



HOUSTON HOUSING AUTHORITY
SPECIAL BOARD OF COMMISSIONERS MEETING
OCTOBER 10, 2023
8:30 A.M.

Houston Housing Authority Central Office
2640 Fountain View
Houston, TX 77057



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Transforming Lives & Communities

2640 Fountain View Drive, Houston, Texas 77057 | Phone 713.260.0500 | David A. Northern, Sr., *President & CEO*

Board of Commissioners: LaRence Snowden, *Chair* | Kristy Kirkendoll | Dr. Max A. Miller, Jr. | Stephanie A.G. Ballard | Andrea Hilliard Cooksey | Kris Thomas

SPECIAL BOARD OF COMMISSIONERS MEETING

TUESDAY, OCTOBER 10, 2023

TABLE OF CONTENTS

AGENDA	2
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NEW BUSINESS

Resolution No. 3711

Consideration and/or take action to authorize the President & CEO or designee to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of Cuney Homes located at 3260 Truxillo Street, Houston, Texas 77004 (the "Project"), to take such actions necessary or convenient to prepare and submit the Choice Neighborhoods Implementation Grant application, and the execution of all required documents therefor.

3



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SPECIAL BOARD OF COMMISSIONERS MEETING
TUESDAY, OCTOBER 10, 2023
8:30 AM
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2640 Fountain View Drive, Houston, TX 77057

AGENDA

- I. Call to Order
- II. Roll Call
- III. Introduction of a Spanish interpreter.
- IV. Public Comments (To Make Comments during the Public Comments Section – Please add your name to the sign-in sheet when you enter the Board Meeting)
- V. New Business

Resolution No. 3711: Consideration and/or take action to authorize the President & CEO or designee to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of Cuney Homes located at 3260 Truxillo Street, Houston, Texas 77004 (the “**Project**”), to take such actions necessary or convenient to prepare and submit the Choice Neighborhoods Implementation Grant application, and the execution of all required documents therefor.
- VI. Convene an Executive Session to discuss:
 - a. Personnel matters in accordance with Section 551.074 of the Texas Government Code
 - b. Legal issues in accordance with Section 551.071 of the Texas Government Code
 - c. Real estate matters in accordance with Section 551.072 of the Texas Government Code
- VII. Reconvene Public Session to take action on Executive Session agenda items.
- VIII. Adjournment



1. Brief Description of Proposed Item

Consideration and/or take action to authorize the President & CEO or designee to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of Cuney Homes located at 3260 Truxillo Street, Houston, Texas 77004 (the "Project"), to take such actions necessary or convenient to prepare and submit the Choice Neighborhoods Implementation Grant application, and the execution of all required documents therefor.

2. Date of Board Meeting: October 10, 2023

3. Proposed Board Resolution:

Resolution: That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or designee to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of the Project, to take such actions necessary or convenient to prepare and submit the Choice Neighborhoods Implementation Grant application, and the execution of all required documents therefor, pursuant to the memorandum from Cupid Alexander, Senior Vice President of Operations, dated October 5, 2023, to David A. Northern, Sr., President & CEO.

4. Department Head Approval

Signature Cupid Alexander Date: 10/5/2023
DocuSigned by: BA6A1CCE4B3547A...

5. Statement regarding availability of funds by VP of Fiscal Operations

Funds Budgeted and Available ☒ Yes ☐ No Source Third Party Funding

VP of FO Approval Signature Mike Rogers Date: 10/5/2023
DocuSigned by: 3FC87AD4710742D...

6. Approval of President & CEO

Signature David A. Northern, Sr. Date: 10/5/2023
DocuSigned by: 9E0B1D8C1AF04AA...



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Transforming Lives & Communities

MEMORANDUM

TO: DAVID A. NORTHERN, SR., PRESIDENT & CEO
FROM: CUPID ALEXANDER, SENIOR VICE PRESIDENT OF OPERATION
SUBJECT: CONSIDERATION AND/OR TAKE ACTION TO AUTHORIZE THE PRESIDENT & CEO OR DESIGNEE TO EXECUTE A MASTER DEVELOPMENT AGREEMENT WITH INTEGRAL/RULE ENTERPRISES OR BRINSHORE FOR THE REDEVELOPMENT OF CUNEY HOMES LOCATED AT 3260 TRUXILLO STREET, HOUSTON, TEXAS 77004 (THE “**PROJECT**”), TO TAKE SUCH ACTIONS NECESSARY OR CONVENIENT TO PREPARE AND SUBMIT THE CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT, AND THE EXECUTION OF ALL REQUIRED DOCUMENTS THEREFOR.
DATE: OCTOBER 5, 2023

This memorandum recommends that the Houston Housing Authority Board of Commissioners authorizes the President & CEO or designee to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of Cuney Homes located at 3260 Truxillo Street, Houston, Texas 77004 (the “**Project**”), to take such actions necessary or convenient to prepare and submit the Choice Neighborhoods Implementation Grant application, and the execution of all required documents therefor, pursuant to the memorandum from Cupid Alexander, Senior Vice President of Operations dated October 5, 2023, to David A. Northern, Sr., President & CEO.

BACKGROUND

The Authority desires to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of the Project.

On July 14, 2020, HUD issued a Choice Neighborhoods Planning Grants NOFA FR-6400-N-38 with an application due date of September 14, 2020. HHA subsequently submitted a proposal to HUD and was awarded a CNI Planning Grant. After three years of planning, in collaboration with Cuney Homes’ residents and the Third Ward Community, the HHA Submitted the Cuney Homes Transformation Plan, on September 29, 2023.

To realize the full potential of the Choice Transformation Plan - to revitalize Cuney Homes, by replacing the current housing stock. The proposed plan is a new mixed-income development providing approximately 1200, including units for home ownership. To meet this objective the HHA in collaboration with the City of Houston, plans to submit for the HUD issued FY 2023 Choice Neighborhood Implementation Grant, NOFO FR-67-N-34 with a due date of December 11, 2023. To aid with this application the HHA issued a Qualified Based Solicitation (QBS) 23-31 - Building Our Future – Choice Neighborhood Master Developer for qualified firms or individuals interested in serving as a third-party developer (“Developer” or “Developers”) to assist “HHA” in the rehabilitation of the Cuney Homes affordable housing community

The Choice Neighborhoods program is focused on three core goals:

Housing- Replace distressed public and assisted housing with high-quality mixed income housing that is well-managed and responsive to the needs of the surrounding neighborhood.

People- Improve outcomes of households living in the target housing related to employment and income, health, and children's education.

Neighborhood- Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

To achieve these core goals, the Developer Partner will lead the Housing Strategy for the Implementation Plan, utilizing the information gathered as part of the Transformation Plan. This Transformation Plan will become the guiding document for the revitalization of the public housing units at Cuney Homes, while simultaneously directing the transformation of the surrounding Third Ward neighborhood and positive outcomes for families.

Experience shows that to successfully develop and execute the Implementation Plan, strong predevelopment and construction processes will be needed. The Housing Lead will work with the HHA to manage the assembled team of consultants necessary to prepare the application, and if awarded the grant or not lead in the following:

- Oversee and Implement the Redevelopment Efforts
- Hire and Manage Consultants and Contractors Necessary for Planning and Implementation
- Maintain Communication Regarding Project Progress with HHA, HUD, all key stakeholders, and the larger public
- Develop and Maintain Quality Control Measures
- Develop and Maintain a Detail Development Schedule and Critical Path Schedule
- Foster Residential Involvement in Project Implementation
- Produce an Overall Financial Plan
- Maximize the Leveraging of Public and Private Resources

These efforts and others as defined in the execution of the Master Development Agreement will create the framework for the construction of the new Cuney Homes - Mixed Income Development.

ADVERTISEMENT

In May of 2023, HHA's Procurement Department issued a legal notice advertising QBS 23-31 Choice Neighborhood Master Developer (QBS 23-31) in the Houston Chronicle newspaper, Forward Times and Houston Business Journal.

In addition to posting QBS 23-31 on the website of HHA's Procurement Department, interested parties were also able to access QBS 23-31 by going to the websites of the City of Houston Office of Business Opportunity (OBO); the Greater Houston Black Chamber of Commerce (GHBCC); the Houston Minority Supplier Development Council (HMSDC); the Houston Chapter of the National Association of Minority Contractors (NAMC); and to the Houston Office of U.S. Small Business Administration (SBA).

HHA's Procurement Department also sent e-mails announcing the posting of QBS 23-31 to potential Firms on HHA's bidder's list; and sent to bidders identified by the requesting department that specialize in the type of service required.

EVALUATION PROCESS

The following HHA staff and outside partners and consultants participated in the evaluation of the eight (8) proposals received by the specified due date:

Alan Watkins – Houston Housing Collaborative
 Alicia Neal – EEDC Houston
 Assata Richards – Sankofa Research Institute, HHA Consultant
 Cupid Alexander – Committee Chair and Senior Vice President, HHA
 David Cukierman – Executive Analyst, HHA
 Dr. Carolyn Evans-Shabazz – City of Houston, District D Council Member
 Edward Pettitt – Columbia Tap Trail, Community Leader
 Elizabeth Viera-Bland – Project Row Houses, Community Leader
 Jay Mason – Director REID, HHA
 Joy Fitzgerald - J. W. Fitzgerald & Associates, Consultant
 Kenneth Rodgers – 3rd Ward Super Neighborhood, Community Leader
 Lindsey Williams – Houston Land Bank
 Marilyn White – Community Religious Leader
 Sasha Marshall-Smith – Revitalization Planning Program Manager
 Shannon Buggs - Director Mayor's Office of Complete Communities, City of Houston
 Theola Petteway – Executive Director, Tax Increment Reinvestment Zones, District 7

The proposal was reviewed individually and evaluated according to the following five (5) criteria:

Evaluation/Selection Criteria	Maximum Score
<u>Respondent and Team Experience</u> The degree to which the respondent and its team demonstrates: <ul style="list-style-type: none"> • Successful experience in the planning, redevelopment, financing, construction and management of Choice Neighborhood and/or similar mixed-income transformation development projects of comparable scope and complexity. • Successful experience in the planning, developing, financing, construction and management of affordable homeownership units of comparable scope and complexity • Cohesion of the team, as demonstrated by previous experience working together. • Degree to which the developer would meet all applicable CNI threshold requirements established by the last published Choice Neighborhood Implementation Grant Notice of Funding Availability (NOFA) • Degree to which the developer shows a commitment to complete the due diligence and other steps necessary to submit a Choice Neighborhood Implementation Grant Application in 2023 and manage other commitments. • Degree to which the respondent demonstrates that the key 	35

<p>staff proposed for the developer and proposed team members have significant successful experience in their respective disciplines as required for the planning, development, and operation of developments of comparable size, scope, and complexity.</p> <ul style="list-style-type: none"> Respondent must have participated in a minimum of one Choice Neighborhood comprehensive neighborhood transformation with measurable outcomes (or a comparable mixed-income project with measurable outcomes) to be scored. 	
<p><u>Methodology</u></p> <ul style="list-style-type: none"> Degree to which respondent demonstrates a willingness to share roles and responsibilities of the development process. Degree to which the respondent demonstrates knowledge of the steps, processes, and issues involved in implementing a Choice Neighborhood transformation and redevelopment project. Degree to which the respondent's proposed roles and key business terms provide the best value for HHA, competitiveness for the Choice Neighborhood grant application, and the success of the implementation. 	35
<p><u>Financial Resources and Financial Capacity</u></p> <ul style="list-style-type: none"> Ability to obtain, structure, and implement financing for such projects. The financial capacity as evidenced by financial statements, the firm's most recent audit and bank references, and the Development Partner's discussion of how it intends to honor all guarantees should the need arise. 	20
<p><u>M/WBE Experience and Participation Plans</u></p> <p>Plan for meeting or fostering M/WBE objectives as addressed in Section 4, item 6.</p>	5
<p><u>Section 3 Plan/Requirements</u></p> <p>Plan for meeting or fostering Section 3 objectives as addressed in Section 4, item 7.</p>	5
<u>TOTAL</u>	100

Rank	Firm/Company	M/WBE	Evaluation Rating
1	McCormack Baron Salazar	N/A	95
2	Brinshore	N/A	92
3	HRI Communities	N/A	86
4	Integral/Rule Enterprises	M/WBE	81
5	Gorman & Company	N/A	80
6	Pivotal Development	N/A	75
7	Franklin Development	N/A	70
8	Five Woods Realty	MBE	51

The Evaluation Committee Chair determined that the top four (4) Firms should be on a “shortlist.”

To examine the top four (4) firms the committee was modified to the following internal reviewers:

Cupid Alexander – Committee Chair and Senior Vice President, HHA

David A. Northern, Sr. – President and CEO of the Houston Housing Authority

Jay Mason – Director REID, HHA

David Cukierman – Executive Analyst, HHA

Shannon Buggs – Director Mayor’s Office of Complete Communities, City of Houston

Cindi Herrera – Consultant, HHA

Delores Ford – Community Leader

Rank	Firm/Company	M/WBE	Evaluation Rating
1	Integral/Rule Enterprises Enterprises	M/WBE	89
2	Brinshore	N/A	84
3	McCormack Baron Salazar	N/A	82
4	HRI Communities	N/A	81

References have been checked and returned positive. There are no conflicts of interest and Integral/Rule Enterprises and Brinshore are not on the HUD Debarment List.

Two of the scoring requirements for proposals were the development of an M/WBE and Section 3 participation plan. All proposals received points in both categories. Actual participation by the selected proposers will need to be determined as the project progresses to ensure that they are following their proposed participation plans.

RECOMMENDATION

Accordingly, I recommend that the Board consider this resolution, which states:

Resolution: That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or designee to execute a Master Development Agreement with Integral/Rule Enterprises or Brinshore for the redevelopment of Cuney Homes located at 3260 Truxillo Street, Houston, Texas 77004 (the “**Project**”), to take such actions necessary or convenient to prepare and submit the Choice Neighborhoods Implementation Grant application, and the execution of all required documents therefor pursuant to the memorandum from Cupid Alexander, Senior Vice President of Operations dated October 5, 2023, to David A. Northern, Sr., President & CEO.

RESOLUTION NO. 3711

RESOLUTION AUTHORIZING THE PRESIDENT & CEO OR AUTHORIZED REPRESENTATIVE OF THE HOUSTON HOUSING AUTHORITY (THE “AUTHORITY”) TO EXECUTE A MASTER DEVELOPMENT AGREEMENT WITH INTEGRAL/RULE ENTERPRISES OR BRINSHORE FOR THE REDEVELOPMENT OF CUNEY HOMES (THE “PROJECT”) AND TO TAKE SUCH ACTIONS NECESSARY OR CONVENIENT TO PREPARE AND SUBMIT THE CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT APPLICATION.

WHEREAS, the Project is an approximately 32-acre public housing site for which the Authority plans to apply for a Choice Neighborhood Initiative (“CNI”) implementation grant;

WHEREAS, the Authority desires to negotiate and enter into a Master Development Agreement (“MDA”) to set forth the terms of the agreement with Integral/Rule Enterprises, or in the alternative Brinshore (each, the “Developer”) for the redevelopment of the Project;

WHEREAS, the Authority desires to enter into such agreements as necessary for the Developer to serve as the coordination entity for the Housing Lead for the CNI implementation grant and to prepare and submit the CNI implementation grant application for the Project;

NOW, THEREFORE, in connection with the foregoing, the Board of Commissioners hereby adopts the following resolutions:

BE IT RESOLVED, that the President and Chief Executive Officer of the Authority and/or any officer of the Authority and/or his/her designee (the “**Executing Officer**”), acting alone, is hereby authorized to review, approve and execute all certificates, affidavits, agreements, documents and other writings necessary and/or related to the foregoing matters the Executing Officer shall deem to be necessary or desirable in the consummation of the transactions herein contemplated, including, without limitation the MDA (the “**Agreement**”);

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the President and Chief Executive Officer of the Authority or his designee, in connection with the foregoing matters are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the President and Chief Executive Officer is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the President and Chief Executive Officer shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the President and Chief Executive Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

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

[Remainder of page intentionally left blank for signature]

Resolution No. 3711

PASSED October 10, 2023.

ATTEST:

CHAIR

Secretary