



**HOUSTON**  
HOUSING AUTHORITY

Transforming Lives & Communities

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**MINUTES OF THE HOUSTON HOUSING AUTHORITY  
BOARD OF COMMISSIONERS MEETING**

**TUESDAY, OCTOBER 15, 2024**

**I. CALL TO ORDER**

A Meeting of the Board of Commissioners (“Board”) of the Houston Housing Authority (“HHA”) was held on Tuesday, October 15, 2024, at the Houston Housing Authority Central Office, 2640 Fountain View Drive, Houston, Texas 77057. Called the meeting to order at 3:00 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, Commissioner
- Kenneth C. Li, Commissioner
- David A. Northern, Sr., Secretary

**LATE ARRIVAL:** Kristy Kirkendoll – 3:16 p.m.

**III. APPROVAL OF THE MINUTES**

**A. Board Meeting Minutes – September 17, 2024**

On a motion by Commissioner Smith and seconded by Commissioner Carter, the Board approved the September 17, 2024, Meeting Minutes.

**B. Board Meeting Minutes – September 24, 2024**

On motion by Commissioner Li and seconded by Commissioner Carter, the Board unanimously approved the September 24, 2024, Meeting Minutes.

**IV. INTRODUCTION OF THE INTERPRETERS**

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

**V. PRESIDENT AND CEO OPERATIONS REPORT**

Secretary Northern stated he provides a monthly report to all board members to discuss external events.

**GROUNDBREAKING**

The Oaks at Fall Creek ground breaking on October 1, 2024. Commissioners Smith and Li were in attendance.

### **HHA GOLF TOURNAMENT**

Donna Dixon coordinates this event every year. We had some great supporters and I think this year, we raised more than we ever raised before. I think we raised over \$83,000 before the event started and then a little more funds. It was great to see all of our partners at the event and a number of staff members participating. I want to say thank you to Donna for all your hard work related to this event. Our young people that received scholarships were so excited.

### **Voter Registration and Resource Fair**

The Houston Housing Authority hosted assistance for our clients and/or employees with Voter Registration.

### **Latino Humanitarian Award**

I received the Latino Learning Center program Humanitarian Action in the Community Award. I was not able to attend as I had hoped but very thankful that Vice Chairman Smith was able to attend and received it on my behalf. I wanted to show it to you all and say that I accept it on behalf of my team and everything that you do, and the hard work that you do for the clients that we serve constantly.

### **Faith & Affordable Housing Summit**

Lastly, on Saturday, October 12, I was a panelist at the Faith & Affordable Housing Summit which was led by Councilwoman Tiffany Thomas who is also the chair of the Housing and Affordability Committee. Secretary Fudge gave a welcome speech. There were a number of young people from Prairie View A&M who attended. It was about Churches and other organizations wanting to do development of that community and how they can partner. It was very well attended. It was great opportunity to talk to individuals that have faith and that have property they want to be part of the development. And one thing you need to know is that organizations of faith own more property than any landlord almost in the whole United States.

Commissioner Smith: You know, you mentioned that there were the proceeds from the golf tournament. Could be used to award scholarships, yes. Do you have any idea possibly the number of scholarships that will be granted as a result?

Secretary Northern: Well that number depends on the number of individuals that apply. I will let Donna answer that question.

Ms. Dixon: This year we gave out \$20,000 in scholarships. And for the very first time, we had a mother and son that received scholarships. The mother is a student at TSU, and the son is a student at Texas, A&M. One is studying nursing, and one is studying business. Our scholarships are not just for graduating seniors they are for people who may go back to school. For instance, a mother who may have dropped out of school early had raised a family, and this is an example of Miss Love and her son going back to school. One scholarship was an \$8,000 scholarship for a Weaver scholar, and she actually came to the golf tournament. We don't have her speaking, but I think we have her up here. We're going to show a video of the golf tournament. It's a very short video. I think that you all will enjoy seeing it.

Secretary Northern: Donna, you mentioned the Weaver scholarship. Robert Weaver was the first secretary of HUD and so that scholarship was named after him.

Ms. Dixon: The other scholarship is Carmen V. Orta Scholarship. Ms. Orta used to be an HHA board member and she actually started the nonprofit organization. Her family is very, very involved with the tournament every year.

Chairman Proler: We are going to watch a video first, then open up for public comments.

## VI. PUBLIC COMMENTS

Verdell Ingram: I'm with Cuney Homes, and I'm here again today to tell the Board that I need your help. I've already addressed it with the property.

- A.A. Plumbing is charging me for overtime, totaling \$303.00. I do not employ them, so why am I getting charged? Every now and then, they have to come out and unstop my sink due to the corrosion.
- A.A. Plumbing's contract needs to be reviewed.
- The CNI Meeting dates must be shared with the Cuney Homes residents. I was getting calls from residents asking when the meetings were. I was not invited to the prior meeting (September 26, 2024), and Commissioners Ballard and Kirkendoll were not invited either. We did not understand how the people could come from Washington, DC and we do not even know there was a meeting. We also did not know what it was about. We want to be part of all of those meetings (Housing, People & Neighborhood) so please make sure we are informed and get invitations.
- Investment Group: Commissioners Ballard and Kirkendoll are not in this group so we feel like we are not at the table because when you all leave, they are still part of us. So, if you are leaving them out of the investment group, what are you saying to the residents?
- Remember Cuney residents are your customers.

Mr. Ed Pettitt, VP of the Greater Third Ward Super Neighborhood, founder of Friends of Columbia Town Columbia Tap Trail and I'm a graduate research assistant at the Bullard Center for Environmental & Climate Justice at Texas Southern University. All three of those organizations were participants in the Third Ward Cuney Homes Choice Neighborhood planning initiative. It was a privilege to be a part of it because it really was an amazing example of community-engaged planning. I am both a student and practitioner of planning, and I've seen a lot of planning that comes to the residents with a fully baked plan and just really asked them to sign off on it, but some attempts at getting feedback were not incorporated. I really saw residents engaged and I think a lot of debt is owed to the revitalization manager over that process, Sasha Marshall Smith. I have had the pleasure of working with her, even in her previous roles with the planning department. She's an amazing planner. She did a great job. I loved working with residents like Miss Verdell and others, too, for the ambassadors on that program, and I really want to make sure that we do them justice. My Rotary Club donated a bench that was going to go into the pocket park that's been mentioned in the news. Originally, we were holding a festival in March. It got delayed due to the weather. The weather also delayed the construction of the pocket part and was postponed until May so, we thought by May the pocket park would be ready for the ribbon cutting. We did do the ribbon cutting, but a lot was unfinished. There were no benches, no picnic tables, no chess tables. Some of the solar lights were still missing and it was very disconcerting. Even the bench that we had donated months before was still sitting in a shipping container locked away. So it wasn't even ready for our event. Shortly after that event, I told Sasha that I would need our bench back because our year is coming to an end, our fiscal year, and we do account for the donations we've made to the community. Sasha said let me see what I can do. She didn't seem to have much support. She tried to do things and wasn't successful. Out of the blue, I got a call from one of the contractors, LeMontre Woods. Sasha said she did not give him my number so I don't know how you got my number. He said, I heard you're trying to get your bench back. You can't do that. We're going to install it. We got the contract. I asked if he could install it by next week, this was mid to late May. He's like, sure, we'll get it done, You know, by the end of May, next week. That came and went and nothing got installed. I said, well, we need it by the end of June. That's when our year is up. It still wasn't installed. Finally, I got someone at the Housing Authority to unlock the shipping container. I got the bench out and installed it myself. I paid for another private person to install it. I want to make sure that we do justice to this project. The Pocket Park is a good idea. The news misrepresented it. The first phase, you know, they overpaid, and it wasn't complete, but there are still two other unfunded phases that are supposed to be funded, other than the

implementation grant that still needs to happen. So let's not let this problem, tarnish going forward. I'm glad that you're going to look at the contracting later today. That needs to happen.

Cynthia Ware, 2100 Memorial resident. I'm very grateful to the city. I absolutely love my apartment. I have the following concerns:

- There is nobody there for the tenants. She would like for management to have a resident liaison
- Phone calls not returned
- Office staff is not nice to residents
- No update on what's going on in the building
- Front door broken
- Someone tried to break into her apartment, and she feels unsafe
- She and another tenant received a lease violation

Christina Wesley, HHA employee since 2012. Thank you for the opportunity to speak. I'm hearing a lot of negativity against people from someone who's been here, I just want to say that this place is much better since this team has gotten here. I came here in 2012 as a temp employee and then HUD was talking about taking over. It took years and years, little progress here, a little progress there, but nothing to the magnitude of what's happened in the past two years since this team has gotten here. I know we hear a lot about this negative stuff, but I want to say personally, that I applaud this team for what they have done and where they have bought this place from. When Mr. Northern came, he wanted to speak to everybody to see what our concerns were. We had a chance to sit down and converse with him one-on-one or in the group to see what challenges he had. So I think that, again, he and his team have done an awesome job running this place. Never in all my years here have we been caught up on annuals. That is a massive undertaking. It wasn't easy. It was a lot of extra work and a lot of late nights. But I want to say that the whole atmosphere is changed. We do our best every day to come and transform lives. When they got here, I was ready to quit and I'm just being honest. But then, as I stayed and saw the changes, it made me want to stay and work harder to help people because I've been on both ends. I just want to applaud you guys. Keep up the good work. Let's get past all of this because we can always find fault in things. That is a hard job and nobody's perfect.

## **VII. NEW BUSINESS**

Chairman Proler: We'll move into new business now, but we're going to change the agenda up a little this afternoon, and I have some remarks I'd like to make, please. Before I formally present these next two resolutions, allow me to make some comments. When the mayor of Houston announced each of us as a new Board of Commissioners, he tasked us with ensuring that this agency was committed to growing affordable housing for all Houstonians and that our transactions would be transparent and that we would protect the taxpayers of Houston by negotiating mutually equitable real estate transactions and that any and all partners, contractors or any other services HHA paid for would be performed under full clarity and accountability. We've accomplished a number of milestones since March of this year when we started. To name a few. We've retained Board counsel. We've adopted a whistleblower policy. We've performed an audit of over 100 PFC properties to ensure compliance. We've approved over 4,000 units of affordable housing, resulting in over 57% of all units, including our public housing fleet and voucher holders that we serve which earn less than 60% of the area median income. Out of the 60,312 Houston affordable units we support, 34,452 are at less than 60% of the Area median income and 24,848 of those units are less than 50% of the area median income, or \$27,000 of income per year. These resolutions support this Board's commitment to each of you. And to all Houstonians that proper procedures, accountability, and transparency are used in the practices related to awarding contracts and the approval of payments under awarded contracts. Additionally, as this Board's Governance is responsible for the performance evaluation of our President and CEO, and so today I am recommending to the Board to hire a third-party evaluation firm to assess this agency is managed with accountability.

With that, allow me to present Resolution 3828 as the 1st order of New Business.

**PLEASE NOTE THAT THESE RESOLUTIONS ARE BEING PRESENTED OUT OF ORDER**

- **Resolution No. 3828:** Consideration and/or take action to authorize outside legal counsel to investigate the Houston Housing Authority's practices related to the award of contracts and the approval of payments under awarded contracts and report the findings to the Board of Commissioners of the Houston Housing Authority.

PRESENTED BY: Joseph Proler, Chairman.

On motion by Commissioner Smith and seconded by Commissioner Carter. The Board approved Resolution No. 3828.

- **Resolution No. 3829:** Consideration and/or take action to approve the hiring of a consultant to perform an evaluation of the President and CEO of the Houston Housing Authority

PRESENTED BY: Joseph Proler, Chairman.

This resolution states That the Houston Housing Authority Board of Commissioners authorizes the President & CEO to update the utility allowance rates in accordance with the utility allowance study for applicable Public Housing and Tax Credit Developments and make any corrections and changes, pursuant to the memorandum dated September 26, 2024, from Jay Mason, Director of REID to David A. Northern, Sr., President & CEO.

On motion by Commissioner Aceves-Lewis and seconded by Commissioner Carter. The Board approved Resolution No. 3829.

Commissioner Aceves-Lewis: Are we deciding today or is there another motion that we get to take so we could decide today?

Jonathan Brush: The motion authorizes the Chairman to execute the contract.

- **Resolution No. 3822:** Consideration and/or take action to Update Utility Allowance Rates for Applicable Public Housing Developments

PRESENTED BY: William Bryant, Energy Manager.

This resolution reads That the Houston Housing Authority Board of Commissioners authorizes the President & CEO to update the utility allowance rates in accordance with the utility allowance study for applicable Public Housing and Tax Credit Developments and make any corrections and changes, pursuant to the memorandum dated September 26, 2024, from Jay Mason, Director of REID to David A. Northern, Sr., President & CEO.

HUD requires that housing authorities review their utility allowances every year and bring them up to date. For this upcoming year for all the housing portfolio and tax credit properties. We utilize Siemen's Industry Incorporated which has an energy performance contract with us and that part of their contract will update our utility allowances. On the tax credits side, we use Nelrod. If there's a change of 10% greater, either up or down, we do have to give the residence a 30-day notice to make that change, and we post these results at the property.

On motion by Commissioner Carter and seconded by Commissioner Kirkendoll. The Board unanimously approved Resolution No. 3822.

- **Resolution No. 3824:** Consideration and/or take action to authorize the President & CEO or his designee to execute the 2024 Choice Neighborhood Planning Grant Agreement and the Grant Assistance Award Notification (HUD 1044) for the Irvinton Village and Near Northside Neighborhood..

PRESENTED BY: Lynn Henson, Choice Neighborhood Director

To provide a little background, the Houston Housing Authority (HHA) and the City of Houston submitted a Choice Neighborhoods Planning (CNI) grant application in June 2024 requesting \$500,000 from the U.S. Department of Housing and Urban Development to prepare a transformation plan for Irvinton Village and the Near Northside neighborhood.

Chairman Proler: My board book shows \$500 million so I want the minutes to reflect the correct amount is \$500,000.

Lynn Henson continued: On September 25, 2024, HHA and the City of Houston were notified by HUD that the CNI application was successful, and a grant of \$500,000 dollars was awarded. HUD has provided the standard CNI Planning Grant Agreement which requires signatures of both HHA and the City. HUD also requires HHA to execute the Grant Assistance Award Notification (HUD 1044) to proceed with the release of funds under the CNI Implementation grant.

I recommend that the Board consider this resolution, which states That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or his designee to execute the 2024 Choice Neighborhood Planning Grant Agreement and the Grant Assistance Award Notification (HUD 1044) for the Irvinton Village and Near Northside Neighborhood pursuant to the memorandum from Lynn Henson, Choice Neighborhood Director, dated October 9, 2024, to David A. Northern, Sr., President & CEO.

Commissioner Aceves-Lewis: Regarding some of what we have seen in the media related to contracting and issues that we have with Cuney Homes Choice Neighborhood Initiative, can you tell me what we plan to do differently so that we have more control over the contractors?

Chairman Proler: I don't think the question pertains to this resolution

Jonathan Brush. This is to the approval of the grant and is not germane to this resolution.

On motion by Commissioner Carter and seconded by Commissioner Li. The Board unanimously approved Resolution No. 3824.

Secretary Northern: The Houston Housing Authority, in partnership with the city, was one of 13 housing authorities nationwide that received this grant. There are close to 4,000 housing authorities nationwide, and it is a very competitive grant.

Chairman Proler: We are moving to resolution 3825 and we will come back to 3823.

- **Resolution No. 3825:** Consideration and/or take action to authorize the President & CEO or his designee to execute a Choice Neighborhood Initiative People Strategy Implementation Services Agreement with Urban Strategies, Inc. (USI), the People Lead for the Third Ward Cuney Homes Choice Neighborhood Implementation Grant program.

Lynn Henson: This resolution states, That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or his designee, to execute a Choice Neighborhood Initiative People Strategy Implementation Services Agreement with Urban Strategies, Inc. (USI), for the grant period of eight years in an amount not to exceed the HUD-approved budget of \$10 million dollars, pursuant to the memorandum dated October 4, 2024, from Lynn Henson, Choice Neighborhood Director to David A. Northern, Sr., President & CEO.

Chairman Proler: I do have a question. Could you please explain to this Board what an implementation services agreement is and how is it germane to this?

Lynn Henson: Under the HUD Agreement and the Choice Neighborhoods program, each of the Choice Neighborhood implementation grants which is \$50,000,000, requires that \$10 million of that grant be used to be spent and expanded on case management services for the residents of Cuney Homes. Those are services that are provided for all our choice neighborhoods grants for the HUD programs.

Secretary Northern: I would like to add to that. Again, this is a requirement for the grant. It's over 8 to 10 years and includes case management, health, safety, job training, education, and a lot more. Case management also improves how they help the community and individuals grow and be ready for that next step of Family Self-Sufficiency.

Commissioner Carter: Is it appropriate to table something like this until we have more information?

Mr. Brush: A motion can be made to postpone consideration of an item

On motion by Commissioner Carter to postpone consideration of this resolution and seconded by Commissioner Aceves-Lewis.

Commissioner Li: Is there a deadline?

Secretary Northern: Urban Strategies was part of our grant submission. They were the company that worked on our People component.

Chairman Proler: I understand, but I guess the question is for the benefit of those commissioners who would want to understand this if we tabled this for 10 days...

Commissioner Carter: So it makes me, but my, my concern is it's an eight to 10-year contract. I don't know how the contract works, how this particular vendor was selected. I don't know anything about it or how we would be certain that the services were performed over that period of time or how the payments are made each year. I mean there is none of that information. It's just asking to spend \$10 million and I don't think there's anything...

Lynn Henson: Commissioner, if I may, I would provide a little bit of that information.

Commissioner Carter: I know what you're telling me here now seems adequate, but it's not to me. I need to see some information. I made a promise about spending big numbers, and if it's time-sensitive, we need to know that.

Lynn Henson: There is some time sensitivity to it. After the Board of Commissioners approves this item, this also has to go into the city of Houston for their approval and signature. And USI has actually started interacting with residents within Cuney Homes and they've done that in good faith. The residents of Cuney

Homes have heard about the grant and have questions, and USI has been very vital in answering questions and proceeding with their case management work on the ground and at Cuney Homes.

Chairman Proler: Amy Connolly from the City of Houston is here. Amy represents the City of Houston Housing Department and will attend all of our meetings going forward. She will serve on a committee that we've established with Commissioner Ballard and Commissioner Li to provide oversight on all of the Cuney Choice Neighborhood activity.

Secretary Northern: And again, Urban Strategies was part of the application, so a lot of work they did was a part of the payments to the city, but the citizens of the two-mile radius that we're working on in order to jointly submit that application. So this contract is for them to move forward on the next phase of what we're doing.

Secretary Northern: Shannon Hunter, do you have something to add?

Shannon Hunter: Ms. Henson said what I was going to say. She clarified that although it's a part of the application, the board does hold the power to authorize you to approve the contract. Of course, any delay in the contract, rightfully so, delays the hiring and, of course, the process proceeding through the choice neighborhoods process.

Secretary Northern: We have a timeline, not saying we won't be able to make it, but each thing has a timeline.

Chairman Proler: In the interest of the request, we'll be here in less than 30 days for another meeting. I think that will give you the opportunity to review the documents, ask questions, and get answers.

Commissioner Carter: What I'm trying to avoid is coming to these meetings and being given an opportunity to approve some serious expenditures that are so time-sensitive that the board feels compelled to approve them to protect the needs of our clients. I don't want to be in that spot again.

Chairman Proler: I appreciate that, Eric. There is a resolution here, you know, further in that I have some concerns about.

We need to vote on the motion.

Commissioner Aceves-Lewis: If I could say that I have brought this up before, I was curious about the selection of this vendor. We don't have any information here, and I understand that the previous board looked at it, but since this is a new board, we want to see it, and that's helpful for us to make a more informed decision.

Shannon Hunter: Mr. Chairman, might you postpone this until the next meeting which will allow you to call a special meeting if necessary?

Chairman Proler: That's fine as well, if need be. We can call it to either a November board meeting or a Special BOC meeting, whichever comes first.

Commissioner Smith: That is a good compromise.

Chairman Proler: All in Favor say, aye.

The vote was unanimous to **TABLE** Resolution No. 3825.



- **Resolution No. 3823:** That the Houston Housing Authority Board of Commissioners hereby approves the Housing Choice Voucher Program Shortfall Action Plan including the fungibility of \$17.5 million dollars: \$15 million from unexpended capital funds and \$2.5 million from non-federal funds and reduction of the Voucher Program Payment Standards to 100% of the HUD published Fair Market Rents pursuant to the memorandum from Kenneth Coles, Vice President of Voucher Programs, dated October 9, 2024 to David A. Northern, Sr., President & CEO.

PRESENTED BY: Kenneth Coles, Vice President of Voucher Programs.

A way of a little bit of explanation, the HHA is one of about 800 housing authorities in the country that are in shortfall. Shortfall basically means that the funding that we receive from HUD to fund the program will not be adequate enough to meet all of our obligations through the end of the year. Part of that dynamic is because of the way HUD funds housing authorities, which takes a snapshot at the end of the year, usually around October of each year, and looks at the utilization of that housing authority's vouchers. And then based on that utilization, HUD adds an inflation factor and then that's what's budgeted for the Housing Authority for the upcoming year. Once the year starts, we receive 1/12th of whatever that budget is each month to pay for housing assistance payments to landlords and the utility allowance that goes along with that. That would be great if the program was static, but unfortunately there are changes to the condition of the participants in the program that affects the funding that we receive. So clients lose income. So our self-prepayment has to go up to cover that loss. Rents increase, landlords ask for rent increases so the previous year's rent doesn't apply in the new year. And then we have things like changes in family composition where the household that used to be a two-bedroom now needs a four-bedroom. A larger bedroom means a larger utility allowance and a larger rental payment, which means a larger assistance payment. All of these things affect the monthly payments that we make to the landlords, so a \$15 million payment for one particular month, the next month, it might be \$18 million, or it might be \$20 million. But the money that HUD has budgeted for us is a static number. So what ends up happening is that each month we have to borrow from the next month to pay the current month and at some point during the year that money runs out and then the Housing Authority is in shortfall and again, we are one of about 800 housing authorities, which is almost 25% of all housing authorities in the country that have to go through this and part of the process of shortfall is there are some requirements and some suggested fixes to mitigate this. One of the requirements is that we have to create a shortfall action plan that HUD can approve. We submitted the shortfall action plan to HUD, and they have basically tentatively approved it, but of course, that action plan needs approval from the board. Part of that action plan includes payments from 2 separate pots of money. There is a pot of money under the capital funds. Each year, housing authorities are paid funds into their capital fund account for public housing. For the HHA, that's about \$8 million a year. So, of that money that has built up in our bank account at HUD for capital funding that has not been spent, we're asking to utilize \$15 million of that total amount to go towards the shortfall. There's also another pot of the money that we keep in our accounts for non-HUD non-federal funds we're asking that \$2.5 million of that be used towards the shortfall. That \$15 million of unspent capital funds and \$2.5 million of non-federal funds equals the \$17.5 million that we're asking to contribute towards the shortfall in addition to what HUD rule pay towards the shortfall for the agency.

Commissioner Carter. I have two questions. What's the source of the money for the non-federal funds, the \$2.5? Where does it come from?

Secretary Northern: Mike Rogers, please come to the mic to answer these questions. We have an account called business activity which any income that the housing authority earns, may be developers' fees or cash flow that we received from a partnership.

Mike Rogers: It is what we call our non-federal activities, which would be like there are fees that are earned and COCC for the administration of these projects, including the voucher program, public housing program, the fees that are earned from the PFC program. All these real estate deals that we have, that money comes in that's non-federal. Essentially think of it from the standpoint the federal money is the money that HUD gives us that is specifically earmarked for one of the federal programs that we do. The non-federal money is funds that are earned from other activities that are not directly related to like the voucher program, grant programs, public housing program and that's why it's called business activities. It is other activities that the Housing Authority is involved in that that is unrestricted. The flexibility of the money comes into play in this because even though we are an MTW agency and we have more flexibility now with the federal money than a non-MTW agency would have, you still have to go through HUD's, loops and hoops to get it approved to be able to utilize that flexibility. So, part of this is also us contributing money for the shortfall from the most flexible money that we have.

Commissioner Carter: And how much money do you have in the flexible account?

Mr. Rogers: Close to \$20 million.

Commissioner Carter: Is there any chance that some of this money we're paying to cover the shortfall can be recovered from HUD or is this just going to be used to get an increase for next year?

Mr. Rogers: There's a chance it could be recovered, but it's a really long process because one of the things that is also going on is the reduction in payment standards, and we have this year's spending. So we'll be benchmarked for next year at a higher dollar amount. It has these reduced payment standards come in with the expectation that our average cost per unit will go down and we'll end next year with a bit of a surplus in the voucher program, which we could then, through our MTW flexibility, use that to recoup some of these dollars. It is not a direct line, but I mean, yes, it's the possibility we can do that.

Commissioner Carter: There's a reference to 100% fair market rents. What is it now?

Mr. Rogers: I think it goes as high as 130%.

Secretary Northern: Something like that.

Commissioner Carter: So landlords, are going to receive 100% revenue?

Mr. Rogers: If it's supported by where they are located, Yes.

Commissioner Carter: So, it's a negotiable item. Thank you. I finally heard something I understand.

Chairman Proler: I have a couple of questions please. How often do voucher holders get recertified? Annually?

Mr. Coles: Not all voucher holders get recertified yearly. The voucher holders in the tiered rent study get certified every three years. Beginning in January 2025, we're moving the program so that all voucher holders will get recertified every three years.

Secretary Northern: Stagger them.

Chairman Proler. Along the same line that Eric had, if we have the \$15 million today and the \$2.5m today, why don't we go ahead and pay this money today and be done with this plan?

Mr. Rogers/Secretary Northern: We need the board's approval.

Chairman Proler: Let me say it differently. If we adopt this resolution and send HUD \$17.5 million, is our plan complete? Is that what you're telling me?

Mr. Coles: That's just part of the plan. So the plan is a very long laundry list of items.

Chairman Proler: Kenny, hold on a second. So help me understand this. Along those lines, are there any others in this long list of laundry items, are there any other potential financial commitments on the part of the agency that we have not heard about that possibly you could be coming back and asking for additional funds to make up the shortfall?

Secretary Northern/Mr. Coles: No

Chairman Proler: OK. Thank you. That was my question.

Commissioner Carter: And HUD has to approve of this plan before you can pay it.

Chairman Proler: That is correct.

Secretary Northern: We worked with HUD when they were on site to decide on a draft plan that coincided with our draft plan, which is what we're now bringing to the board for full approval.

Commissioner Aceves-Lewis: Once these funds have been transferred, \$15,000,000, from this account, will the balance be about two or three million?

Mr. Rogers: Yes.

Commissioner Aceves-Lewis: OK.

Mr. Rogers: I want to clarify something. It's often mentioned that it's been called unexpended. It is an unobligated capital fund. We get a capital fund grant, and we go through the process of obligating those funds, which means you're signing contracts, which may be incurred over time, and those funds would be obligated and they were not part of the consideration when we came up with the \$15 million. So it was, it was something we had not yet made a commitment to spend on anything.

Chairman Proler: And I want to be real clear on this because there has been a lot of media attention related to vouchers. What is our current voucher number in Houston, Kenny?

Mr. Coles: As of January 1st, 2025, it will be at 20,000 thousand vouchers.

Chairman Proler: 20,000 voucher holders.

Mr. Coles: I don't want to call them voucher holders because some of those 20,000 vouchers have been converted to project-based vouchers. So, minus those that have been converted, our total is 20,000 as of January 1, 2025.

Chairman Proler: And how many are on the waiting list to get a voucher?

Mr. Coles: We have 18,925 on the HCV waitlist.

Chairman Proler. We have a lot of work to do.

Commissioner Carter: I have another question. Is the account from which you are taking the \$2.5 million not a static account? We receive funding from all the transactions that we approve?

Mr. Rogers: That is correct.

Commissioner Aceves-Lewis: And because we're going to move the money, the \$15,000,000 that was not appropriated or obligated, what will HHA not do because those funds are going to the shortfall?

Chairman Proler: That is a very good question.

Mr. Rogers: I can't specifically say what we won't do because those funds were unobligated funds, so they haven't been committed to anything. But there's no question that it will cause us to delay some of the repositioning activities that we may want to do. We may have to delay making some major repairs at certain properties and everything like that. At some point in time next year, we'll receive another increment of capital funds that should be around 8.5....

Chairman Proler: Mike, I think it would be helpful if you could share the total revenue stream of the non-federal funds. I mean, is it \$2.5 million of the \$20 million that has come in this year? Is it \$2.5 million of \$50 million?

Mr. Rogers: With the PFC program alone, the proceeds are in excess of \$50 million over the past 5 years. It is \$2.5 million of money that has not been spent on anything and sitting in our bank account from all of that activity over multiple years.

Commissioner Aceves-Lewis: The second part of my question relates to \$15,000,000.

Mr. Rogers: Let me clarify something. The \$15,000,000 is not sitting in our bank account. HUD holds that money. From our standpoint, they're just going to move it from the left pocket to the right pocket to cover the shortfall.

Commissioner Carter: So, this is credit on capital money that we have not drawn down?

Secretary Northern: One of the things that we took into account in making this decision is that we just received a \$50 million grant for Cuney Homes. Had we not had that, we would probably have spent a lot more of our capital fund monies updating Cuney Homes. So, with that property not being upgraded, it's additional money.

Mr. Rogers: We actually get rewarded for fully expending our capital. So, it's not all negative. We would have spent it anyway. It's just going to occur earlier.

Chairman Proler: This is very helpful. I know David, as well as myself, and I am very pleased that we have this plan. And with that, I'd like to ask for a motion to approve this resolution as submitted.

On motion by Commissioner Carter and seconded by Commissioner Smith. The Board unanimously approved Resolution No. 3823.

## VIII. EXECUTIVE SESSION

Chairman Proler suspended the Public Session on Tuesday, October 15, 2024, at 4:03 p.m. to convene an 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.

## IX. RECONVENE PUBLIC SESSION

Chairman Proler reconvened the Public Session at 5:01 p.m.

Roll was called and there was a quorum.

Secretary Northern stated, for the record, that Commissioner Smith participated in the Executive Session but was unable to attend the second half of the meeting.

### NEW BUSINESS continued

- **Resolution No. 3826:** Consideration and/or take action to authorize the President & CEO or his designee to execute a Memorandum of Understanding with NHP Foundation for the Trinity East Village Senior, a Choice Neighborhood Replacement Housing Project for Cuney Homes residents.

Secretary Northern stated Resolution No. 3826 is being pulled from the agenda, so no vote was taken.

- **Resolution No. 3827:** Consideration and/or take action to authorize the President & CEO or designee to execute a Memorandum of Understanding with Canterbury Development Partners, LLC, or an affiliate thereof, for the construction of Ivy Copperfield, an apartment community to be located at or about 15435 FM 529 Road, Houston, Texas 77095.

PRESENTED BY: Jay Mason, Director, REID.

This resolution is for approval to enter into an MOU. This is a public facility corporation, Chapter 303 development and pursuant to the regulations, we are required to post it for 30 days. Then it goes to City Council for approval. Once that is approved by City Council, it will come back to the board for approval to close.

On motion by Commissioner Li and seconded by Commissioner Carter. The Board unanimously approved Resolution No. 3827.

## X. ADJOURNMENT

Chairman Proler this concludes the items on today's agenda and asked for a motion to adjourn.

On motion by Commissioner Li and seconded by Commissioner Carter.

Chairman Proler declared the meeting adjourned at 5:04 p.m.