



HOUSTON
HOUSING AUTHORITY

Transforming Lives & Communities

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**MINUTES OF THE HOUSTON HOUSING AUTHORITY
BOARD OF COMMISSIONERS MEETING
TUESDAY, JUNE 25, 2024**

I. CALL TO ORDER

A Meeting of the Board of Commissioners (“Board”) of the Houston Housing Authority (“HHA”) was held on Tuesday, June 25, 2024, at the Houston Housing Authority Central Office, 2640 Fountain View Drive, Houston, Texas 77057. Called the meeting to order at 3:04 p.m.

II. ROLL CALL

Present:

- Joseph “Jody” Proler, Chairman
- Alton Smith, Vice Chairman
- Cynthia Aceves-Lewis, Commissioner
- Stephanie A.G. Ballard, Commissioner
- Eric G. Carter, Commissioner
- Kristy Kirkendoll
- Kenneth C. Li, Commissioner
- David A. Northern, Sr., Secretary

ABSENCES:

III. APPROVAL OF THE MINUTES

A. Board Meeting Minutes – May 22, 2024

Chairman Proler: Before we move to approve the May minutes, I would like to reflect in the minutes that it was reported there were over 42 exceptions with HUD, and the 2022 audits had not been submitted. We are in compliance with all outstanding issues and the 2022 audits were cleared. With that being said, I’ll entertain a motion to approve.

On motion by Commissioner Smith, the Board unanimously approved the May 22, 2024, Meeting Minutes.

IV. PRESIDENT’S REPORT

Secretary Northern we have some some great activities this morning. HUD regional administrator was here, along with all of the field office directors from this region. They were her to present the HHA with two checks. One was with \$5 million for the Mobility Program and the other was for \$1.25, for the Older Adult Program. W received the largest grant of any city in the United States and the only one that received the \$1.25 million related to the Older Adult Program. It’s exciting news and the fact that HUD took the time to come to visit our 2100 Memorial site for the presentation and they also visited our Jensen site. We just concluded a listening session at Cuney Homes for residents and resident leaders from around, you know, our various properties. It’s just just amazing when we can have this type of progress with the housing authority. We received over \$700,000 for our Ross Grant, which provides opportunities for our clients to help them with self-sufficiency. We were just was awarded our Irvington property, another 250,000 for security upgrades. The Housing Authority and it’s team members are providing the right resources to clients that we’re serving.

As always, I provide our board members with the President and CEO report. I want to introduce a few young people to you today. This year, we have started a Fellows Program. We had College students applied from across the nation and were accepted. As Fellows, they are working with the Housing Authority staff in various departments. This is exciting! As a longtime housers, most of us fell into this job. And by having fellows and interns come into the housing authority, we are creating future leaders in public housing throughout. This is something great and I'm proud that the housing authority stepped up and did that. I would like the Fellows to come up and introduce themselves. The Legal Department intern is not available today.

As always, I provide the board members a lot of information related to the President & CEO report. Today, I would like Corey Franklin to come to the mic and just give a brief report on our public housing units and occupancy. Mr. Coles, when Corey finishes, come up and briefly talk about our voucher program.

Corey Franklin: We have the Annual Contribution Contracts for public housing operation units, and it is 2,415 units total; out of those 2,415 units, we have 65 vacant units, which gives us an overall occupancy of 97%. We have two properties, Cuney Homes and Oxford that are at 95% or a little bit below. So with those two properties, we are starting to work with our property management companies to develop programs and systems to make sure that we can improve occupancy. Within that our goal is by next month to see some upward trends within those two properties. Are there any questions so far?

Secretary Northern: We usually have vacancies, and natural attrition repairs need to be done. There are no long-term vacancies related to that; it is more so going through the process. So, every given day, we may have a vacancy coming up in our program. Any other questions for Corey?

Commissioner Smith: I have one question, and you may not have the data, but how do the rates that you just talked about compare with those of other housing authorities?

Corey Franklin: I do not have it readily available, but I can contact our local field office and get some data to share.

Chairman Proler: I would appreciate it if you would because I was the one who initiated the request for this information based on HUD wanting to know specifically how our fleet looked and what our vacancy rate was. I'd also like to know what the approximate budgeted cost is. In the 65 that are vacant, are they vacant because they're not in a position to rent? Or are they rentable, and we just don't have prospects?

Secretary Northern: Yes, sir. And then, at that point, that will be a combination of each turnaround, which may cause different conditions on the type of unit. Corey will pull that information for us, but I can tell you that HUD's national average is 65%. If you are under 96%, HUD will start looking at you as having issues.

Commissioner Carter: The tenants, do they come off the list of applicants?

Secretary Northern: Yes, sir.

Commissioner Aceves-Lewis: I would like to get more information about the 65 vacancies and the reasons why they are vacant.

Kenny Coles: You should have before you that voucher program. Essentially, HUD budgets the Housing Authority a certain amount of funding on an annual basis, and it could change several times during the year, so these numbers are based on our funding on June 1st. We had a little over 19,948 "vouchers" that we were budgeted for and we are utilizing, in most cases, overall 97% of the vouchers we have available. The issue,

of course, is that we've overspent on the funding that was available, so we are no longer leasing. Even though, as we clean up, we're finding a lease up here and there and a termination here and there but overall remaining steady at 97% of utilization of those 19,948, I'll call them vouchers. I struggle for a title because even though we get budgeted for vouchers, our project-based voucher program has 1,108 active units at this time, there is no separate funding for that. In order to create a project-based unit, you must convert one of the housing choice voucher units. So, out of the 19,948, you have to subtract out those that we assigned for the project-based, and then it also doesn't include a few of the special purpose vouchers like mainstream, emergency housing vouchers, and also our MOD rehab program vouchers. Those are the numbers, and that's where we stand. Are there any questions?

Commissioner Aceves-Lewis: I'm just looking at voucher utilization on page 2. I'm also looking at the foster youth initiative, which looks like it's about 16% overutilized.

Mr. Coles: that's correct

Commissioner Aceves-Lewis: Then the homeless preference is 54% utilized. So are those vouchers available and they're just not being used?

Mr. Coles: The vouchers are available, but due to the shortfall, funds are not available to allow those options to be used.

Chairman: Have the 490 project-based vouchers for the properties below been set aside when those properties are ready for use?

Mr. Coles: When project-based vouchers are awarded to projects, we don't set aside vouchers at the time that they are awarded because, typically, those projects are coming online years into the future. HUD's funding pattern doesn't allow us to budget past more than a few months but our turnover, on a monthly basis, is actually enough for us to meet any number of vouchers that we need to convert to project-based. So, as time gets closer to when projects are coming online, either groundbreaking or over towards contracting, we will have the vouchers available to convert to project-based at that time.

Secretary Northern: I just want to mention that last Friday, we conducted a tour of the 800 Middle property, and that tour consisted of HHA staff, a few board members, representatives from the Mayor's office, a City Council member, and also a representative from other City Council. We had the opportunity to go out and see the property and have discussions about the environmental aspects of that. We had our environmentalist and our attorney there as well. It was really good to showcase the property with some of the city leaders.

I had the opportunity to meet with the Westchase District board meeting to explain what we do and how we continue to try to be a partner with them.

In May, I was invited to speak at the U.S. Housing Conference, which was hosted in Dallas. I was on the opening panel and we discussed the various trends in the housing market related to housing. This was a great opportunity and I was able to build some alliances and network. A number of HUD officials who were here today were also at the conference.

Commissioner Smith: One of the things that I enjoy doing is bragging on people, and when HUD came down today and presented those huge checks to us, to me, that was saying that you and your staff are doing one hell of a job as far as meeting the needs of our community. The only thing I'll ask you and your staff to do is to maintain the momentum.

Secretary Northern: Thank you. I appreciate that. Our staff works really hard, and that's how HUD recognizes that by providing additional resources to build and grow the community.

Chairman: I'd like to express my gratitude to the members of the Commission who visited 800 Middle St. last week. It was moving. Nick, I see you're here now, and I want to thank you. I've received numerous calls from City Council members and the mayor's office expressing our appreciation for the quality, the environment, and the fact that folks are really going to benefit from that, so thank you.

V. PUBLIC COMMENTS

Chairman Proler offered the use of interpreters to be available to Spanish, Mandarin and Vietnamese speakers who may need assistance for public comments only.

Tony Harrison, Founder & CEO of Etched Communication: We've had the honor and privilege of working with HHA for the past few years, and I'm here to share something special. Last week in New York City at the American Business Awards, which is considered the Oscars of Business Awards, Houston Housing Authority and Etched were awarded the highest honor for PR campaign of the year. With the commitment and dedication that exists here at the Housing Authority, we received the award for our heat relief initiative campaign, which installed 1,600 AC units in the hottest summer on record in the public housing community. In addition, our residents were hired by the vendors to assist with those installations.

Esperanza Rodriguez, Irvinton Village Vice President: We are really excited to hear the results of the Choice Neighborhood, in August and I have a feeling we will be accepted. I want to let you know as a resident, simple words and concern and hearing concerns in my neighborhood that, they're excited and glad that things appear to be changing. One of the most important things that I think we are excited about is our elections. Our election will be on Friday, July 19th, starting at 5:30 PM in the community room. I would like to request that you attend the July meeting, as it would let residents know that you really are involved with Irvinton Village. In prior years, the board was held at the properties, so I would like to ask if you intend to do that again.

Chairman Proler: We do intend to do that this year, but it will not be in July, but it will be before the end of the year.

Verdell Ingram, Cuney Homes, Resident Council Treasurer: As a resident and as a member of the resident council, we want to be part of the economics too. Millions are coming all around, yet some of my people are being put out because they can't pay the rent. We want part of the economics, also meaning they want jobs and some of the contracts. They want training on how to negotiate for the contracts. You give contracts to an employee through subcontractors that they never allow us to move. When you look for people, look at the residents. How can you hire residents? How can train them? Some of them want to be trained and how can they be contracted? I appeal to the board to say, please do not forget to the pool of residence.

Wayne Dolcefino, Dolcefino Media: More concerns about 800 Middle. First of all, I heard you guys talk about 800 Middle, and it's a beautiful place. The problem is maybe the NRP guys or your environmental consultant didn't tell you, but just yesterday, when they were digging up the hike and bike trail on that part of that property, that government taxpayers got scammed over, on your

property, it was covered with incinerator ash. In fact, if any one of you wants to go out there today, I'll be happy to show you. We've got pictures of it and videos. We can send you some this afternoon. This is the same place we were told was clean. Now I know some samples have been taken, and just the other day, when I met with the attorney general and his criminal investigative team and with the TDHCA that issues the bonds, they don't even trust your environmental consultant to go back and do the work. There have been some more samples, I think they're on the northwest side of the property, which is the nice side, but no one is taking any samples over there by the fence, so I got pictures today and a video that will show you incinerator ash and all kinds of bottles, oozing up from the ground. When I looked at the Tower Report, I noticed a couple of things. The engineer didn't come here and never went to the site. He took a 45-year-old study and simply said, well, based on that study, here are the numbers. I noticed one other thing. No one from Houston could do this report. We went to Ohio to find an engineer to do this report. Chairman response: Mr. Dolcefino, it's not normal for this board to respond, and I don't want to get into a discussion, so please, if your remedy is in a court of law, then you are more than welcome to go down to the courthouse and hire a lawyer to pursue it.

Chairman: Mr. Dolcefino, it's not normal for this board to respond, and I don't want to get into a discussion, so please, if your remedy is in a court of law, then you are more than welcome to go down to the courthouse and hire a lawyer to pursue it.

Javed Anwarv, Spring, Landlord: 15 years ago or so, I want to give you the story, because I want you to feel good about what you're doing. Jessica was a tenant with 6 kids, and she was devastated she was struggling in her life because of everything that was going on there. For 10 years, she stayed with me, the first kid came out of school as a valedictorian. You guys not only gave her a residence but you gave her a chance, and that part is important, so kudos to you, and thank you very much.

Lana Pham, Realtor: Requests that we please reconsider the Payment Standards.

Ash Hamironi, School Board of Trustees for SMSA: I'm here today on behalf of the countless residents who call your community homes, including many of my teachers and my students. I want to take a moment to say thank you because I think the work you do does not get recognized often.

Jennifer, COO, Apartments Concierge: I wanted to report out just to say that we appreciate the Housing Authority and what we're trying to do and have a collaborative relationship.

VI. NEW BUSINESS

A. Resolution No. 3783: Consideration and/or take action to authorize the update of the previously approved loan amount and lender in Resolution No. 3756 for The Oaks at Fall Creek transaction to reflect a principal loan amount not to exceed \$40,000,000 from Texas Capital Community Development Corporation.

PRESENTED BY: Jay Mason, Director, REID

Commissioner Carter: I would like to discuss this during the Executive Session.

Ms. Hovell-Cox: This must be discussed during the public session; it is not an executive session item.

Commissioner Carter: I'm very disappointed in this document and almost everything that we've received from staff explaining what the resolutions are, any actions they managed to take and what they recommend. I'm not saying that they were appropriate ultimately, I'm not saying that they aren't good benefits decisions. I'm saying they are very poorly explained. It's a 70,000-foot overview of these transactions. There is actually no transparency. I had been told that these transactions offered no liability to the organization and now I find out that we have pledged the property that were purchased to the lender for the building and they would do that now until we do that in every transaction.

Shannon Hunter: I am the outside Development Council to the Houston Housing Authority. Commissioner Carter and Chairman Proler, I would just like to say for the record that the Houston Housing Authority has not purchased this property. It has not expended funds of any sort for this property. This property, if purchased tomorrow ideally, the funds will come from the developer and this loan that we are seeking approval for today, so it is not correct to say that the Housing Authority purchased the property and is pledging it. The Housing Authority, quite to its benefit, will own the fee but not due to it spending any money to do so. But the issue with this resolution is, that no fault to the staff, myself, or anyone in this room when the developer came to this board earlier this spring for approval of this resolution, the approval to proceed with this transaction which will bring 357 units to a high opportunity area, they named the wrong lender.

We rely on the information that is brought to us by the developer. I don't recall; I think they actually changed the lender at mid-process because they got a better rate and a better deal, and now the new lender at Texas Capital Community Development Corporation has required that prior to closing tomorrow, this board explicitly approved the loan from that lender. That is all that is changing. There is no substance change to this transaction as previously approved except that who is providing the debt to the project owner, not the landowner which is the Housing Authority, to the project to facilitate the development of this project.

Chairman: The Housing Authority will own the land

Ms. Hunter: and it's not expanding any funds to do so

Chairman: but there'll be a lien by the lender on the improvements on the land, and I would presume in order for the lender to have a perfected lien in the improvements, the Housing Authority will have to execute a subordination.

Ms. Hunter: There will be a joinder for a subordination but it is important that I clarify, if I may, that the Housing Authority is not a signatory on the note.

Commissioner Carter: I know that, clearly, what I'm saying to you, Council, and what I'm telling everyone on the board, this is an overview; it lacks specificity. You want us to approve something that may be absolutely commercially appropriate, but you're not telling us about it, and I am concerned about transparency. I'm concerned about knowing what you're asking me to do and supporting what you're doing because it's best for this organization and community but don't feed me stuff that is incomplete and unclear. We are subordinating positions of the ownership position of this property to the lender for the borrower, clear it's listed as the first item in the collateral. If we're going to do this, and it's appropriate, then I have no problem with it. I want to be told what we're doing, guys. It's not fair to me, to you, or these folks out there.

Chairman. I think that this is a transaction that was approved previously and as it relates to this resolution, commissioner, it's only a name change. I actually believe it was Texas Capital Bank was the named institution but for the record, that's what this resolution is about. For the record, I believe, and

I don't want to get off track here, but I do believe that from a structural standpoint, that is how virtually all of these transactions have always been handled. The Housing Authority enters into a subordination agreement with the developer and the developer assumes 100% of the liability risk for the development of the property and in order for the lender to have a perfected security interest in the asset that they are taking their risk on the Housing Authority provides that subordination to them. Am I saying that correctly?

Ms. Hunter: Yes. I just want to reiterate that I think it's important for these people to understand that at the end of this, the Housing Authority will own a project they had never spent any money on.

Commissioner Carter. I don't need to be told that we won a lottery; I need to be told how we got there and what our risk is in getting there.

Shannon. I'm happy to have that conversation offline.

Chairman: I think that's a good idea, but as it relates to this resolution, if you're uncomfortable, you're more than welcome to vote against it, but as it relates to just the name change, I think we ought to go ahead because the structure, Eric, is the structure that it's they've always had.

Commissioner Carter: Mr. Chairman, I've asked every appearance in this building if we pledge the property or pledge anything in support of these PFCs, and I was told no, not once, not twice, but three times. Now, look, all I'm saying is that someone may think subordination is not necessarily taking a risk. I don't see it that way; it's not the way I understand the law.

Chairman: Well you're a lawyer and I'm a 40-year banker and I'll tell you I don't agree with your comment. I believe that the Housing Authority contributes this land and it gets something in return after the property comes back to us.

Commissioner Carter. I don't disagree with you, Mr. Chairman. I'm not saying that.

Chairman. but we have no liability

Commissioner Carter. Well, we have a risk

Chairman: There's a difference between risk and liability, but let's do this. The only thing that is being asked of this resolution is a name change. If you're uncomfortable, please vote no. Otherwise, I'd like to at least try to get the resolution approved. If there are others that have thoughts or comments. I understand your point and I can assure you before the next meeting, legal counsel will be in your office fully explaining all of these to you. OK, let's do this. We can go ahead and...

Commissioner Aceves-Lewis: I'd like to understand more about the risk that you're seeing.

Chairman. I understand that you want to understand the risk, and you're more than welcome to participate in that meeting, but this resolution only relates to a name change.

Commissioner Aceves-Lewis: I mean, if, for example, this name change wasn't passed, would this project not move forward?

Chairman: It would have already been approved and moved forward. It's only that there has been a change in the name of the lending institution because when it was memorialized and approved, it was the wrong name, and they were trying to just correct the error.

Commissioner Aceves-Lewis: If it didn't get passed today...

Chairman: The lender is requiring that the name be correctly put into the resolution to close the transaction.

Secretary Northern: If this resolution doesn't get approved, then the deal dies.

Commissioner Aceves-Lewis: I think, and just for transparency purposes because commissioner partners brought this up, and I think it would be informative for the rest of the board just to understand a little more what Commissioner Carter is saying. I mean, we're relying on this expertise of additional council, and we appreciate Jennine and Shannon, but I think he's also bringing a different perspective that I think can be helpful to give us insight, so I don't want to take a lot of time either I know that we want to be smart with our time

Commissioner Carter: Mr. Chairman, just give me a moment because I don't disagree with what we're doing or that it needs to be done or the urgency of it tomorrow, and we don't want to delay that it's simply that we can't brush off a subordination as though there's no real-life risk that we could lose control of the property and even our default. The possibility of the fault is minimal, to say the least, because of the hard work done by the staff and making sure that they qualify the participants.

Chairman: Well, you're right. However, I have foreclosed on real estate in my career that had subordination. Don't forget this fact: We have the right to go in and procure that if the developer defaults, so that is a part of the risk that we take in these deals. We are not left holding the bag.

Commissioner Carter: I'm saying that it is not disclosed. You're talking transparency.

Chairman: We have a plan to improve that

Commissioner Carter: That's the reason I brought this up. That was my disappointment. We are a new board, this is a new day and we have a chance to make some changes and the changes ought to be that everybody understands every transaction and what our participation and role is in those transactions.

Commissioner Li: I understand Commissioner Carter's point of view. Transparency is very important, but I think if we look at the resolution, it was approved before. So I think you went beyond this resolution I would like to make a motion to approve it, and then but hopefully, in the future, the staff can understand the transparency and maybe a little more language about the resolution. The risk is there, but the thing is, we spend no money on that, but I think this resolution that is about approving the lender so we can move on.

On motion by Commissioner Li and seconded by Commissioner Smith. The Board unanimously approved Resolution No. 3783.

Secretary Northern: I feel very strongly about transparency and we want to make sure the board is comfortable in terms of voting. We want to know what you want. We can give you 5 books like this for every deal, but we need to know what you're looking for, and as we continue to build and grow as a team, we'll get there. As Shannon mentioned, all our deals work like this. I just want to assure the board that we want to work with you in order to get you comfortable. We just want to know what you need from us to help. As you said, it's a new board and so you know this board is different from the last board in some ways and they ask for different things we want to accommodate them.

Commissioner Carter: just clear language

Ms. Hunter: Commissioner Carter, you're an attorney no one has ever had an interest in it before but I am happy to send you the loan documents for each and every one of them. A vast majority of these deals are Fannie Mae or Freddie Mac agency loans, which have formed documents, so they are already out there on the Internet, and I am happy to direct them to you. There's nothing non-transparent on here there to the whole nation and I'm happy to point you to it.

Commissioner Carter: I asked for a copy of the partnership agreements so I can see the structure between HHA and the developers and PFC's and I still haven't gotten it.

Ms. Hunter: That is probably because we have not done a PFC deal in at least four months, but I am happy to give it to you.

Commissioner Aceves-Lewis: I'm just wondering, besides for Commissioner Carter, is there kind of a dumb-down version for us non-legal people because we also have to read it and get the information, so maybe I don't need the technical language like Commissioner Carter, but I do want to have a basic understanding

Chairman: Let's just do this for simplicity purposes. Let's share whatever information you share with Commissioner Carter with Cynthia, and if she has any questions, she can highlight them because, I mean, those documents are quite extensive.

Commissioner Aceves-Lewis: I don't want to get in the weeds, and I don't think anyone else does, but we do need enough information to inform us to vote. I don't want all those documents; a summary would be nice.

- B. Resolution No. 3784:** Consideration and/or to take action to authorize the President & CEO or designee to execute a contract with Allied Universal Security Services at HHA's Elderly Developments (i.e. Bellerive and Lyerly).

PRESENTED BY: Brian Terry, Director of Security

Chairman: I have one question and one comment. This was an excellent presentation. Thank you for the thoroughness and the evaluation process; I appreciate it. My question is, was the \$772,000 contract—and I'm looking at finance here—budgeted? Is this in line with the budgeted amount as it relates to what was intended?

Mike Rogers: If this contract is awarded, it will be factored into next year's budget.

Chairman: But for this portion this year, is it within the guidelines that we had originally budgeted?

Mr. Rogers. yes.

Mr. Terry: Each year, we try to keep the prices as low as we can, even though we can do an option year. After that, we try to keep the price the same so that we don't increase. We've been successful in doing that over the years, and we're going to work with Allied to continue to do that.

Commissioner Carter: This was a very detailed report, and I understood what you were saying and all the hard work you put into it.

Commissioner Aceves-Lewis: so we have a total of how many facilities that provide security?

Mr. Terry: We have some type of security at all our developments, but this is a Senior High Rise where we use security companies. For some of our properties, we have a contract, so we get precinct 6 to patrol, and some properties have HPD officers live there so there's a mixed range of types of security at our developments.

Commissioner Aceves-Lewis: So the senior housing, that's where we hire private security. OK, so in total, there should be 4 for senior housing?

Mr. Terry: Yes

On motion by Commissioner Smith and seconded by Commissioner Aceves-Lewis. The Board unanimously approved Resolution No. 3784.

- C. Resolution No. 3785:** Consideration and/or take action to authorize the President & CEO or designee to purchase computers and software licenses from Dell Marketing, L.P. in the amount not to exceed \$200,000.

PRESENTED BY: Roy Spivey, Director of InformationTechnology

Roy Spivey: We have a spending limit of \$100,000 for any single vendor per year. Due to computer purchases for new grants and new employee hires, we have reached that limit so we're asking that this limit be raised to \$200,000 for the current year, 2024 due to the future acquisitions that may happen for both grants and new open positions. So far this year, that 100,000 was spent on grants, spending \$40,000, and on having inventories that for new employees, we spent \$60,000.

Commissioner Aceves-Lewis: Just curious about how many employees you expect to come on board that you already prepared with laptops

Mr. Spivey: We have a queue of about 75, but in reality, we never hire that many because we have some people that leave so, possibly 20. Each laptop costs about \$3400 but that includes the laptop, docking station, any software, and a warranty is needed to cover at least three years.

On motion by Commissioner Aceves-Lewis and seconded by Commissioner Li. The Board unanimously approved Resolution No. 3785.

- D. Resolution No. 3786:** Consideration and/or take action to approve Victory Street Public Facility Corporation's Issuance, Sale and Delivery of its Multifamily Housing Revenue Bonds (800 Middle), Series 2024

PRESENTED BY: Jay Mason, Director, REID

Chairman: I have one comment and a favor to ask on this one please. I would like for an attachment or a tag to this resolution to be documented; I do think we need to have an outline of the exact uses of the \$12 million. Who's getting what, when, how, and what. I believe that the Housing Authority is going to be repaid some funds that were advanced to this project from the proceeds from these bonds. I don't need a long list, I just need a chart, I just want it tagged to know exactly where the specific use of the funds are. If you'll do that as part of the minutes, I appreciate it.

Commissioner Aceves-Lewis: I would say that it would also be helpful to have more explanations about this resolution, but you know what you said, but then also just understanding. I think when we have our board prep, there's a redistribution, etcetera, because that's a process that's not intuitive and wasn't understood from the resolution, so to the extent we can have that information for the rest of us, that would be helpful.

Commissioner Carter: I'd like to understand something that the original funding was added because of the change in the marketplace and even greater expense and the development, so therefore the reallocating funds from pot A into pot B, but all the money had already been allocated appropriately, you just want to reallocate some.

Chairman: I think there's a hybrid of that. I mean, there were clearly higher interest costs associated with what was originally budgeted. There were clearly costs that the Housing Authority hadn't budgeted on certain remediation issues. Am I saying this correctly?

Ms. Hunter: Yes

Commissioner Carter: Mr. Chairman, I think it's exactly what you're saying, exactly what I've been addressing.

Chairman: Which is why I asked that we chart it and I want the Housing Authority to get its money back.

On motion by Commissioner Carter and seconded by Commissioner Li. The Board unanimously approved Resolution No. 3786.

- E. Resolution No. 3787:** Consideration and/or take action to authorize the President & CEO or authorized representative of the Houston Housing Authority to approve HHA Fountainview PFC's Issuance, Sale and Delivery of its Multifamily Housing Revenue Bonds (Arboretum at Woodland Hills Apartments), Series 2024A and Taxable Multifamily Housing Revenue Bonds (Arboretum at Woodland Hills Apartments) Series 2024B, and the execution of all required documents therefor.

PRESENTED BY: Jay Mason, Director, REID

Commissioner Aceves-Lewis: Is it 100% affordable housing?

Mr. Mason: It is 100% affordable housing with all of the units 365 at 60% AMI. This resolution was just approving the issuance of the bonds.

On motion by Commissioner Li and seconded by Commissioner Carter. The Board unanimously approved Resolution No. 3787.

VII. CONVENE AN EXECUTIVE SESSION

Chairman Proler suspended the Public Session on Tuesday, June 25, 2024 at 4:16 p.m. to convene into Executive Session to discuss personnel, legal and real estate issues in accordance with Sections 551.074, 551.071 and 551.072 respectively, of the Texas Government Code.

Chairman Proler reconvened the Public Session at 6:03 p.m.

Chairman: I am going to do this in an abbreviated manner. As many of you know, we have an Investment Committee, which consists of President Northern, myself, and Commissioners Li and Smith. We meet

monthly, at longer meetings than this, and meet with the REID team to discuss each and every one of these properties.

Comm Lewis has asked us to add additional information to that process, specifically the scorecards; we will do that going forward. However, I want to be clear: much of the information we evaluate does have the scoring information in it, but the full scorecard will be part of that process going forward.

Chairman: We have five transactions today to approve. Four are new construction projects. Let me highlight for each of you why I am recusing myself. The developer of Ariza Park Row (Resolution 3790) is a client of the bank where I am an officer of. He is not my client but a client of the bank.

To highlight some very specific points for all of you, these five projects, one existing and four new construction, total 1,003 units. The total average score is 128%. If you remember from last month's meeting, the goal is to be at 95% of public benefit value, and these five transactions should generate in excess of \$37m over the next ten years for this housing authority. They are very good projects in exciting areas.

- F. Resolution No. 3788:** Consideration and/or take action to authorize the President & CEO or authorized representative of the Houston Housing Authority to authorize the acquisition and development of Arboretum at Woodland Hills located in Humble, Harris County, Texas 77346, and the execution of all required documents therefor.
- G. Resolution No. 3789:** Consideration and/or take action to authorize the President & CEO or designee to execute a Memorandum of Understanding with Maple Multi-Family Operations, L.L.C., a Delaware limited liability company, for the construction of Allora Med Center, an apartment community to be located at or about 10201 Main Street, Houston, Texas 77025.
- H. Resolution No. 3790:** Consideration and/or take action to authorize the President & CEO or designee to execute a Memorandum of Understanding with Cypressbrook Management Company, for the construction of Ariza Park Row, an apartment community to be located at or about 1100 Blackhawk St., Houston, Texas 77079.
- I. Resolution No. 3791:** Consideration and/or take action to authorize the President & CEO or designee to execute a Memorandum of Understanding with TX GP DEVELOPMENT, LLC, a Texas limited liability company, for the construction of Orem Circle, an apartment community to be located at or about 0 Martin Luther King Blvd., Houston, Texas 77048.
- J. Resolution No. 3792:** Consideration and/or take action to authorize the President & CEO or authorized representative of the Houston Housing Authority to facilitate the acquisition of The Highbank Apartments located at or about approximately 8877 Frankway Dr., Houston, Texas 77096, and the execution of all required documents therefor.

Chairman: I would like to ask for a motion to consider Resolution Nos. 3788, 3789, 3790, 3791, and 3792 in seriatim.

Commissioner Carter motioned. Commissioner Li seconded the motion.

Chairman Proler asked for a motion to adopt Resolution Nos. 3788, 3789, 3790, 3791, and 3792, with his recusal of Resolution No. 3790.

Commissioner Carter motioned, and Commissioner Ballard seconded.

Chairman Proler asked if there was any discussion or objection to adopting Resolution Nos. 3788, 3789, 3790, 3791, and 3792. Having none, the Chairman called for a vote. All voted in favor, so Resolution Nos. 3788, 3789, 3790, 3791, and 3792 were approved.

VIII. ADJOURNMENT

Chairman Proler said this concludes the items on today's agenda and declared the meeting adjourned at 6:08 p.m.