

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

Houston, Texas

July 17, 2019

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I. CALL TO ORDER AND RECORD OF ATTENDANCE

The Board of Commissioners of Harris County Housing Authority met in regular session, open to the public, on the 17th day of July 2019, at Harris County Housing Authority (HCHA), located at 8933 Interchange Drive, inside the boundaries of Harris County in Houston, Texas. Chairman Womack called the meeting to order at 1:30 p.m. and called the roll of the duly constituted officers and members of the board:

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

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

Samson Babalola, Beverly Burroughs, Ana Candelario, Paul Curry, Debra McCray, Zayyana Shehu, and Vivian Clark of HCHA; Kim Brode, Lance Gilliam, Irma Gonzalez, Jessica Gonzalez, Sofia Gonzalez, Roberto Gonzalez, Antoinette Jackson, Mark Morgan, Nicole Seymour, and Mercedes Sanchez were also in attendance.

II. OPENING PRAYER AND PLEDGE OF ALLEGIANCE

Horace Allison opened the meeting with a prayer, followed by Commissioner Joe Ellis, who led the Pledge of Allegiance, and Commissioner Joe Villarreal, who led the Texas Pledge.

III. ADMINISTRATION OF THE OATH OF OFFICE TO NEW COMMISSIONER

Chairman Gerald Womack administered the oath of office to Dr. Adriana Tamez.

IV. ELECTION OF OFFICERS

The nomination and election of officers was conducted. Commissioner Joe Ellis nominated Chairman Womack to serve as Chairman of the Harris County Housing Authority Board of Commissioners, and Commissioner Joe Ellis nominated Commissioner Villarreal to serve as Vice-Chairman of the Harris County Housing Authority Board of Commissioners. A vote was conducted, and the nominees were unanimously elected to fill the positions of Chairman and Vice Chairman respectively. See Action Item 3.

V. APPROVAL OF MINUTES FROM JUNE 19, 2019

Commissioner Dr. Adriana Tamez moved to approve the minutes from the June 19, 2019 Board meeting, Commissioner Ellis seconded, and the motion carried with one abstention by Dr. Adriana Tamez

VI. PUBLIC COMMENTS

Lance Gilliam provided public comments acknowledging former Commissioner Roberto Gonzalez's service on the Harris County Housing Authority Board of Commissioners and Dr. Adriana Tamez's appointment to Harris County Housing Authority Board of Commissioners. Mercedes Sanchez also provided comments and congratulated Dr. Tamez on her appointment to the Harris County Housing Authority Board of Commissioners.

VII. CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Allison presented his report on the HAY Center, General Land Office - Grant Desk Audit, HCHA Annual Audit, Texas Housing Association, U.S. Department of Housing and Urban Development (HUD), Arbor Court - Tenant Protection Voucher, Northline Apartments - Project-Based Vouchers, and the HCHA Monthly Report.

Mr. Allison reminded the Board that HCHA is developing a partnership with the HAY Center to develop affordable housing for children aging out of foster care. HCHA staff participated in visioning sessions and the preliminary design activities related to the proposed affordable housing development serving youth aging out of foster care. The HAY Center provided the HCHA with two summer interns. The interns have been working with staff in the Intake and File Room areas. The interns were introduced to the Board.

Mr. Allison reported that the General Land Office - Grant Desk staff conducted a compliance and financial audit of the General Land Office Grant used to develop the Retreat at Westlock and The Villas at Eastwood. The auditors reviewed our contract compliance, procurement activities and files, financial records, and Davis Bacon wage compliance documentation. The review went well, and there were no issues cited. HCHA is awaiting the final report.

Mr. Allison noted that the audit firm of Berman Hopkin Wright & LaHam were onsite the week of June 24-28, 2019, to conduct the annual audit. The auditor's areas of focus were the HCV Program and the Finance Department. The draft audit is scheduled to be delivered during September 2019, and the final audit is scheduled to be submitted to the Board during the October 2019 Board meeting. Mr. Allison acknowledged the HCV Program staff's hard work correcting the finding from last year.

Mr. Allison announced that Texas Housing Association (THA) is hosting its Annual Conference at Moody Gardens in Galveston on August 13-15, 2019. There will be session topics that are pertinent for Board Commissioners. Board members were asked to contact the HCHA Executive Office if they wish to attend the conference.

Mr. Allison noted that HCHA was selected by HUD office for a Shadowing Program visit. HUD representatives from the HUD offices in Washington, D.C., Milwaukee, and Houston were here to observe and participate in HCHA day-to-day activities. The HUD representatives gave HCHA great reviews for HCHA's implementation of HUD policies and procedures (operations).

Mr. Allison updated the Board about the additional HUD vouchers (Tenants Protection Vouchers) that were awarded to HCHA to rehouse resident from Arbor Court. Arbor Court was flooded during Hurricane Harvey, and the property was not fully repaired. HUD is relocating the families and issued HCHA vouchers to provide rental assistance to the relocated families. One hundred sixteen (116) families were impacted. HCHA staff conducted briefings on May 29, June 11, June 20, and July 16, 2019. To date, twenty-three (23) families have turned in a request for tenancy approval, and we are working to assist the families in being housed. Legal Aid is seeking additional concessions for the impacted families; however, HCHA is only focusing on providing housing assistance for the families.

Similar to Arbor Court, Northline Apartments had fifty-seven (57) families impacted by Hurricane Harvey. Thirty-seven (37) families were referred to The Villas at Eastwood. Nine (9) families were denied program participation for failing the background check, ten (10) families elected not to relocate to The Villas at Eastwood, and one (1) family remains to be processed. The Northline families approved for relocation to The Villas at Eastwood are scheduled to begin the move-in process prior to the end of July 2019.

Lastly, Mr. Allison reviewed the Monthly Reports:

Annual recertifications are being processed timely. Eighty-nine (89) vouchers were issued in May 2019. 100% of invited families are attending the briefing. Inspections are being performed timely. May 2019, HAP fund utilization for HCV/VASH is 98%, Mod Rehab is 45%, and SRO is 93%. May 2019, voucher utilization for HCV is 100%, Mod Rehab is 100%, SRO is 96%, and VASH is 87%.

VIII. FINANCIAL PRESENTATION

Mr. Curry presented the financial statements for HCHA from May 2019. The consolidated

budget reflected revenue being under budget by 2% and expenses being under budget by 3%. All lines of business had a positive cash flow for May 2019.

IX. DEPARTMENT PRESENTATION

Debra McCray presented the lease-up rates for the month of May for the Housing Choice Voucher (HCV) program. The HCV program was 99.7%, and the year-to-date was 100.4%, Veterans Affairs Supportive Housing program was 86.8%, and the year-to-date was 86.6%, Jackson Hinds Single Room Occupancy program was 95.8%, and the year-to-date was 93.1%, and Thomas Moderate Rehabilitation program was 100.0%, and the year-to-date was 85.7%. Additionally, the Home Ownership program received another loan approval and one pending loan approval. SEMAP is currently reporting at 100% and is not due until May 2020. Ms. McCray noted that the VASH Program referrals have increased. During July 2019, HCHA received fifty-seven (57) referrals. Ms. McCray gave an updated overview of the (Project) Based Vouchers (PBV) briefings for The Villas at Eastwood as well as the briefings for HCHA's tenant protection vouchers for Arbor Court.

Mr. Babalola reviewed the status of properties within the Affordable Housing Division for the month of May. Mr. Babalola informed the Board that all existing properties are currently 97% leased or above. Mr. Babalola noted that Cornerstone Village, Primrose at Heritage Park, and The Retreat at Westlock properties net incomes were over budget. The Texas Department of Housing and Community Affairs (TDHCA) is reviewing the Westlock - Cost Certification submitted in January of 2019. TDHCA requested additional information and clarifications in March of 2019. The requested information and clarifications were provided to the TDHCA on May 15, 2019. Once the supplemental documentation is reviewed, a final determination of tax credits made, and approval issued, the remaining developer fee will be paid to HCHA. Mr. Babalola answered questions from the Board.

Mr. Babalola moved to working developments. The Villas at Eastwood is estimated to be about 93% completed. Mr. Babalola reviewed the construction progress status of each of the three buildings and the project cost summary. HCHA staff anticipates occupying units in Building 1 prior to the end of July 2019. Mr. Babalola answered questions from the Board.

Mr. Babalola reviewed the proposed developments. Mr. Babalola informed the Board that The Arbor at Wayforest development proposed by Atlantic Pacific Communities was recommended for approval by the Harris County Commissioners Court for submission to the General Land Office for an award of funding. Mr. Babalola answered questions from the Board.

X. DISCUSSION AND ACTION ITEMS

ACTION ITEM 2:

Resolution honoring the extraordinary leadership and distinguished public service of Commissioner Roberto Gonzalez

Commissioner Joe Ellis moved to approve the resolution, Commissioner Joe Villarreal seconded, and the motion carried. (19-34)

ACTION ITEM 3:

Resolution naming officers to the Board of Commissioners

Commissioner Joe Ellis moved to approve the resolution, Commissioner Joe Villarreal seconded, and the motion carried. (19-35)

ACTION ITEM 4:

Resolution approving revisions to the Harris County Housing Authority 2019 Annual Public Housing Authority Plan

Commissioner Joe Ellis moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-36)

ACTION ITEM 5:

Resolution approving travel expenses for Paul Curry

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-37)

ACTION ITEM 6:

Resolution by the Harris County Housing Authority (the "Authority") authorizing Harris County Housing Authority Public Facility Corporation (the "Issuer") to induce bonds to be issued for The Arbor at Wayforest project

Commissioner Joe Ellis moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-38)

ACTION ITEM 7:

Resolution by the Harris County Housing Authority (the "Authority") authorizing Harris County Housing Authority Public Facility Corporation (the "Issuer") to induce bonds to be issued for The Richcrest Apartments project

Commissioner Dr. Adriana Tamez moved to approve the resolution, Vice Chairman Joe Villarreal seconded, and the motion carried. (19-39)

ACTION ITEM 8:

Resolution authorizing the negotiation and execution of an amendment to the contract with Engie Resources, LLC for Electrical Service

Commissioner Dr. Adriana Tamez moved to approve the resolution, Commissioner Joe Ellis seconded, and the motion carried. (19-40)

ACTION ITEM 9:

Resolution authorizing the transfer of non-program funds to Fenix Estates I, LP operating account for costs associated with the lease-up and administration of The

Villas at Eastwood and to take any other actions deemed necessary or convenient to carry out this resolution

Commissioner Dr. Adriana Tamez moved to approve the resolution, Commissioner Joe Ellis seconded, and the motion carried. (19-41)

ACTION ITEM 10:

Resolution by the Harris County Housing Authority (the "Authority") (i) authorizing the Authority to lease office space within The Villas at Eastwood development (the "Project") from Fenix Estates Commerical, LLC; (ii) approving Fenix Estates Commercial, LLC to lease office space to the Authority within the Project; (iii) and to take such other actions necessary or convenient to carry out this resolution

Vice Chairman Joe Villarreal moved to approve the resolution, Commissioner Joe Ellis seconded, and the motion carried. Commissioner Dr. Adriana Tamez abstained. (19-42)

ACTION ITEM 11:

Resolution authorizing Chief Executive Officer to consent to a property name change for Primrose at Heritage Park

Vice Chairman Joe Villarreal moved to approve the resolution, Commissioner Dr. Adriana Tamez seconded, and the motion carried. (19-44)

ACTION ITEM 12:

Resolution approving Dr. Adriana Tamez to affiliate Boards of Directors

Chairman Gerald Womack moved to approve the resolution, Commissioner Joe Ellis seconded, and the motion carried. Commissioner Dr. Adriana Tamez abstained (19-43)

XI. EXECUTIVE SESSION

The Board went into executive session at 2:53 p.m.

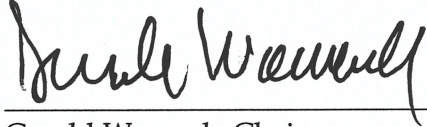
XII. RECONVENE

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

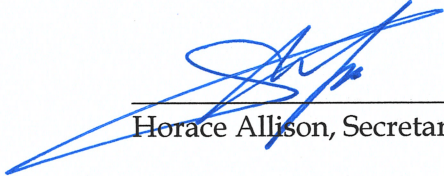
XIII. ADJOURNMENT

Vice Chairman Joe Villarreal moved to adjourn at 4:03 p.m., Commissioner Dr. Adriana Tamez seconded, all were in favor, and the motion carried.

Adopted and approved this 21st day of August 2019.

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

Gerald Womack, Chairman

A handwritten signature in blue ink, appearing to read "Horace Allison", written over a horizontal line.

Horace Allison, Secretary