasland informed the board that HCHA remains committed to recouping overpayments made to tenants. Chairman Wright asked several questions regarding payments shown on the March check register. Mr. Curry explained that HCHA has issued several checks to other PHAs as part of its effort to return overpayments and address outstanding debts. Furthermore, HCHA has issued checks for IT services under its current IT contract with Jonathan Mendoza. This contract represents significant savings compared to the cost of employing a full-time IT coordinator.

ADMINISTRATIVE AGENDA

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

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 96.6% of HCHA's annual budget authority, VASH is at 83.7%, SRO is at 94%, and the Mod Rehab program is leased at 88% of authorized vouchers.

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

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

BOARD ACTION ITEMS

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

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

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

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

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

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

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

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

carried.

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

EXECUTIVE SESSION

None.

ADDITIONAL BOARD ACTION

None.

COMMENTS BY COMMISSIONERS

None.

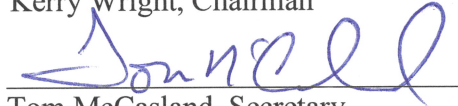
ADJOURNMENT

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

Adopted and approved this 14th day of May 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-18 to 14-22

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

Houston, Texas

May 14, 2014

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

The Board of Commissioners of the Harris County Housing Authority (HCHA) met in regular session, open to the public, on the 14th day of May 2014, at the Sierra Meadows Clubhouse, located at 9835 Sam Houston Pkwy, inside the boundaries of Harris County in the city of Humble, 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	Vice Chairman	Present
Roberto Gonzalez	Commissioner	Present
Gerald Womack	Commissioner	Absent

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, Beverly Burroughs, Paul Curry, Kristen Domeracki and Katie Thomson of the Harris County Housing Authority; Wanda LeBlanc, Jayme Fraser, Greg Lewis, Adam Williams, David Riddle, Bobbie Austin, Josalyn Jones, Laura Walker, Rosemary Major, Peggy Peterson and Betty Montgomery were also in attendance in addition to other Sierra Meadows residents.

PRESENTATION AND APPROVAL OF MINUTES FROM APRIL 15, 2014 BOARD MEETINGS

Chairman Wright opened the meeting by thanking the Sierra Meadows staff for hosting the meeting and inviting former Vice Chairman David Riddle to lead a prayer and the pledge allegiance. Before making a motion to approve the minutes from the April 15, 2014 board meeting, Chairman Wright introduced the Board of Commissioners to the meeting attendees.

Commissioner Gonzalez moved to approve the minutes. Vice Chairman Ellis seconded. All were in favor, and the motion carried.

PUBLIC COMMENTS:

Chairman Wright explained the typical format followed for public comments.

A Sierra Meadows resident, Bobbie Austin, expressed concern about a letter that had appeared at several residents' doors. According to Ms. Austin, the letter discussed potential rent changes and the apartment being transformed into a public housing complex. Ms. Austin asked the Board of Commissioners if they had a copy of the letter, if they knew who wrote the letter and if the author was present at the meeting. Chairman Wright stated the board had reviewed the letter and discussed the issues. They also said that no one was currently aware of the identity of the letter's author.

Jocelyn Jones, another Sierra Meadows resident, explained that Sierra Meadows is a senior complex inhabited by residents who are retired and have no children – an environment she claimed many of residents enjoyed. Ms. Jones asked the Board how merging with Houston Housing Authority would affect Sierra Meadows. Chairman Wright said that the Board was more than satisfied and impressed with how Sierra Meadows was running. According to Chairman Wright, the conversation about a potential merge began with Harris County Judge Ed Emmett's suggestion to consider merging county housing entities with city entities. Chairman Wright explained that no support was garnered for this proposal; thus, the merge would not take place. HCHA Chief Executive Officer, Tom McCasland, further responded that even if a merge occurred at some point, Sierra Meadows was protected by a contract and would continue operating as an affordable, senior-housing development.

Rosemary Baker, a Sierra Meadows resident, suggested the idea of issuing temporary parking passes to Sierra Meadows residents for their overnight guests. According to Ms. Baker, guests currently have to park on the front side of the gate and walk through the entire complex to get to and from their vehicle, which can be a daunting task for senior residents who live in the back of the complex. Chairman Wright suggested that Ms. Baker reach out to Mr. McCasland or the complex manager at Sierra Meadows to have her concern addressed.

Betty Montgomery, a Sierra Meadows resident, asked the Board to confirm that, if there were to be any changes to the complex, the tenants would be told in advance. The Board confirmed. Chairman Wright again emphasized no changes would be taking place. Mr. McCasland also assured Ms. Montgomery HCHA wanted to make sure the residents at their properties were happy. Ms. Montgomery also addressed the need for an activity fund.

Several other Sierra Meadows' residents spoke informally at the meeting during the public comments session. Comments included concerns raised about the need for assigned parking spots, fixing a flooding problem caused by a neighboring property, installing tinted windows in bedrooms, installing a drop-box for rent payments and recognizing the property manager for her hard work.

EXECUTIVE SESSION

The Board went into executive session at 2:05 p.m. to discuss matters with HCHA's attorney regarding pending litigation, contemplated litigation and the value or transfer of real property.

The Board of Commissioners reconvened into public session at 2:29 p.m.

CHIEF EXECUTIVE OFFICER'S REPORT

Chairman Wright invited Mr. McCasland to present the Chief Executive Officer's report. Mr. McCasland gave an update on the U.S. Department of Housing and Urban Development's (HUD) response to HCHA's proposed closeouts of the corrective actions required by the Office of Inspector General (OIG) and said he would have an update by Friday.

Mr. McCasland also thanked Vice Chairman Ellis for speaking with the Department of Veteran Affairs (VA) about referrals and stated that HCHA was still not where it needed to be with referrals from the VA in order to become fully leased up by July 1. According to Mr. McCasland, there were about 160 homeless veterans still on the VA's internal waiting list, and there is no shortage of homeless veterans. Mr. McCasland said that the situation required an ongoing conversation, and that he would continue to update the Board of Commissioners as this issue progressed. Vice Chairman Ellis noted that, recently, the VA counselors had not been able to get ahold of many of their waitlisted clients and asked Mr. McCasland what the ideal time period for attempted contact with unresponsive veterans should be. Mr. McCasland said that HCHA has the funding available to house more homeless veterans, but it still needs the VA to refer the veterans to the HCHA.

Chairman Wright noted that one of the reasons the VA was provided the upstairs offices at the HCHA was to increase collaboration between HCHA and the VA. Mr. McCasland and the commissioners continued discussing the issue of veteran homelessness in the community, and he promised to continue to push forward on the topic.

Mr. McCasland also presented an update on the HCHA waiting list and said that an issue recently came to his attention regarding the issuance of vouchers that violated HCHA's local preferences. Mr. McCasland explained HCHA's standard local preferences included homeless families with school-aged children, participants in the shelter-plus care and the jail diversion programs and low income working, disabled and elderly households. He said that an incident occurred in which an employee issued vouchers to non-working families making 30 percent or less of the area median income level. HCHA should only be leasing to working families in that income range until the bottom of the waitlist has been reached. He recognized that HCHA failed on this issue and noted that the incident impacted the HCHA's 2014 SEMAP score negatively. However, Mr. McCasland assured the Board of Commissioners that the issue had been corrected since the incident and that HCHA understood why the incident happened and how to fix it moving forward. Mr. McCasland also conveyed that HCHA was focused on providing a new Family Self-Sufficiency program to its clients.

Mr. McCasland took a minute to welcome HCHA's new Executive Assistant, Katie Thomson, and to recognize the promotion of Kristen Domeracki to her new position as HCHA's Assistant Director of Operations.

ADMINISTRATIVE AGENDA:

On behalf of Mr. Allison, Mr. McCasland presented an update on the new affordable housing developments. Mr. McCasland shared that a proposal was being put together regarding collaboration between METRO and an HCHA development. Mr. McCasland also said another proposal for a development aimed to serve 100 percent disabled and extremely low income clients was pushed forward recently.

Mr. McCasland said that the Amy Young Barrier Removal program was moving forward and that all sites would be ready for inspection within the next two weeks. For the Retreat at Westlock, Mr. McCasland said that Harris County's Community Services Department is performing a due diligence review as a result of the open HUD-OIG findings

Chairman Wright asked if there would be any building progress with the Retreat at Westlock development before the end of 2014, and Mr. McCasland replied that there were currently no delays and that the developers were moving forward very rapidly with the project. Chairman Wright also asked Mr. McCasland if METRO had collaborated with other people before. Mr. McCasland said that he knew that METRO had other proposals, but wasn't aware of any other collaborative projects of this nature that METRO had worked on recently. The commissioners and Mr. McCasland agreed that this collaboration would help make bus transit more accessible for residents.

Beverly Burroughs presented an overview of the HCV Program and answered the Commissioners' questions. Mr. McCasland stated that Mrs. Burroughs' report indicated that the HCHA was only one point away from scoring as 'high performing' with the Section Eight Management Assessment Program (SEMAP). The lowered score was due to the previously discussed issue with the waitlist. Mr. McCasland also stated that it was more important that HCHA reports accurate numbers than to alter reporting to get a better SEMAP score. He said that, while the score was not where HCHA wanted it to be, HCHA hoped to rank in the high performing tier next year.

Paula Burns presented an overview of the current affordable housing developments and answered Commissioners' questions. Chairman Wright thanked Mrs. Burns for her hands-on efforts.

FINANCIAL AGENDA:

Paul Curry presented the preliminary Year End Report for the fiscal year ending March 31, 2014 and answered the Commissioners' questions. Chairman Wright thanked the HCHA team for their hard work and a job well done.

Mr. McCasland noted that the financial statements presented were from the unaudited reports, and that their auditors would be working with HCHA during the last two weeks of June. He hoped to have the audit performed early so that HCHA could be finished in the Fall.

BOARD ACTION ITEMS

Discussion and request to approve or deny a resolution authorizing the HCHA's CEO, consulting with HCHA's disposition broker and attorney to finalize negotiations and execute a sales contract subject to the terms and instructions provided by the HCHA Board of Commissioners in the executive session.

This resolution authorized the sale of the West Lake Houston property known as Patriots by the Lake and authorizes HCHA's CEO, consulting with HCHA's disposition broker and attorney, to finalize negotiations and execute a Sales Contract subject to the terms and instructions provided by the HCHA Board of Commissioners in Executive Session. Chairman Wright moved to approve the resolution and Commissioner Gonzalez seconded. All were in favor, and the motion passed. (Resolution 14-26)

Discussion and request to approve the submission of the 2014 SEMAP certification to HUD.

HUD requires housing authorities to submit an annual SEMAP report, which is due 60 days after the close of the authority's fiscal year. HCHA's staff members prepared and reviewed a draft of the SEMAP report and has recommended its submission. This resolution authorizes the submission of the 2014 SEMAP certification to HUD. Vice Chairman Ellis moved to approve the resolution and Commissioner Gonzalez seconded. All were in favor, and the motion passed. (Resolution 14-23)

Discussion and request to approve a new signatory for HCHA's checking accounts.

This resolution authorizes the Board's Vice Chairman, Joe Ellis, to serve as a signatory for HCHA's checking accounts. Commissioner Gonzalez moved to approve the resolution and Vice Chairman Ellis seconded. All were in favor, and the motion passed. (Resolution 14-24)

Discussion and request to approve and authorize the reimbursement of travel expenses for affordable housing staff.

This resolution approves per diem travel expenses for Mr. Allison and Mrs. Burns to attend a free Fair Housing Accessibility Training on Thursday, May 29, 2014 and free training on new construction/2010 Americans with Disabilities (ADA) Act standards on Friday, May 30, 2014 in Austin, TX. Chairman Wright moved to approve the resolution and Commissioner Gonzalez seconded. All were in favor, and the motion passed. (Resolution 14-25)

COMMENTS BY COMMISSIONERS

None.

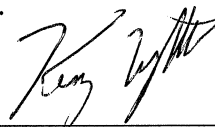
COMMENTS OR ANNOUNCEMENTS BY CHAIR

Before closing the meeting, Chairman Wright presented HCHA's new mission statement. He expressed that the HCHA's mission expanded to include a wider scope of service. Commissioner Gonzalez said that, in his opinion, a mission statement should be simple and should resonate, and that HCHA's new mission statement upheld the key messages conveyed in the previous statement. Chairman Wright expressed his excitement for the future of HCHA and noted that it was taking the next step on its journey.

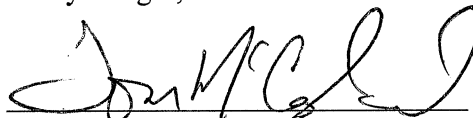
ADJOURNMENT

Chairman Wright invited a motion to adjourn at 4:30 p.m. Vice Chairman Ellis so moved. Commissioner Gonzalez seconded. All were in favor, and the motion carried.

Adopted and approved this 11th day of June, 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

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

Houston, Texas

June 11, 2014

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

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

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

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

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

ADMINISTRATION OF THE OATH OF OFFICE TO NEW COMMISSIONER

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

APPROVAL OF MINUTES FROM MAY 14, 2014

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

PUBLIC COMMENT

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

CHIEF EXECUTIVE OFFICER'S REPORT

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

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

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

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

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

BOARD ACTION ITEMS

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

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

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

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

FINANCIAL AGENDA

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

ADMINISTRATIVE AGENDA

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

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

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

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

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

EXECUTIVE SESSION

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

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

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

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

ADDITIONAL BOARD ACTION

None.

COMMENTS BY COMMISSIONERS

None.

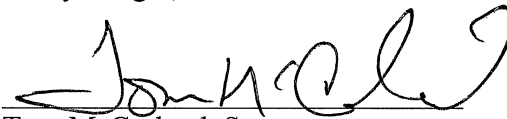
ADJOURNMENT

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

Adopted and approved this 16th day of July 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-27 to 14-28

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

Houston, Texas

July 16, 2014

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

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 16th day of July 2014, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:12 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

Tom McCasland, Horace Allison, Beverly Burroughs, Paul Curry, Katie Thomson and Kristen Domeracki of Harris County Housing Authority; Adam Williams, Greg Lewis, Wanda LeBlanc and Garret Berg were also in attendance.

Chairman Wright opened the meeting with a prayer and the pledge of allegiance.

APPROVAL OF MINUTES FROM JUNE 11, 2014

Commissioner Womack moved to approve the minutes from the June 11, 2014 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 invitation to apply for 92 new

VASH vouchers. The application is non-competitive and would bring HCHA's total VASH voucher count to 442. Mr. McCasland said HCHA is still under-leased with its VASH vouchers due to insufficient referrals from the VA, but after the Authority's mid-month payment, HCHA expects to be paying for 366 veterans for the month of July.

Mr. McCasland also reported that HUD's Fair Housing Department recently investigated complaints regarding HCHA. While HCHA has not been ruled against, HCHA invited a HUD attorney to do a fair housing training for all HCV staff members. The HUD investigators have been very impressed by the honesty, the willingness to learn and desire to improve shown by HCHA staff. Chairman Wright asked about the nature of the complaints that were filed against HCHA. Mr. McCasland said the complaints regarded issues of reasonable accommodations and requests for extra bedrooms, which were addressed in the HCV training.

Mr. McCasland then gave an update on HCHA's Section Eight Management Assessment Program score, which is a self-certified score HUD uses to grade housing authorities annually. This year, the Authority's SEMAP scores were not timely submitted due to a document transmission problem caused by HUD. After HUD conducted an onsite review of HCHA's SEMAP on June 11, the Authority has decided to dispute the conclusion of that review and has filed an appeal with the local Field Office. HCHA will keep the Board updated on the local Field Office's response.

Mr. McCasland also presented an update on HCHA's audit and said the external auditors were onsite the last week of June and the first week of July. The auditors discovered one late inspection on the program side. They also told HCHA that its continuing inability to cover its Net Restricted Assets account will remain a finding unless it is resolved prior to the audit being issued. This inability to cover its NRA was first reported to HUD in March 2012. Mr. McCasland said, overall, the audit ran smoothly and commended Beverly Burroughs, Paul Curry and their departments for a job well done. Chairman Wright also complimented HCHA's hard work and congratulated them on their results.

EXECUTIVE SESSION

The Board went into executive session at 1:25 p.m. to discuss matters with HCHA's attorney regarding the value or transfer of real property.

The Board of Commissioners reconvened into public session at 2:16 p.m.

Discussion and request to approve or deny a motion to allow CEO and broker to negotiate and amend property contracts for the West Lake Houston property as discussed in Executive Session, and to take all other actions related to the sale of the property.

This motion authorizes the Chief Executive Officer and the broker to amend the West Lake Houston sales contract and take all other actions needed to complete the sale of the property. Chairman Wright moved to approve the resolution and Commissioner Womack seconded. All were in favor, and the motion passed unanimously.

FINANCIAL AGENDA

Paul Curry presented the financial statements from May 2014 and answered the Commissioners'

questions. Mr. Curry then gave an update on HCHA's REAC submission, which was submitted to HUD before the deadline. In regards to the audit, everything ran very smoothly. Mr. Curry explained that revenues are up and expenses are down. Postage was high last month because HCHA sent a large volume of waiting list interest letters out. This month, postage cost was lower, and HCHA expects to fall within the yearly budget with its expenses. Chairman Wright also asked why there wasn't more information about Cornerstone Village or Louetta Village in the financial report. Mr. Curry explained that LLCs are pass-through entities with all revenues forwarded to HCHA's affordable housing account. Mr. McCasland pointed out that prior to the current year, all LLCs have been reported in one consolidated budget. With the new financial statements keeping each line of business separate, the LLCs will be budgeted separately as well. Chairman Wright then inquired about a fraud recovery report in the data. Mr. Curry explained that a tenant had unreported income that they are repaying the money back. Half of the repayment will go directly to HUD, and the other half will go to HCHA. Chairman Wright thanked HCHA staff for a good financial report.

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 93.9% of HCHA's annual budget authority, VASH is at 96.3%, SRO is at 93% and the Mod Rehab program is leased at 88% of authorized vouchers.

On behalf of Paula Burns, Horace Allison reviewed the status of properties within the Affordable Housing Division. All properties are at least 95% leased. The Good Neighbor program will be launching different services for residents at Primrose at Heritage Park, Waterside Court and Magnolia Estates, and several of the properties have scheduled summer barbeque events for residents. Many of the properties have also addressed the increase in criminal incidents in their communities, and Cypresswood Estates has even organized a neighborhood crime watch group onsite among the residents.

Mr. Allison also presented on development activities within the Affordable Housing Division. HCHA expects to receive bids for sub-contractors on Westlock in mid-July and will close bids out in mid-August. HCHA submitted an application for Tidwell Lakes Ranch, but since the project's score is in the bottom third of currently eligible projects, the project will not be awarded a tax credit allocation. HCHA staff members are working on developing a proposal and term sheet for Bernicia Place to submit to METRO, and HCHA currently has GLO and significant community support for the transit oriented development. The Amy Young Barrier Removal program was recently completed, and all five home owners are satisfied with the work. HCHA has received reimbursement from the state and is using the money received to pay the contractors to close the projects.

Vice Chairman Ellis asked about the Jail Diversion pilot program presented at the June board meeting and asked who would be running it. Wanda LeBlanc confirmed that the program would be run out of the county judge's office.

BOARD ACTION ITEMS

Discussion and request to pass a resolution approving revisions to the HCHA Employee Handbook

Commissioner Gonzalez asked the Board if the resolution could be tabled. Commissioner Womack suggested that a committee be formed with Commissioner Gonzalez, Commissioner Villarreal, a HCHA staff member and the HCHA Executive Director to work on the HCHA Employee Handbook updates. Chairman Wright moved to table the resolution, Commissioner Gonzalez seconded, all were in favor, and the resolution was tabled.

Discussion and request to pass a resolution approving revisions to the HCHA Administrative Plan

These revisions will provide clarification regarding reasonable accommodations, offer an alternative zero income verification process, allow for biennial inspections, implement administrative extensions for HQS re-inspections and change effective dates for rental increases. The revisions will also include a 110% payment standard for high opportunity areas and a new process for providing notice of final decisions regarding informal hearings. Chairman Wright moved to approve the resolution, Commissioner Gonzalez seconded, all were in favor, and the motion was passed unanimously. (Resolution 14-29)

Discussion and request to approve or deny a resolution authorizing a membership agreement with the State of Texas CO-OP Purchasing Program

This contract allows HCHA to sign a new or renewed membership agreement with the State of Texas CO-OP Purchasing Program. Commissioner Villarreal motioned to pass the resolution, Commissioner Gonzalez seconded, all were in favor, and the motion was carried. (Resolution 14-30)

ADDITIONAL BOARD ACTION

None.

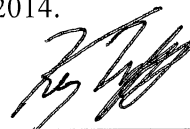
COMMENTS BY COMMISSIONERS

Chairman Wright proposed hosting a Board meeting at Cypresswood Estates before the end of the year.

ADJOURNMENT

Commissioner Womack moved to adjourn at 3:42 p.m. Vice Chairman Ellis seconded, all were in favor, and the motion carried.

Adopted and approved this 18th day of August 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

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

Houston, Texas

August 18, 2014

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

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 18th day of August 2014, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:07 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

Tom McCasland, Horace Allison, Beverly Burroughs, Paul Curry, Katie Thomson and Kristen Domeracki of Harris County Housing Authority; Shannon Hunter, Barry Khan, Ryan Hettig, Scott Lemond, Garret Berg and Wanda Leblanc were also in attendance.

Chairman Wright opened the meeting with a prayer and the pledge of allegiance.

APPROVAL OF MINUTES FROM JULY 16, 2014

Commissioner Womack moved to approve the minutes from the July 16, 2014 board meeting, Vice Chairman Ellis seconded, all were in favor, and the motion carried.

PUBLIC COMMENT

None.

BOARD ACTION ITEMS

Discussion and request to approve or deny a resolution approving revisions to the

HCHA Administrative Plan

These revisions will provide clarification regarding the definition of extremely low-income families, updated waiting list procedures involving family break-ups, new methods for utility allowance calculations, and alternative inspection protocols. The revision to the definitions of extremely low income will also impact waiting list preferences for working, elderly or disabled families. Chairman Wright moved to approve the resolution, Commissioner Villarreal seconded, all were in favor, and the motion passed unanimously. (Resolution 14-31)

Discussion and request to approve or deny a proposed Security Deposit Assistance Program

This resolution allows HCHA to develop a security deposit assistance program for HCV clients. Chairman Wright moved to approve the resolution, Commissioner Womack seconded, all were in favor, and the motion was carried. (Resolution 14-32)

Discussion and request to approve or deny a resolution authorizing the Public Facility Corporation to amend loan documents for additional financing for Retreat at Westlock

This resolution authorizes the Harris County Housing Authority Public Facility Corporation's Secretary, Mr. McCasland, to execute and deliver loan documents, partnership agreement and equity documents on behalf of the Corporation. The resolution also permits the Corporation to purchase property and execute and deliver the ground lease. Commissioner Gonzalez motioned to pass the resolution, Commissioner Womack seconded, all were in favor, and the motion carried. (Resolution 14-33)

Discussion and request to approve or deny a resolution authorizing the Public Facility Corporation to A) acquire property for the Retreat at Westlock development, B) lease the property to the partnership, C) loan \$1,885,000 to acquire the property, and D) execute all requisite documents to carry out the resolution

This resolution authorizes the Harris County Housing Authority Public Facility Corporation to acquire property for the Retreat at Westlock. The resolution also allows the corporation to provide a loan to acquire the property and to execute documents for the project. Commissioner Gonzalez motioned to pass the resolution, Commissioner Womack seconded, all were in favor, and the motion carried. (Resolution 14-34)

EXECUTIVE SESSION

The Board went into executive session at 1:50 p.m. to discuss matters with HCHA's attorney regarding the value or transfer of real property.

The Board of Commissioners reconvened into public session at 2:05 p.m.

ADDITIONAL BOARD ACTION

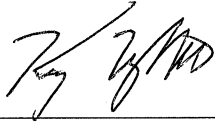
None.

COMMENTS BY COMMISSIONERS

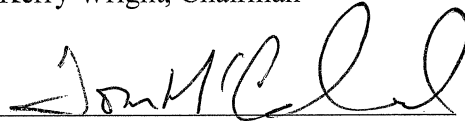
ADJOURNMENT

Chairman Wright moved to adjourn at 2:06 p.m. Commissioner Gonzalez seconded, all were in favor, and the motion carried.

Adopted and approved this 17th day of September 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-31 to 14-34

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

Houston, Texas

September 17, 2014

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

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 17th day of September 2014, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:13 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

Tom McCasland, Horace Allison, Beverly Burroughs, Paul Curry, Paula Burns, Katie Thomson and Kristen Domeracki of Harris County Housing Authority; Scott Lemond and Garret Berg were also in attendance.

Chairman Wright opened the meeting with a prayer and the pledge of allegiance.

APPROVAL OF MINUTES FROM AUGUST 18, 2014

Vice Chairman Ellis moved to approve the minutes from the August 18, 2014 board meeting, Commissioner Gonzalez seconded, and the motion carried.

PUBLIC COMMENT

None.

CHIEF EXECUTIVE OFFICER'S REPORT

Tom McCasland began his report by giving an update on HCHA's VASH lease up rate, which

has improved from last month's report. HCHA is still waiting to hear back from HUD about its application for 92 new VASH vouchers.

Mr. McCasland also presented an update on a new feature added to HCHA's website. Users can now access a map that identifies the 20 zip codes HCHA has given to higher subsidy rates. In an effort to identify apartments in the zip codes that would be accessible to HCV clients, HCHA staff contacted 50 landlords in these areas about finding a two bedroom apartment at \$1,000 monthly rent with a voucher. In response, staff members received 21 emails and 4 phone calls denying the vouchers. Additionally, staff also failed to hear back from 24 landlords and only one landlord said they would accept the voucher. Mr. McCasland said HCHA intends to employ a temporary Housing Navigator who will educate landlords in these areas about HCHA's Section 8 program to prevent continued discrimination. Chairman Wright asked Mr. McCasland how soon the Authority plans to fill the Housing Navigator position. Mr. McCasland said he would like to hire someone in the next 30 days.

FINANCIAL AGENDA

Paul Curry presented the financial statements from June and July 2014 and answered the Commissioners' questions. All HCHA lines of business are showing a positive cash flow. Revenue is under budget by 6% and expenses are under budget by 10%. Mr. Curry explained that the majority of the reduction in revenues resulted from the recapture of \$550,000 in NRA by HUD, as communicated to the board in an email from the CEO. Vice Chairman Ellis asked if HUD is asking for the money back because of HCHA's recent audit findings concerning its NRA account. Mr. McCasland said that HUD is recouping funds from PHAs nationwide to reduce NRA balances held by PHAs. Mr. Curry also reported that office rent caused the Authority to go over budget in July, but that all programs currently have positive cash flow.

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 95% of HCHA's annual budget authority, VASH is at 92.9%, SRO is at 94% and the Mod Rehab program is leased at 88% of authorized vouchers.

Paula Burns reviewed the status of properties within the Affordable Housing Division. All properties are at least 93% leased. The Harris County Community Service Department is in the process of completing annual HOME program desk audit monitoring visits onsite for all properties. Chairman Wright asked for an update regarding the security concerns at Primrose at Heritage Park. Chairman Wright said the Commissioners want to see the communities shine and would like to explore different ways they can continue to put safety first at these properties.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA closed on the land for The Retreat at Westlock in late August and the CSD approved four sub-contractors to begin clearing the site. Staff will attend Commissioners Court on September 23 and plan to close on the project before October upon receiving approval. HCHA continues to work with Coats-Rose on legal issues surrounding The Retreat at Westlock and the property's investor and the developer. HCHA staff members are working on developing a proposal and term sheet for Bernicia Place to submit to METRO, and HCHA has solicited letters of support from Community leaders, including Representative Coleman, who met with HCHA staff in May

to discuss the development. The Amy Young Barrier Removal program was completed, and HCHA received payment for all of the houses. Mr. Allison presented before and after photos of the project to the Board, and announced that the Authority is currently screening eligible families for five additional homes HCHA is submitting for funding later this fall.

Chairman Wright asked if the units at The Retreat at Westlock property could be wired with security alarms. Mr. Allison said they were not currently wired because the project is over budget, but said he would look into the cost for the Board.

BOARD ACTION ITEMS

Discussion and request to pass a resolution authorizing an interlocal contract agreement with H-GAC Cooperative Purchasing Program

This contract allows HCHA to enter into a contract agreement with the Houston-Galveston Area Council (H-GAC) Cooperative Purchasing Program. Vice Chairman Ellis moved to approve the resolution, Commissioner Villarreal seconded, and the motion carried unanimously. (Resolution 14-35)

Discussion and request to pass a resolution authorizing the CEO to purchase mitigation credits for West Lake Houston property

This motion authorizes the Chief Executive Officer to purchase credits from HCFCD for the mitigation of wetlands on the West Lake Houston property. This will allow HCHA to have the full number of credits needed to modify the mitigation permit and help HCHA maximize the sale price for the West Lake Houston property. Commissioner Gonzalez moved to approve the resolution, Vice Chairman Ellis seconded, and the motion carried unanimously. (Resolution 14-36)

Discussion and request to approve or deny a resolution authorizing an interlocal contract agreement with Harris County Department of Education

This contract allows HCHA to enter into a contract agreement with the Harris County Department of Education. Chairman Wright moved to approve the resolution, Commissioner Gonzalez seconded, and the motion carried unanimously. (Resolution 14-37)

Discussion and request to approve or deny a motion to approve action regarding corrective actions 3F and 3G from the HUD OIG audit relating to the Cypresswood Estates development completed May 31, 2011

This motion authorizes the Chief Executive Officer to draft a letter to HUD outlining the reasons why HCHA believes its contract with Watermark Construction should not be considered a cost-plus contract. The letter will also dispute HUD's determination that HCHA's CDBG-DR funds were spent for ineligible purposes in this contract. Chairman Wright moved to approve the resolution and Commissioner Gonzalez seconded, and the motion carried unanimously. (Resolution 14-38)

EXECUTIVE SESSION

The Board went into executive session at 2:30 p.m. to discuss matters with HCHA's attorney regarding the value or transfer of real property.

The Board of Commissioners reconvened into public session at 4:20 p.m.

ADDITIONAL COMMENTS

Mr. McCasland presented a brief update on the recent review HUD conducted at HCHA. For the assessment, HUD assessed 20 random files and interviewed HCHA staff. At the end of the review, HUD reported that they were very impressed by the staff's knowledge and dedication, and that the Authority's files were in great condition.

ADDITIONAL BOARD ACTION

None.

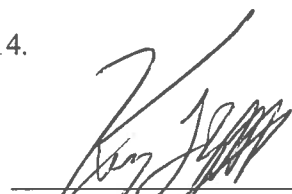
COMMENTS BY COMMISSIONERS

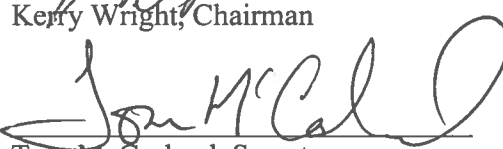
Chairman Wright reminded attendees that the next Board meeting will be at Cypresswood Estates at 1:30 p.m.

ADJOURNMENT

Commissioner Villarreal moved to adjourn at 4:25 p.m. Commissioner Gonzalez seconded, all were in favor, and the motion carried.

Adopted and approved this 15th day of October 2014.


Kerry Wright, Chairman


Tom McCasland, Secretary

Attachments: Resolutions 14-34 to 14-38

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

Houston, Texas

October 15, 2014

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

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 15th day of October 2014, at Cypresswood Estates, located at 15331 Kuykendahl Rd, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:40 p.m., and the roll was taken of the duly constituted officers and members of the Board:

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

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

Tom McCasland, Horace Allison, Beverly Burroughs, Paul Curry, Paula Burns, Katie Thomson and Kristen Domeracki of Harris County Housing Authority; Scott Lemond, David Riddle, Wanda LeBlanc, Barry Palmer, Donna Rickenbacker, Maggie Brown, Ray Hoffman Sr., Edith Cunningham, Berta Robertson, Peggy Lee, Dianna Chevali, Loraine Harris, Dorothy Nichols, Mary Dewalt, Mary Craford, Priscilla Diau-Tgon, Mary Ellisa, Beckie Hall, Beverly Will, Yolanda K. Henry, Yanetta Rand, Shesa Visa and Jerry Taylor were also in attendance.

Chairman Wright invited David Riddle to open the meeting with a prayer and the pledge of allegiance. Chairman Wright introduced the Board of Commissioners to those in attendance and thanked Cypresswood Estates for hosting the Board Meeting.

APPROVAL OF MINUTES FROM SEPTEMBER 17, 2014

Commissioner Gonzalez moved to approve the minutes from the September 17, 2014 Board Meeting, Commissioner Womack seconded, and the motion carried unanimously.

PUBLIC COMMENT

Chairman Wright introduced Harris County Housing Authority's Chief Executive Officer, Tom McCasland, other present HCHA staff and the Board's legal counsel.

A Cypresswood Estates resident, Ray Hoffman, introduced himself to the Board as a two-year tenant of the property. Mr. Hoffman praised the complex and said he loved it so much that he nailed all of his furniture down so he wouldn't have to move again. Mr. Hoffman expressed his concerns about residents walking around at night when several lights around the property needed to be repaired. According to Mr. Hoffman, several light bulbs on the walking trail and around the pool have not been replaced in months and need attention to make the grounds safer. Mr. Hoffman's other concerns included the entrance gate never closing, a recent robbery that took place on the property, the need to hire a part-time helper for the maintenance man and opening the clubhouse on Sundays for residents. Chairman Wright thanked Mr. Hoffman for his suggestions and said Paula Burns of Harris County Housing Authority and the complex manager at Cypresswood Estates would look into having his concerns addressed.

Yolanda Henry, another Cypresswood Estates resident, explained that the property is advertised to help residents lower their energy bills with the complex's solar panels. Since moving in, Ms. Henry has not seen a decrease in her energy bill. She also asked how a tenant in an affordable housing program could receive a rental increase without an increase in their income. Mrs. Burns told Ms. Henry that rents may fluctuate due to changes in utility allowances and rent limit restrictions. Chairman Wright expressed that HCHA's mission is not to put anyone on the street and encouraged Ms. Henry to reach out to Mr. McCasland and Mrs. Burns for assistance with her circumstances.

Beverly Will, a Cypresswood Estates resident, expressed that the flowers around the property do not look well-kept. Ms. Will asked if it is ok to put her own flowers in her garden. Chairman Wright suggested that Ms. Will reach out to the complex manager at Cypresswoods Estates to have her concern addressed.

Mary Crawford, a Cypresswood Estates resident, said that there are exposed pipes around the property that have holes and need attention. Ms. Crawford said she felt the property is not as beautiful as it once was and that she doesn't feel protected by the current security guard working on the grounds. Chairman Wright asked if the security guard was hired to work for the complex. Chairman Wright said HCHA would follow up with the situation after the meeting.

Loraine Harris, a Cypresswood Estates resident, discussed her electricity problems and said the electricity company was unable to fix her reoccurring light problems without the consent of property management. Chairman Wright asked if Ms. Harris had reported her circumstances to management. Ms. Harris said she had done so frequently. Chairman Wright said he would make sure her situation was addressed.

Several other Cypresswood Estates residents spoke at the meeting during the public comments session. Comments included concerns raised about the office printer being too busy, the wait time for the waiting list to become a tenant at Cypresswood Estates, whether or not bikes were

allowed on the walking trail, and a reoccurring smell coming from the faucets when running cold water. Commissioner Gonzalez thanked everyone for coming forward and addressing the problems they had. Commissioner Womack assured the attendees that the board would work together to make sure all of the concerns would be addressed.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. McCasland began his report by giving an update on HCHA's Section Eight Management Assessment Program scores, which were resubmitted to HUD manually. The resubmission of the scores changed the status of the Authority to a "standard performer," and HCHA also submitted the corrective actions HUD requested for their review.

Mr. McCasland also reported that HCHA received an invitation to apply for 74 new VASH referrals from Veterans Affairs in addition to being awarded 92 VASH vouchers on October 1. HCHA is fully leased up for its VASH program, and Mr. McCasland is hopeful the community will be able to end veteran homelessness by the end of 2015.

Mr. McCasland provided an update on HCHA's Housing Choice Voucher program lease up rate, which is currently slightly underleased for the year at 96%. HCHA is striving to reach 98% for the year which will make it ideally situated to utilize 99.9% of its funding in the coming program year. In order to do this, HCHA has absorbed all of its port-in clients as of October 1. These absorptions along with the aggressive leasing from the waitlist place HCHA on track to reach 98% utilization by the end of the year. HCHA will enter 2015 slightly overleased and will be well-positioned to maintain steady state of backfilling for attrition.

Mr. McCasland also presented an update on HCHA's two outstanding findings from the OIG Audit. This issue has slightly delayed issuing the draft of the final annual audit by CliftonLarsonAllen. Regardless, the CliftonLarsonAllen auditor will be present at the November 19, 2014 Board meeting to present the audit to the Board.

Chairman Wright asked if there were any updates on hosting a training session for HCHA's Board of Commissioners. Mr. McCasland said he would continue to follow up with HUD about the training session. Chairman Wright congratulated HCHA on being awarded a high number of VASH vouchers. Mr. McCasland said HCHA received one of the largest allocations of VASH vouchers in the country.

Mr. McCasland also shared that Commissioner Gonzalez and his staff are working through HCHA's Employee Handbook to make updates and revisions. This is a big step for HCHA and Mr. McCasland thanked Commissioner Gonzalez for his help and the resources he made available to HCHA's staff for this project.

FINANCIAL AGENDA

Paul Curry presented the financial statements from August 2014 and answered the Commissioners' questions. All HCHA lines of business are showing a positive cash flow. Revenue is under budget by 6%, and expenses are under budget by 11%. Mr. Curry explained that the majority of the reduction in revenues resulted from the same recapture of \$550,000 in NRA by HUD also decreased as HCHA's absorption of the portability clients discussed in Mr.

McCasland's report. Mr. Curry also reported that extra postage for the letters mailed out to waitlist applicants caused HCHA to be over budget for postage in August.

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the HCV lease-up rate is at 96% of HCHA's annual budget authority, VASH is at 91%, SRO is at 90% and the Mod Rehab program is leased at 88% of authorized vouchers.

Paula Burns reviewed the status of properties within the Affordable Housing Division. All properties are at least 93% leased. Each of the properties is hosting different activities this month including day trips to Galveston, fieldtrips to the museum district, movie tavern outings and a night out hosted by National Neighbors assistance programs. Louetta Village and Primrose at Heritage Park are scheduled to be featured at the United Way Senior Expo Event on October 28.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA's developer for The Retreat at Westlock pulled out of the project because they were concerned about the amount of time left to complete the assignment. The developer has proposed for HCHA to use GLO funds to develop the project in 2015 as a Bond Deal; however, HCHA is unable to use GLO funds for the project because the money has been set aside for prospective responses to RFP #14-01 concerning Developers of Multi-family Housing. HCHA continues to work with Coats-Rose on legal issues surrounding The Retreat at Westlock, and is also helping HCHA negotiate a MOU for Developer Partners who will be recommended for selection in response to issuing RFP #14-01. The Amy Young Barrier Removal program was completed, and HCHA received payment for all of the houses. Mr. Allison announced that the Authority is currently working to submit five additional homes for funding later this fall.

Chairman Wright asked for an update on Bernicia Place. Mr. Allison said he would discuss more details when the Board got to the resolution concerning the property.

BOARD ACTION ITEMS

Discussion and request to pass a resolution approving a revision to the financial year 2015 budget

This resolution allows HCHA to revise the FY 2015 budget to add a staff position, make several large purchases, move operating transfers from components units to operating transfers, and adjust various income and expense categories according to trends and expectations. Commissioner Gonzalez moved to approve the resolution, Commissioner Womack seconded, and the motion carried unanimously. (Resolution 14-39)

Discussion and request to pass a resolution authorizing an interlocal agreement with Harris County regarding procurement services

This agreement authorizes HCHA to access procurement services and utilize current contracts provided by Harris County Purchasing Agent free of charge. Commissioner Villarreal moved to approve the resolution, Commissioner Gonzalez seconded, and the motion carried unanimously. (Resolution 14-40)

Discussion and request to approve or deny a resolution authorizing the execution of a

contract for technical support services

This contract allows HCHA to enter into an agreement with First Service Technology, who will provide technical support services during business hours. Chairman Wright asked where the Authority's backup server was currently being stored. Mr. Curry said HCHA currently needs to store their back up server offsite. Commissioner Womack expressed concern about using a technology company based outside of Houston and asked why HCHA chose not to use a company within the county. Kristin Domeracki said the company currently has an office based in Houston. The Authority is looking to sign a month-to-month contract with First Service Technology and has the ability to terminate the contract with 30-day notice. Chairman Wright moved to approve the resolution, Commissioner Gonzalez seconded, and the motion carried unanimously. (Resolution 14-41)

Discussion and request to pass a resolution authorizing the payment of travel expenses for Affordable Housing staff

This agreement authorizes the Chief Executive officer to approve the payment of overnight travel expenses for HCHA staff members to attend the Amy Young Barrier Removal Program annual staff training. Commissioner Womack moved to approve the resolution, Commissioner Gonzalez seconded, and the motion carried unanimously. (Resolution 14-43)

EXECUTIVE SESSION

The Board went into executive session at 3:30 p.m. to discuss matters with HCHA's attorney regarding the value or transfer of real property.

The Board of Commissioners reconvened into public session at 4:47 p.m.

ADDITIONAL BOARD ACTION**Discussion and request to approve or deny a resolution authorizing the negotiation and execution of a Memorandum of Understanding with developer partner for the development of two Low Income Housing Tax Credit Developments as discussed in Executive Session**

This resolution authorizes HCHA's Chief Executive Officer to negotiate and execute a Memorandum of Understanding with AMTEX Multi-Housing, LLC for the development of two Low Income Housing Tax Credit Developments. Chairman Wright moved to approve the resolution and Commissioner Womack seconded, and the motion carried unanimously. (Resolution 14-42)

Discussion and request to pass a resolution authorizing the negotiation and execution of a Memorandum of Understanding with developer partner for the development of the Retreat at Westlock Low Income Housing Tax Credit Development

This agreement authorizes the Chief Executive Officer to negotiate a Memorandum of Understanding with a developer partner approved by the bank, investor, and counsel for HCHA. Commissioner Gonzalez moved to approve the resolution, Commissioner Womack seconded, and the motion carried unanimously. (Resolution 14-44)

Discussion and request to pass a motion authorizing the Executive Director to enter into negotiations with Harris County Commissioners of Precinct 2 for the purchase of Real

Property as discussed in Executive Session

This motion authorizes the Chief Executive Officer to negotiate with the Commissioners of Precinct 2 the purchase of Real Property as discussed in Executive Session. Chairman Wright moved to approve the resolution, Commissioner Womack seconded, and the motion carried unanimously.

ADDITIONAL COMMENTS

None.

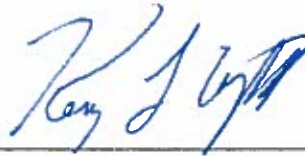
COMMENTS BY COMMISSIONERS

Chairman Wright reminded attendees that the next Board meeting will be at Harris County Housing Authority at 1:30 p.m.

ADJOURNMENT

Commissioner Womack moved to adjourn at 4:50 p.m., Commissioner Villarreal seconded, and the motion carried unanimously.

Adopted and approved this 19th day of November 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-39 to 14-44

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

Houston, Texas

November 19, 2014

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

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 19th day of November 2014, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:38 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

Tom McCasland, Horace Allison, Beverly Burroughs, Paul Curry, Paula Burns, Kim Do, Katie Thomson and Kristen Domeracki of Harris County Housing Authority; Bobken Simonians, Donna Rickenbacker, Wanda LeBlanc, Barry Palmer, Bill Oliver, Adam Williams, Garret Berg and Greg Lewis were also in attendance.

Chairman Wright invited Garret Berg to open the meeting with a prayer and the pledge of allegiance.

APPROVAL OF MINUTES FROM OCTOBER 15, 2014

Commissioner Womack moved to approve the minutes from the October 15, 2014 Board Meeting, Commissioner Gonzalez seconded, and the motion carried.

PUBLIC COMMENT

None.



CHIEF EXECUTIVE OFFICER'S REPORT

Tom McCasland began his report by giving an update on HCHA's new wireless capabilities and noted that HCHA staff had implemented the IT contract that was discussed at the last Board Meeting. The new IT company has been working with HCHA staff to update the servers and is helping the Authority get to where it needs to be.

Mr. McCasland also gave an overview of HCHA's Veteran Affairs Supportive Housing (VASH) and Housing Choice Voucher (HCV) lease up rates. HCHA is receiving regular referrals from Veterans Affairs, and Mr. McCasland is hopeful the community will be able to end veteran homelessness by the end of 2015. HCHA is also close to achieving a 98% lease up rate for the HCV department for 2014.

Mr. McCasland highlighted the 26% reduction in operating expenses documented in the audit report. This decline follows a 47% decline in operating expenses in the prior fiscal year. He thanked Kim Do of HCHA's finance department and commended her hard work to cut costs and operating expenses for the Authority. HCHA will be using Harris County's Procurement Office in the coming year and is still looking for ways to continue to cut costs. One potential cost saving measure HCHA plans to implement is a semi-paperless system for HCV staff to reduce paper files and printing expenses in 2015.

Mr. McCasland presented an update on the results from HUD's Quality Control Inspections, and noted that several units were deemed 24-hour life-threatening fails due to missing lightbulbs. HCHA purchased enough fluorescent lightbulbs for HCHA HQS Inspectors to use as replacements in units if the lightbulbs are the only item needed to pass inspection. Chairman Wright asked if the lightbulbs were the only infraction. Mr. McCasland said that there were other minor findings, but the missing lightbulbs were the most consistent and easily correctable infractions reported. Many tenants prefer to take out their lightbulbs to keep their electricity costs low; however, by purchasing fluorescent bulbs over incandescent bulbs, Mr. McCasland hopes to help tenants save money with greener, more sustainable lighting option.

FINANCIAL AGENDA

Paul Curry presented the financial statements from August 2014 and answered the Commissioners' questions. All HCHA lines of business are showing a positive cash flow except Cypresswood Estates. Mr. Curry explained that the money from the Cypresswood Estates account was moved into HCHA's business account due to excess revenue, causing the account to show a negative cash flow. Revenue is under budget by 6% and expenses are under budget by 12%. Mr. Curry also explained that the budget revisions that passed at last month's Board Meeting also helped HCHA stay under budget for expenses in every category this month. Chairman Wright asked about HCHA's reduced revenue. Mr. Curry said that HUD is recouping funds from PHAs nationwide to reduce NRA balances held by PHAs as reported by the CEO at the October Board of Commissioners meeting. Chairman Wright also asked for a financial report on Westlock. Mr. Curry explained that the Westlock project is a separate line of business from what is reflected in the financial report, but that he would be happy to provide it after the meeting. Commissioner Womack asked Mr. Curry to explain the definition of "Bad Debt." Mr. Curry explained that the term addressed fraud recovery and repayment agreements from HCHA clients who do not accurately report their income. If it is uncollectable, HCHA does not leave the

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recovery payments on its books as a "receivable," and writes it off as "Bad Debt."

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the Housing Choice Voucher (HCV) lease-up rate is at 97% of HCHA's awarded vouchers, Veteran Affairs Supportive Housing (VASH) is at 91%, Single Room Occupancy (SRO) is at 97% and the Mod Rehab program is leased at 88% of authorized vouchers.

Paula Burns reviewed the status of properties within the Affordable Housing Division. All properties are at least 93% leased. The Harris County Community Service Department is in the process of informing HCHA of the results for the annual HOME program desk audit monitoring visits onsite for all properties. All of the communities plan to host activities for residents to celebrate Thanksgiving, and the solutions to the concerns voiced at Cypresswood Estates were presented. Commissioner Womack asked if the constables working onsite at the communities were given a job description and list of expectations. Mrs. Burns confirmed that the guards were given a list of their duties and said the security officer at Cypresswood Estates was asked to move because he was not meeting his job expectations. Commissioner Womack explained the importance of maintaining the integrity of the exterior grounds at the properties and asked if a contingency plan was put in place to maintain the property to look new. Mrs. Burns said Baybrook Park Retirement Center is scheduled to be repainted and that inspectors evaluate the inside and outside of all units. Commissioner Womack also asked about the increase in vacant units at Primrose at Heritage Park. Mrs. Burns explained that it is a typical seasonal change, and that five tenants passed away this month. Commissioner Gonzalez noted that the tenants at Cypresswood Estates were very proud of where they were living and the majority of complaints they reported to the Board were about minor things such as changing the flowers. Chairman Wright requested to have another meeting at one of HCHA's communities during the first quarter of 2015.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA was notified that the Developer for The Retreat at Westlock would not be moving forward with the project as a 9% Low Income Housing Tax Credits (LIHTC) transaction. HCHA will work with the Developer, Harris County Community Services Department and Legal Counsel to unwind the Westlock transaction and review options related to possible retention of the site for future development, or require the Developer to purchase the site to reimburse Harris County Community Services Department for the funds HCHA used in purchasing the site. HCHA submitted five applications in response to the Notice of Funding Availability issued by the Amy Young Barrier Removal Program; however, due to the limited amount of funding available, HCHA only received reserved funds for two of the five homes. HCHA issued Request for Proposal #14-02 for Developers of Multi-Family Housing LIHTC. Upon completion of the evaluation, it is the staff's recommendation that HCHA enters into a Memorandum of Understanding with ITEX. Chairman Wright asked how much money HCHA put into Westlock. Mr. Allison estimated between \$75,000 and \$80,000. Chairman Wright also asked who owned the property. Mr. Allison explained that the property currently belongs to the partnership, controlled by HCHA.

(10)

BOARD ACTION ITEMS

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

This resolution authorizes HCHA staff to provide HUD the annual Real Estate Assessment Center (REAC) submission as prepared by the firm of CliftonLarsonAllen, LLP, after the Board of Commissioners is presented the final draft of the financial statements for its review and approval.

Mr. Oliver, a managing principal at CliftonLarsonAllen, presented the audit results and told the Board that his firm "very, very seldom" sees a Housing Authority with this clean of an audit. In the overview of HCHA's financial statements, Mr. Oliver reported that the Authority's Total Net Position increased by approximately \$681,000, total revenues decreased by \$.6 million, and total expenses decreased by \$2.5 million during the year ending on March 31, 2014. Mr. Oliver stated that "decreases in expenses were really across the board, [with] a lot of good cost cutting." The audit provided was an unqualified opinion, "the highest level you can get." The report on internal controls showed "no material weaknesses or significant deficiencies at the Authority level" and "no findings of non-compliance with laws and regulations at the Authority level." Except for one carryover finding from the 2012 fiscal year, Mr. Oliver "commended the Authority" because there were no program level findings for the Housing Choice Voucher program from the current year. Mr. Oliver emphasized the unusualness of his firm providing such a clean report for a housing authority.

Commissioner Gonzalez moved to approve the resolution, Commissioner Villarreal seconded, and the motion carried unanimously. (Resolution 14-45)

Discussion and request to approve or deny a resolution approving revisions to HCHA's employee handbook

Mr. McCasland asked the Board to table this motion until the next Board Meeting. Chairman Wright moved to table the resolution until further notice, all were in favor, and the motion was tabled.

Discussion and request to approve or deny a resolution authorizing the negotiation and execution of a Memorandum of Understanding with Developer Partner for the development of a Low Income Housing Tax Credit Development

This contract authorizes HCHA to execute all agreements, consents and documents that may be necessary, convenient or appropriate to carry out the purposes and intent of RPF #14-02. Chairman Wright moved to approve the resolution, Commissioner Gonzalez seconded, Commissioner Womack abstained, and the motion carried. (Resolution 14-46)

Discussion and request to approve or deny a resolution for the development of up to 81 units of Multi-Family Housing as part of the Development Plan for Cherry Park Seniors Apartments, authorizing Harris County Housing Authority (the "Authority"): (1) to designate an affiliate to submit an application to Texas Department of Housing & Community Affairs (TDHCA) for 4% Low-Income Housing Tax Credits (LIHTCS); (2) to authorize Harris County Housing Authority Public Facility Corporation to request a



private activity bond allocation from the Texas Bond Review Board; and (3) to take such other action necessary, convenient, or appropriate to carry out this resolution

This motion authorizes the Chief Executive Officer to submit an application to TDHCA for 4% LIHTCs and to the Texas bond Review Board for tax-exempt bonds for the development of up to 81 units of multifamily senior housing as part of the development plan for Cherry Park Senior Apartments. Commissioner Gonzalez moved to approve the resolution, Commissioner Villarreal seconded, Commissioner Womack abstained, and the motion carried. (Resolution 14-47)

Discussion and request to approve or deny a resolution for the development of up to 120 units of Multi-Family Housing as part of the Development Plan for Cherry Park Family Apartments, authorizing Harris County Housing Authority (the "Authority"): (1) to designate an affiliate to submit an application to Texas Department of Housing & Community Affairs (TDHCA) for 4% % Low-Income Housing Tax Credits (LIHTCS); (2) to authorize Harris County Housing Authority Public Facility Corporation to request a private activity bond allocation from the Texas Bond Review Board; and (3) to take such other action necessary, convenient, or appropriate to carry out this resolution

This motion authorizes the Chief Executive Officer to submit an application to TDHCA for 4% LIHTCs and to the Texas Bond Review Board for tax-exempt bonds for the development of up to 120 units of multifamily housing as part of the development plan for Cherry Park Family Apartments. Chairman Wright moved to approve the resolution, Commissioner Gonzalez seconded, Commissioner Womack abstained, and the motion carried. (Resolution 14-48)

EXECUTIVE SESSION

The Board went into executive session at 3:12 p.m. to discuss matters with HCHA's attorney regarding the value or transfer of real property.

The Board of Commissioners reconvened into public session at 5:23 p.m.

ADDITIONAL BOARD ACTION

A motion to authorize the broker to negotiate a contract as discussed in Executive Session with Harris County Housing Authority's potential buyers concerning the West Lake Houston property known as Patriots by the Lake

Chairman Wright moved to approve the motion authorizing the Chief Executive Officer to negotiate a contract with potential buyers to sell the West Lake Houston property known as Patriots by the Lake, Commissioner Womack seconded, and the motion carried unanimously.

A motion to authorize Harris County Housing Authority's Executive Director to execute a letter of intent

Commissioner Gonzalez moved to approve the motion authorizing the Chief Executive Officer to execute a letter of intent to sell the West Lake Houston property known as Patriots by the Lake, Commissioner Villarreal seconded, and the motion carried unanimously.

ADDITIONAL COMMENTS

None.

(K)

COMMENTS BY COMMISSIONERS

None.

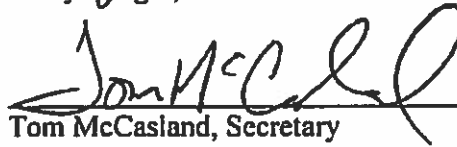
ADJOURNMENT

Commissioner Villarreal moved to adjourn at 5:26 p.m. Commissioner Gonzalez seconded, all were in favor, and the motion carried.

Adopted and approved this 16th day of December 2014.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-45 to 14-48

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

Houston, Texas

December 16, 2014

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

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 16th day of December 2014, at Harris County Housing Authority, located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Wright called the meeting to order at 1:37 p.m., and the roll was taken of the duly constituted officers and members of the board:

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

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

Tom McCasland, Horace Allison, Beverly Burroughs, Paul Curry, Paula Burns, Katie Thomson, Kristen Domeracki, Monica Martinez, and Fred Dunham of Harris County Housing Authority; Wanda LeBlanc, Ryan Hettig, Barry Khan, Garret Berg, Chris Akbari, Bobken Simonian, and Barry Palmer were also in attendance.

Commissioner Womack opened the meeting with a prayer, followed by Vice Chairman Ellis, who led the pledge of allegiance.

APPROVAL OF MINUTES FROM NOVEMBER 19, 2014

Commissioner Womack moved to approve the minutes from the November 19, 2014 Board Meeting, Commissioner Villarreal seconded, and the motion carried unanimously.

PUBLIC COMMENT

None.

CHIEF EXECUTIVE OFFICER'S REPORT

Tom McCasland began his report by commending HCHA's Housing Choice Voucher (HCV) staff for meeting a 98% lease-up rate for 2014. The HCV department leased 102% for December, and Mr. McCasland expects the Budget Authority will be at 91% for the year.

Mr. McCasland also gave an overview of the measures HCHA took to limit expenses in 2014. The HCV department paid more attention to detail with applicants reporting zero-income, and bedroom sizes were limited to one for every two household members. Mr. McCasland reported that the measures paid off and left HCHA with excess Budget Authority in 2014. For 2015, HCHA will consider relaxing the two-persons-per-bedroom model, and using additional funding to encourage families with school-aged children to look for units near A and B-rated schools. Chairman Wright asked if the two-persons-per-bedroom model was a rule mandated by HUD. Mr. McCasland clarified that the rule was not required by HUD, and that HCHA has flexibility to set this standard. Commissioner Womack asked how many HCHA households fall into the two-persons-per-bedroom standard. Mr. McCasland said HCHA will be pulling these numbers to assess how many families will be affected if the standard is relaxed. The issues HCHA faces with this change is finding the best way to implement the new standard for long-term benefit, and to provide a level of service to clients within reason while remaining responsible stewards of tax payer dollars. The current two-persons-per-bedroom model has helped HCHA reduce per-unit costs by \$55-\$56 on 4,000 units, which has had a big impact on the Authority's funding.

Mr. McCasland presented an update on the results from HUD's Quality Control Inspections, and introduced Monica Martinez and Fred Dunham from HCHA's inspections department. Recently, during inspection, several units were deemed 24-hour life-threatening fails due to missing lightbulbs. HCHA purchased enough fluorescent lightbulbs for HCHA HQS Inspectors to use as replacements in units if the lightbulbs are the only item needed to pass inspection. Mr. McCasland commended the inspections department for finding solutions to make sure units pass on time, and assure HCHA participants have units the Authority is proud of.

Mr. McCasland also discussed HCHA's retirement program for employees with Texas County & District Retirement System. The benefits require a 7% employee deposit rate with a 225% employee match after an eight-year vesting period. HCHA's actual retirement plan contribution rate is 7.33%, more than 3 percentage points lower than in 2011. The average vesting period for public pension plans is about five years, and Mr. McCasland encouraged the Board to consider reducing its vesting period in the future to attract and keep good employees in the coming years.

Mr. McCasland reported HCHA's recent collaboration with legal counsel to determine if HCHA has jurisdiction or legal ability to build developments inside of Harris County, and if so, what parts and under what scenario. Legal counsel has been asked to put together a Memorandum with legal advice for the Development team and the Board of Commissioners, which Mr. McCasland hopes will be presented at the January Board Meeting.

FINANCIAL AGENDA

Paul Curry presented the financial statements from September 2014 and answered the Commissioners' questions. All HCHA lines of business are showing a positive cash flow except Cypresswood Estates. Mr. Curry reminded the Board that the money from the Cypresswood Estates account was moved into HCHA's business account due to excess revenue, causing the account to show a negative cash flow. In the consolidated budget, revenue is under budget by 7%. Expenses are also under budget by 12%. Chairman Wright asked about Cypresswood Estates and when money typically needs to be moved. Mr. Curry said there is no time limit on moving money, and due to a high cash amount in the Cypresswood Estates account, HCHA decided to transfer the revenue. Mr. McCasland also clarified that Cypresswood Estates is HCHA's only fully-owned entity.

ADMINISTRATIVE AGENDA

Beverly Burroughs presented information on the lease-up rates for the HCV program. Currently, the Housing Choice Voucher (HCV) lease-up rate is at 98% of HCHA's awarded vouchers, Veteran Affairs Supportive Housing (VASH) is at 90%, Single Room Occupancy (SRO) is at 94% and the Mod Rehab program is leased at 88% of authorized vouchers.

Paula Burns reviewed the status of properties within the Affordable Housing Division. All properties are at least 97% leased. Each property is scheduled for annual repairs and improvements in 2015, and all of the communities will host activities for residents to celebrate the Christmas holidays. Mrs. Burns also reported a high amount of traffic for prospective tenants at the communities for this time of the year. Chairman Wright asked Mrs. Burns to schedule the March HCHA Board of Commissioners meeting at one of HCHA's properties. The Board also requested a typed report to show the status of resident issues and the resolutions that were reported at the Board Meetings hosted at the communities.

Horace Allison presented on development activities within the Affordable Housing Division. HCHA entered into a MOU with AMCAL to develop Cherry Park Senior and Cherry Park Family, and intends to submit Bond Reservation Applications to the Texas Bond Review Board, prior to December 31, 2014, for an allocation for both developments. A resolution to create HCHA Redevelopment Authority, LLC will be presented later in the meeting to make Harris County Housing Authority Redevelopment Authority the sole General Partner for the Cherry Park developments. HCHA continues to work with the Westlock Developer, HCCSD and Legal Counsel to unwind the Westlock transaction, and is preparing an analysis of options for the Board's consideration as staff solidifies the Authority's next step for moving forward. Mr. Allison reported that HCHA's presentation on Bernicia Place for the Greater Southeast Management District was well received, and HCHA intends to issue a proposal to enter into a MOU with Metro for the development of Bernicia Place in early 2015. Staff will submit documentation for the second phase of the Amy Young Barrier Removal Program and is waiting for approval to obtain bids for the work on the two homes. Mr. Allison reported that a proposal was submitted for an 85-unit Permanent Supportive Housing complex at James Bute Park with office space for the Authority. HCHA is working with Harris County to transfer ownership subject to a public hearing in January. HCHA is also working with ITEX on a proposed 152-unit Low Income Housing Tax Credit (LIHTC) Multi-Family housing development to be located off of Greenhouse Road in Northwest Harris County.

BOARD ACTION ITEMS

Discussion and request to approve or deny a resolution approving revisions to HCHA's employee handbook

Mr. McCasland presented the new employee handbook changes and asked if the Board would like to table this motion until the next Board Meeting to allow adequate time to review the additional updates. Chairman Wright moved to table the resolution, Commissioner Womack seconded, and the motion was tabled unanimously.

Discussion and request to approve or deny a resolution approving the creation of a Project Administrator position

This resolution approves the creation of a full-time Project Administrator position. Commissioner Womack moved to approve the resolution, Vice Chairman Ellis seconded, and the motion carried unanimously. (Resolution 14-49)

Discussion and request to approve or deny a resolution authorizing the negotiation and execution of the engagement letter(s) for the 2014 audit and tax preparation services for seven (7) affordable housing developments

This resolution authorizes the Chief Executive Officer to negotiate and execute the engagement letters for the 2014 Audit and Tax Preparation Services with CohenReznick, LLP for three HCHA properties, and Novogradac & Company, LLP for four HCHA properties. Commissioner Womack asked if either of the companies have offices in Harris County. Mr. McCasland said that HCHA has been advised by counsel that geographic location is not something the Authority is able to take into consideration when choosing Tax Preparation Services. Commissioner Womack moved to approve the resolution, Chairman Wright seconded, and the motion carried unanimously. (Resolution 14-50)

Discussion and request to approve or deny a resolution authorizing Harris County Housing Authority to take the following actions with regard to Bute Park Place (a proposed Supportive Housing Development): (1) Approve the development of Bute Park Place (The “Project”); (2) To ratify a response to a Request for Proposal issued by the City of Houston and Harris County for a permanent Supporting Housing Development in connection with the Initiative to End Chronic Homelessness Program; (3) Acquire the site for the project and enter into a long-term ground lease with a to-be-formed Limited Partnership for the purpose of developing, owning and operating the project; (4) Designating an affiliate to submit an application to TDHCA for Low Income Housing Tax Credits; (5) Designating an affiliate to submit an application to the Texas Bond Review Board for a private activity bond allocation; and (6) Take such other actions necessary, convenient or appropriate to carry out this resolution

This resolution authorizes HCHA to approve the development of Bute Park Place, submit a response to a Request for Proposal issued by the City of Houston and Harris County, acquire the site for the project, and enter into a long-term ground lease with a Limited Partnership for the purpose of developing, owning and operating the project. The resolution also authorizes HCHA to designate affiliates to submit an application to TDHCA for Low Income Housing Tax Credits and an application to the Texas Bond Review Board for a private activity bond allocation. Chairman Wright moved to approve the resolution, Vice Chairman Ellis seconded, Commissioner Villarreal abstained, and the motion carried. (Resolution 14-51)

Discussion and request to approve or deny a resolution approving a Developer Consultant, Management Agent and General Contractor for the Westlock Transaction and execute and deliver any and all requisite documents to effect the foregoing, and take any other actions necessary to carry out this resolution

This resolution authorizes ITEX Developers, LLC to act as developer consultant, management agent and general contractor for the Westlock Transaction. Vice Chairman Ellis moved to approve the resolution, Chairman Wright seconded, Commissioner Womack abstained, and the motion carried. (Resolution 14-52)

Discussion and request to approve or deny a resolution authorizing Harris County Housing Authority (The “Authority”) to form HCHA Redevelopment Authority INC. (The “Corporation”), a Texas Non-Profit Corporation, and such other actions necessary or convenient to carry out this resolution

This resolution authorizes HCHA to form Harris County Housing Authority Redevelopment Authority, Inc. Commissioner Womack moved to approve the resolution, Vice Chairman Ellis seconded, and the motion carried unanimously. (Resolution 14-53)

EXECUTIVE SESSION

The Board went into executive session at 2:37 p.m. to discuss matters with HCHA's attorney regarding the value or transfer of real property.

The Board of Commissioners reconvened into public session at 3:57 p.m.

ADDITIONAL BOARD ACTION

A motion authorizing the Chief Executive Officer to resolve disputes concerning the Retreat at Westlock as discussed in Executive Session

Chairman Wright moved to approve the motion authorizing the Chief Executive Officer to resolve disputes concerning the Retreat at Westlock as discussed in Executive Session, Vice Chairman Ellis seconded, and the motion carried unanimously.

ADDITIONAL COMMENTS

None.

COMMENTS BY COMMISSIONERS

None.

ADJOURNMENT

Commissioner Villarreal moved to adjourn at 4:04 p.m. Commissioner Womack seconded, all were in favor, and the motion carried.

Adopted and approved this 21st day of January 2015.



Kerry Wright, Chairman



Tom McCasland, Secretary

Attachments: Resolutions 14-49 to 14-53