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

WEDNESDAY, NOVEMBER 6, 2024

I. CALL TO ORDER

A Meeting of the Board of Commissioners (“Board”) of the Houston Housing Authority (“HHA”) was held on Wednesday, November 6 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
- Stephanie A.G. Ballard, Commissioner
- Eric G. Carter, Commissioner
- Kenneth C. Li, Commissioner
- Jennine Hovell-Cox., Secretary

ABSENCES:

- Cynthia Aceves-Lewis, Commissioner
- Kristy Kirkendoll, Commissioner

III. 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.

IV. PUBLIC COMMENTS

No Speakers

V. NEW BUSINESS

- a. Resolution No. 3831: Discussion and/or take action to appoint Jennine Hovell-Cox as Interim President and CEO of the Houston Housing Authority.**

Chairman Proler: Resolution No. 3831 reads, Authorizing the Houston Housing Authority Board of Commissioners to retroactively appoint Jennine Hovell-Cox as Interim President and CEO of the Houston Housing Authority from October 29, 2024 onward. The Interim President and CEO shall be authorized to perform such duties as promulgated in Article III, Sections 4 and 9 of the Amended and Restated Bylaws of the Houston Housing Authority (Adopted January 21, 2014). In addition, the new Interim President and CEO will be automatically appointed as Director/Officer of all HHA Affiliates in the same capacity as the previous President and CEO and authorized, the Chair and Vice Chair to negotiate a salary adjustment for Ms. Hovell-Cox’s period of service as Interim President and CEO.

On motion by Commissioner Carter and seconded by Commissioner Ballard. The Board unanimously approved Resolution No. 3831.

b. Resolution No. 3832: Consideration and/or take action to authorize the Interim President & CEO to purchase network security hardware and software in the amount not to exceed \$331,096.28.

PRESENTED BY: Roy Spivey, Director of Information Technology.

Chairman Proler: before you begin, I'd like to just make a brief comment. I think I speak for the Board to tell anyone and everyone that the threat of cyber issues is a very serious matter. And on behalf of the Board, I want to thank you and your staff. You and I have spoken and your staff have spoken many a night and through the middle of the night over the course of the last few weeks and I want to thank you publicly and professionally for your team's entire dedication to this issue.

Mr. Spivey: Thank you and the I.T. department thanks you.

Resolution 3832 reads, That the Houston Housing Authority Board of Commissioners authorizes the purchase of network security hardware and software in an amount not to exceed \$331,096.28, pursuant to the Memorandum from Roy A. Spivey, Director Information Technology, dated November 1, 2024, to Jennine Hovell-Cox, Interim President & CEO.

Mr. Spivey: As you know, we were a victim of a ransomware attack on or about Saturday, September 21st, 2024. This breach was a result of a brute force attack by a hacker group. Once discovered, we quickly moved to secure the network. We assessed the damage and activated recovery actions. We found that our virtual servers were encrypted and called a consulting company to restore our VMware servers and review our firewall for any latency or any evidence of any hacker presence.

Once the VM Ware server was restored, we were able to restore all our servers and encrypted data. We are able to resume business on Monday, September 23rd, 2024 without any business lost.

At that time, we did not believe there was any data theft as the firewall had shut down during the ransomware attack. We became aware of the data breach on Friday, November 1st, 2024 when the ransomware hackers placed a post to sell the data. After the ransomware attack, we performed an investigation of our current security measures. We found areas in our network security that can be updated and additional products that could enhance our security. We also disabled our VPN as our remote option and have moved all employees to using our Citrix remote system. We currently know that 38 gigabytes of data, out of more than 2030 terabytes, was stolen from our network. This is about .17 of a percent of data

Chairman Proler: Could you repeat that? .17 of what?

Mr. Spivey: .17th of a percent of our data.

Chairman Proler: Thank you. I just wanted to make sure everybody heard that.

Mr. Spivey: We strongly believe that they were not able to steal our elite database, which holds all our resident data. Our phone data may have been compromised in that 38 gigabytes. On Monday, we went live with our new Yardi Voyager software. This system will be in the cloud and all our resident data will no longer be actively on our network. We are also implementing an additional 2 factor authentication system within

our network. This will enhance the current 2 factor authentication we already use. After its installation, even within our company, any desktop or server cannot be accessed without 2 factor authentication.

This resolution is asking for the purchase of additional hardware and software to better secure our network. That additional equipment is as follows: Hardware and software to replace our current firewall from a Cisco ASA to a Fortinet Fortigate firewall, replace our current Cylance Endpoint protection with FortiEDR Endpoint computer protection. We will install Halcyon ransomware protections that can recover any ransomware-encrypted files that occur after it has been installed. We'd also like to implement an Atera software system that will allow us to monitor all the computers and let us know of any unauthorized software has been installed. And we would like to subscribe to an encrypted cloud storage where we can store our information technology security information off of our network.

If approved, the firewall is already in stock and it would take about 3 weeks to have our endpoint and our firewall updated to the new equipment. The total cost of this enhancement security bundle is \$331,096.28. This equipment and software where it will be procured under the DIR Texas Department of Information Resources. DIR contains a list of registered vendors that have pre-negotiated contracts that are conducted by the State of Texas. These vendors have been vetted by the State of Texas along with their services and equipment. We are still continuing to evaluate additional security software that we will budget for 2025. I'm open to any questions.

Commissioner Smith. I have one question. I used to want to be a football player but I was not quite good enough. After the game we would always talk about what we could have done differently in the game to be more successful. Looking back at the attack, what could we have done differently that would have prevented this from happening? What could we have done differently?

Mr. Spivey: We should have shut down our VPN option on our firewall as remote access. VPN is one of the weakest points in network security, well, the weakest point is actually the employees using, second would be a VPN. We have installed a Citrix remote system that is better secured and better able to protect us from ransomware hackers.

Commissioner Smith: Were there any damages that could impact us into the future?

Mr. Spivey: There was some damage. We had just upgraded our phone system's hardware and software and that was encrypted and we had to fall back to our previous server. So in 2025, we will need to get an authorized Cisco partner to reinstall the software on the equipment we already have.

Chairman Proler: And for what it's worth, I'm a participant in a 2-factor authentication and I'll warn you all, you have to change your password every 90 days. So get ready, start dreaming of those passwords for old people like me to start forgetting what they are the minute you change them.

On motion by Commissioner Carter and seconded by Commissioner Smith. The Board unanimously approved Resolution No. 3832.

VI. EXECUTIVE SESSION

Chairman Proler suspended the Public Session on Wednesday, November 6, at 3:11 p.m. to convene an Executive Session to discuss legal, and real estate issues in accordance with Sections 551.071, and 551.072, respectively, of the Texas Government Code.

VII. RECONVENE PUBLIC SESSION

Chairman Proler reconvened the Public Session at 4:08 p.m.

VIII. ADJOURNMENT

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

On motion by Commissioner Carter and seconded by Commissioner Li.

Chairman Proler declared the meeting adjourned at 4:09 p.m.