



# HOUSTON HOUSING AUTHORITY

Transforming Lives & Communities

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

**TUESDAY, APRIL 23, 2024**

### I. CALL TO ORDER

A Meeting of the Board of Commissioners ("Board") of the Houston Housing Authority ("HHA") was held on Tuesday, April 23, 2024, at the Houston Housing Authority Central Office, 2640 Fountain View Drive, Houston, Texas 77057. Called the meeting to order at 3:02 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
- Kenneth C. Li, Commissioner
- David A. Northern, Sr., Secretary

**ABSENCES:** Kristy Kirkendoll

### III. APPROVAL OF THE MINUTES

#### A. Board Meeting Minutes – March 19, 2024

On motion by Commissioner Smith and seconded by Commissioner Ballard.

\*Commissioner Aceves-Lewis stated there was an error recording the re-vote count. On the revote, she voted for Kirkendoll.

Commissioner Li stated the votes should state four (4) votes to two (2) votes.

Chairman Proler acknowledged and requested the necessary corrections be made. Assuming corrections are made, we will vote on the approval of the minutes with the change in Commissioner Aceves-Lewis's voting record.

Chairman Proler called to vote to say, aye and any opposed, none. The March 19, 2024 minutes were approved.

\*There was an inadvertent error recording the verbal vote count that took place relating to the election of the Vice Chair.

#### **IV. CHAIRMAN'S ACKNOWLEDGMENTS**

Chairman Proler introduced the newest Commissioner, Eric G. Carter. Mayor Whitmire appointed Commissioner Carter to join the Houston Housing Authority Board within the last few weeks. Eric had an opportunity to meet most of the board members if not all of them. Commissioner Carter is a real compliment to the current Commissioners. Eric, welcome and thank you very much for serving.

Commissioner Carter thanked Chairman Proler and stated it is an honor to be here.

Chairman Proler stated on behalf of the Board he would like to recognize David A. Northern, Sr., for the recent naming by the Houston League of Business and Professional Women. They celebrated the 60<sup>th</sup> Founders Day Diamond Jubilee Gala and he was named 'Man of the Year' by the organization in recognition of his dedication, perseverance, outstanding vision, and for demonstrating leadership and achievement as President & CEO of the Houston Housing Authority. Please join me in congratulating David A. Northern, Sr.

#### **V. PRESIDENT'S REPORT**

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

Secretary Northern thanked Chairman Proler and board members and stated anything we are able to do, especially as the leader of the Houston Housing Authority, takes a team, and I will accept it on behalf of the Houston Housing Authority. I will continue to represent HHA as an ambassador and I appreciate this honor. A number of staff and team members attended the banquet in order to be a part of that expansion, and we will continue to do so. As I always say, we win together, we lose together. This was a win. Thank you everyone for the applauses.

A couple of items to mention:

- Ribbon cutting on one of the new developments with 280 units of affordable housing.
- We received a grant for \$1.25 million, which will assist individuals such as low-income seniors with accessibility needs in their homes, such as a ramp. They can apply at the Houston Housing Authority, and we will assist with the process.
- We also partnered with the City Housing & Community Development, which has a similar project. Although they do not have funding, they will provide referrals to our programs, and we will assist the citizens of Houston.
- The Houston Housing Authority Volunteer Day was at the Houston Food Bank. It was an opportunity for employees to serve their community. It was a team-building experience, and we were able to package 15,000 meals, 2,500 bags, 510 boxes, and 17 pallets of food. My congratulations to all our Houston Housing Authority team members.
- Chairman Proler and Secretary Northern met with Congresswoman Sylvia Garcia and discussed how working together will benefit the community in regard to affordable housing. We also discussed the Department of Housing and Urban Development and Congress working together to provide this housing authority, throughout the area and in the State of Texas, the right level of funding and allow us to provide the right level of services to the clients we serve throughout the city.
- There is additional information in the report for the Commissioner's perusal.
- The Development Report with the current developments is provided to all commissioners. It also provides a current update on 800 Middle property, analysis, recommendations, and a draft used for future investment properties. We give a commission to solve and improve. They will meet together and discuss this at a later time.

Chairman Proler stated that all public comments will need to be professional and respectful. Incidents at the last board meeting were unacceptable, and moving forward, when determined inappropriate, Security will escort you off the premises. You will be held to a time limit of exactly three (3) minutes.

## **VI. PUBLIC COMMENTS**

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

Speaker #1: Today I want to speak to you about the success of Houston Housing Authority Homeownership Program and encourage the board to help expand this program.

Speaker #2: I'm here representing a rental company, which we are a property management company. And one of the biggest things that I want to say to debut is there is a need for what Allison just talked about. It's a committee. I have Realtors behind me. I have family members who are now homeowners through this program. And ultimately, this is my whole entire idea of what a stakeholder community basically will be, which is a Homeownership Program dedicated to individuals who come together with a common ground. So, I want to keep going with what that looks like for the actual stakeholder committee. So we would have educators. We would also utilize the Association of Realtors, Houston Association of Realtors; they would be on board. Thank you.

Speaker #3: I'm a recipient of the Houston Housing Authority. Back in 2008, I received the voucher for my home. I've been there since 2008, and my kids and I are kind of nervous, but the program helped me out a lot to build credit.

Speaker #4: Supporter of the FSS program.

Secretary Northern I just want to make sure that we continue to let individuals know about some of our programs. The young lady mentioned that she brought her voucher from Louisiana. Our boundaries are portable, meaning that you can move around in different places. So that was the program that she utilized to bring her voucher from New Orleans, Louisiana, to Houston, and we absorbed that.

Speaker #5: I've been in Houston since 1979 and have been homeless so many times. Obviously, I got all the training from Miss Regina. She taught me everything about credit. And I just want to say thank you. Thank you so much.

Speaker #5: I want to say thank you to the Houston Housing Authority for the opportunity to become a first-time homebuyer. I've had section eight for a few years. And I didn't know anything about the Houston housing program. Homeownership Program. I was able to close my home on my home March 22. However, I still haven't got the information on payments and my next step. I've emailed and still haven't gotten any information. As of today. I spoke with someone at the front desk who's currently working on it. Unfortunately, the communication has been very slow in most cases, and in one incident, I almost missed out on the opportunity of closing on my home because of the communication and having to go back and forth with emails. With all this being said, I do wish the program would be talked about more and other people will be able to have the opportunity to become home buyers and not be stuck in the same system of renting.

Secretary Northern asked one of our staff members to communicate with this young lady to get the right information.

Speaker #6: Supporter of the FSS Program.

Speaker #7: I am a practitioner, and I represent the tenants, so I help your clients find rental properties. I'm here today to see if I can help with the process of when they submit the RAFTA packet to where we get the inspection. She expressed her concerns about the delays in getting inspections.

Speaker # 8: It has been a pleasure assisting several Section Eight recipients with becoming homeowners. I'm asking the Board to go above and beyond to try to make homeownership a privilege for many of the recipients.

Speaker #9: Supporter of the homeownership program but expressed concerns about the delays in inspections.

Speaker #10: I'm a realtor with Keller Williams signature, and I also specialize in Section Eight. So you guys will see my emails a lot. I came up here to speak to this, but we're having problems with the comps that are being given. So what I was thinking is when we run comps in the MLS system, and that's what relatives use to run the comps and the comps that are being run through the system called Social Serve which half of the realtors, a lot of them don't know how to work section eight and they never heard of social serve and social service the constant like very very outdated.. There needs to be a better solution in regard to this.

Speaker #11: Realtor and expressed concerns about comps.

Speaker #12: I am representing Covenant Community Capital. Covenant is a nonprofit organization that has been working in partnership with the housing authority for over two years. I would like to request that you provide more transparent parent policies about your program.

Speaker #13: I'm a longtime board member of Harris County. My district has now suffered a 20% assessed valuation involving the loss of apartments; if we can tax revenue for our very critical sewer and water drain services because apartments were taking in taken under two programs: one, the public housing authority Finance Corporation, which the legislature tried to fix it. And then the second one, which is the reason I came back today is because you all approved resolution 3745. Certainly, what sparked that resolution was the use of another of the state statutes legally to take a project out of my taxing authority and put it into affordable housing. It is a great program. Testimonials today; it has to be super worth waiting for. I'm part owner of a 485-acre 558 single-family home. I lost \$120 million, whereas the valuation of three projects was \$422,000 worth of revenue. It comes out of my annual budget. And we're not a flush district. We have aging equipment. I just started the new waterway. I have asked you that one district should never be forced to take 20% of its taxpayer to support your program. And I'd like you to think about that the next time it comes up or emotion about it he'll do it. But the idea that you would be able to go back and do another resolution on circling Point Park, which you approved last month in the minutes today, and take that back out of the program, I have nothing more to ask that you consider that issue for other governmental authorities in the region.

Speaker #14: I am thankful to God for the opportunity and chance given to us for my children, who now grow up at the school and have a roof over their heads. I go to this group here. Unfortunately, it took me 10 years to get to Section Eight from Lincoln Park, and within a week or two they sent me a letter that said I was disqualified because from Lincoln Park to the other property, the present read this the AHA now it's Bellerive for the seniors waiting for the same place took only four days to move me from the property that they sold out for 900 million. So we were in this place, and they promised us that we were going to have everything, and nothing happened, and it's been over a year since ah Come here for the application, though

that application has gone to other places that they said they were going to provide us the services, and nothing happened. And I'm wondering why thank y'all so much. Thank you.

Secretary Northern asked for someone from HHA to assist Mr. Mike Amad.

Speaker #15: I appreciate everybody who's in this room because everybody here really cares about getting everyone housing. Currently lives in Uvalde Ranch and is concerned about the lack of public transportation near her home.

Speaker #16: I'm a realtor and have been for many years. The timeline for getting back to landlords for inspection is lengthy, but that's why a lot of landlords do not want to step out because of the timeline. We all, as Realtors, know it's a good program once it gets started. But getting it has taken too long, and a lot of landlords don't want to have to deal with that.

Speaker #17: My name is Lacey Lugo. I serve as the CEO for the department's concierge Texas premier white glove leasing service for the apartment industry. As a Texas real estate brokerage and a certified apartment supplier to the National Park Association. I just want to let you know that we are sourcing properties and high opportunity zones for these clients and it's been very successful so far. Regrettably, only nine to 10 of our intakes so far have been declined due to primarily credit or criminal issues. Rest assured we're actively searching for solutions that could address these changes and challenges to ensure housing stability for all. In the past two weeks, we've signed 30,000 additional doors in the apartment industry that will serve as the entire Texas TierPoint as a private sector landlord liaison for the housing authorities throughout the state of Texas and our leasing endeavors. We also serve as a Keller Williams metropolitan extension, so we service five of the major market centers with kW throughout the Houston area. That being said, I'm a certified CD instructor and I'm willing to teach other real estate agents in the Texas market how to facilitate doing the RAFTA packet from start to finish with the housing authority. I firmly believe that by fostering collaboration with strategic partners that the current Housing Authority Board the current Housing Authority Board will see a very successful shared vision. In closing, I'd like to extend my sincere appreciation and unwavering dedication to the commitment of servicing our community.

## **VII. NEW BUSINESS**

**A. Resolution No. 3768:** Consideration and/or take action to Ratify and Appoint Directors and Officers for Related Entities of the Houston Housing Authority.

PRESENTED BY: LaKeshia Jackson, Attorney

Commissioner Aceves-Lewis: Could you give us more of a background of why this is important to do at this point in time?

Secretary Northern: Well, having a new board, it's important for us to establish the directors of the board members so we can take action for our affiliate organizations. I don't know if you want to go into any more detail related to it. Basically, as we pass certain resolutions with the Housing Authority Board, it passes to our affiliate organizations and also approves them. Some of the actions of the Housing Authority in terms of investment into affordable housing have to be held in some of these affiliates. So we utilize these affiliate organizations in order to protect the health of those resources and hold the properties so they can be protected effectively.

On motion by Commissioner Smith and seconded by Commissioner Li, the Board unanimously approved Resolution No. 3768.

**B. Resolution No. 3769:** Consideration and/or take action to authorize the President & CEO or designee to update HHA Payment Standards for the Housing Choice Voucher program.

PRESENTED BY: Kenneth Coles, VP of Voucher Program Operations

On motion by Commissioner Li and seconded by Commissioner Aceves-Lewis, Chairman Proler asked if there were any questions.

Commissioner Smith: Can you walk through an example? May I come back one day and walk through an example with you, an actual case?

Commissioner Aceves-Lewis: Okay, or can it be done briefly right now?

Kenny Coles: essentially, what the resolution is saying. So once a year, we do a risk study, and that risk study is broken down into areas, some are small as a zip code, some as large as either a city, or metropolitan area. Houston Housing Authority sits in The Woodlands, Houston, Sugarland metropolitan area, according to HUD's map of areas within the United States. The great study that they do, once is published, each housing authority in the country must then set what's called payment standards, to within 90 and 110%, of whatever the published fair market rent is but the payment standards are, are the maximum amount that a voucher can pay. So the value of the voucher. So the idea is, once the fair market rents are published, we then, as housing authorities have to set the value of our vouchers to between 90 and 110%, of whatever that fair market number is published. But the payment standard that we publish, must be high enough that it allows families on the program who may not ordinarily have the ability to have access to different communities within the jurisdiction, with better schools, lower poverty, etc. But not set so high that we, as the housing authority are setting the market in those neighborhoods. So when the payment standards were set in 2022, forecasting into 2023, based on the fair market studies that were being done, we were looking at rents increasing double digits. So we adjusted, basically across the board, the payment standard to 130% to allow our voucher program participants access to those neighborhoods, trying not to have them rent-burdened. What was found out after all the dust settles, is that, yes, rents did increase in the country. But within our catchment, they did not increase to the numbers that were forecasted to increase to and by us increasing the payment standards, the value of the voucher, as high as we did, we found ourselves setting the market within areas. So now we're adjusting the payment standards to be more in line with what this market says that they are. And that would be if they are at 100% of whatever HUD says they should be in four of the five areas. And then the one area, which is an opportunity area with higher rents, we want to change it from a straight across-the-board 130% to a 120 to 130%.

Commissioner Aceves-Lewis: This is an example, maybe \$1,000. Let's say the fair market rent is \$1,000. That was the standard.

Kenny Coles: So if the fair market rent is a \$1,000 the payment standard, the way they are now, with the maximum that you thought you could pay is \$1,300 at a 130%. So what we found is that landlords, when they see the word payment standard, they think that we're saying that's what the rent is, that's not what the rent is, that's just the value, the maximum value of the voucher. So the landlord immediately asked for I want \$1,300 for my unit, when the rent is actually at \$1,000. So if we approve it, then we're setting an artificial market for that area. And we don't want to do that. So the rents that were in place prior to the change were adequate enough for our voucher holders to have access to those neighborhoods where the payment standards work. So now we're just asking to adjust the payment standards downward, so that it's more appropriate for the five areas that our service area encompasses.

Secretary Northern: Yes, so just add to that just a little right now, Mr. Coles. I think we're at 96% leased up on the voucher side.

Kenny Coles: Yes, 96%

Secretary Northern: What Mr. Cole was saying is that if we put the payment standards in the right format, we may be able to lease up more individual families. And so that will increase the number of families from 96% utilization to maybe higher. Now ours are 96%, which means HUD allows us to spend all the money or utilize the voucher. Ours 96% which is pretty high for a housing authority, but we use 100% of the funding. So with this change, we may be able to lease up 98% of the voucher. So there are more families that have the opportunity to have housing.

Commissioner Li: I have a question about the fair market. Based on what kind of data? We have an audience today to talk about MLS and then also some other sources. So, is there any guideline for your market rate?

Kenny Coles: HUD does the study. And the number that they publish is the number that we have to deal with. As far as the fair market rent is concerned. I'm talking about the payment standards. So we're talking two different things, but they're related. They're two different things that we don't have control over fair market rents. We only have control of the payment standard.

Commissioner Li: So I'm a member of the Houston Association of Realtors; I use the MLS; I think he says one of the best in the nation is much better than Trulia and other resources. So I hope that maybe our housing authority can take that as a reference, because if the rent is the national average is lower than the market rate. Sometimes landlords cannot accept. So I hope that, in the future, maybe we can look into that.

Kenny Coles: There is no prohibition against the housing authority using the MLS. It's a leap for us to make these adjustments but we've heard the cries for help. And we are looking into it.

Commissioner Carter: I don't know what you mean when you say 23, 44, 32 13, respectively. And then I don't know what Tier A-2, B to C to D.

Kenny Coles: Tier A2 contains 23% of our programs, and Tier B contains 44%. Tier C 32% and Tier D 13%. That's the percentage breakdown. The tiers are grouped in those zip codes.

Commissioner Carter: Those tiers are comparable properties.

Kenny Coles: No, it's just a random geographic area of what the zip codes are on the map of the city.

Commissioner Carter: Okay, and those percentages total 100%?

Kenny Coles: That's correct.

Commissioner Aceves-Lewis: What is the source that you use to determine the payment standard, and bringing it down to 100% would be sufficient, and wouldn't inadvertently cause that rent burden situation?

Kenny Coles: When we publish the payment standards, we're actually seeing the number of landlords who are requesting what they're calling the market rent for their units. We're seeing the number of those landlords who are zeroing in on the payment standards, instead of the HUD published fair market rent. So because of that, we just made the decision that it would be more prudent for us to lower the payment standards to where they should be and to allow the families still to have access to those areas. And where

they were before were actually the payment standards where they were in 2022. Going into 2023, they were actually adequate enough to allow our clients access to those communities. But because HUD does a projection and does not use actuals, we won't know until the end of the fiscal year, and at the end of the fiscal year, we were able to see that the payment standards previous to increasing them across the board were already high enough to allow our families access to those screenings.

Commissioner Aceves-Lewis: Okay, so the example where the payment standard was the \$1,000 per month, and we're now saying we were we were allotting up to \$1,300. We're going to bring it back down to \$1,000? \$1,000 is what we will pay?

Kenny Coles: Well, Yes. Now we're talking about with Yes.

Commissioner Aceves-Lewis: I'm asking for assurance that that \$1,000 actually reflects the market for that area. And bringing that down.

Kenny Coles: In those areas, yes. Because HUD has already told us what the market is, they've already given us that information. Right or wrong, this is what we have to work with and then when we set our payment standards between 90% and 110%, then we're meeting the requirements. But if HUD is saying that in this zip code, the market is \$1,000, then if we set our vouchers, to the maximum value of \$1,000, our clients who have the ability to go into those areas, because the families are only paying 30% of their adjusted income towards the rent, and we're paying the rest up to \$1,000. And if the rent is \$1,000, if that family was to lose all of their income, and we're paying 100% of the subsidy, that subsidy would be enough to cover the rent for that family or those families that have lost their income in a unit that rents for \$1,000, according to the market.

Commissioner Aceves-Lewis: and the landlord will be satisfied with \$1000. That's really my question just market that that's really what I'm trying to do.

Kenny Coles: Okay, so let's, let's put it this way, we are required as the Housing Authority, we are required to pay the market. So if the market is judged to be \$1,000 by the HUD fair market rent study, we are required to pay the \$1,000. Irrespective of how a landlord might feel about what their property is worth, if they're saying that the \$1,000 that the market says your unit is worth, if they don't agree with that, then they should be able to give us comparables of units, the same or similar to it that are not subsidized to show that the market is higher than the \$1,000 that they say it is. And if they can provide that information to us, then yes, we can use their comps to show that we have are dated. And we can give them whatever that number is that meets the comps for the for that area.

Commissioner Smith & Aceves-Lewis: That's pretty good. Thank you.

Chairman Proler called for a vote. All voted in favor. Resolution No. 3769 was passed unanimously.

**C. Resolution No. 3770:** Consideration and/or take action to authorize the President and CEO to enter into Insurance Contracts for the Policy Year 2024/2025 with Housing Authority Insurance Group..

PRESENTED BY: Mike Rogers, VP of Fiscal and Business Operations

Mike Rogers: Good afternoon commissioners. Resolution 3770 Is that Houston Housing Authority Board of Commissioners authorizes the president and CEO to execute insurance contracts for the 2024 2025 policy year with the Housing Authority Insurance Group including directors and officers general liability property, building contents, boiler and machinery, umbrella windstorm and such other coverage that may be required



for a combined premium not to exceed \$1,750,000 for the policy or pursuant to the memorandum dated April 2 2024. From Michael Rogers, Vice President of fiscal and business operations to David A. Northern, Sr. President and CEO.

Since most of you are new, this is one of two rather substantial insurance policy renewals that we go through annually. This one focuses principally on our tax credit properties. The other one that we do happens in December and focuses on the traditional public housing properties. We have an insurance program that we're able to utilize on the public housing programs through the Texas Municipal League that limits comm REITs only to those properties that are 100% owned by the governmental entity, which would be the housing authority. In that case, these properties are not eligible for participation in that particular program. I wish they were because the pricing is better on the TML program. The properties that we're covering here are Heather, Brooke, Fulton, Oxford, and so forth. They're all legacy tax credit properties that we have. So a couple of them still have some debt on. So the debt requirements from the lender are also part of the consideration for how we're structuring the coverage that we have to put on these properties. Things that we've been dealing with over the past few years, like everybody in the state of Texas, has been the tremendous run-up or spike in the overall price of insurance. This has been particularly tough for us in the affordable housing market because the ability to raise rents is restricted. Otherwise, you know, obviously, if you raise the rents or whatever you need to to cover the insurance, but then it's no longer an affordable property. So we're, we have to work very closely every year with collaboration between finance, the real estate department, housing operations, management companies, and everything, to structure these price increases into our budgets and everything like that, so that we can afford to cover these premiums. Mr. Northern was probably sick and tired of hearing me tell him that, well, we've got another price increase that we have to plan for on our properties, because of the insurance because we've had a number of discussions, and it's a, it's an element of concern that we have is that at some point in time, something has to give, we cannot keep continuing to absorb significant price increases into this portfolio. So it's at the forefront of our thinking; we're trying to come up with anything and everything that we can do, looking at these properties. But you know, insurance is sort of like if you're in the real estate ownership business, it's sort of a necessary evil, you do have to have it. And one of the things that we're dealing with, is that because of where we're located geographically down here on the Gulf Coast, we have to deal with the windstorm coverage. And the windstorm coverage is one of the biggest culprits of the price increase. Every year, it's become harder and harder. For the people we work with, the brokers that we work with, in the pricing of this, to actually find carriers who are willing to continue to write affordable housing properties down here on the Gulf Coast. We were confident that we have the budgets in place for the 2024-25 premium renewal that will cover these well that we'll have to deal with what our projections are for next year when we get to those projections, we've done this resolution on a not to exceed basis, these premiums all will expire on May 1. And we're still receiving, in some cases, different quotes. So we have not put the final package together yet. But we will do that over the next week or so to do it. And that will include maybe making some manipulations to like, Okay, well, if we do this deductible or that deductible, things along those lines, oh, and the other thing that I did want to mention is that one of the other items that have been driving these price increases is in the post-COVID World replacement value. So just gotten higher construction material cost more today than it did five years ago. So that's factored into these prices. Doesn't really matter what we paid for what we built. But we constructed these units for if there is a storm and they have to be rebuilt or half, they're going to have to be rebuilt at today's prices. So thank you and also moving up to today's codes and everything along those lines. Staff is recommending the approval of this resolution.

On motion by Commissioner Smith and seconded by Commissioner Ballard, the Board unanimously approved Resolution No. 3770.

Chairman Proler: I only have one question, and that is the limit. I think the limit here is \$1,750,000. Please come back to this board once you finalize your final number and report back with final number.

Chairman Proler called for a vote. All voted in favor. Resolution No. 3770 was passed unanimously.

Chairman Proler commented for the public and the rest of the board. As a former board member, I know you are hearing a lot of questions from this new group, and I think everyone welcomes them. I encourage all of us to actively participate in learning more about what we're trying to accomplish. Thank you.

**D. Resolution No. 3771:** Consideration and/or take action to authorize the President & CEO or designee to award Contracts for Property Management Services.

PRESENTED BY: George Griffin III, VP of Housing Operations

On motion by Commissioner Ballard and seconded by Commissioner Smith.

Commissioner Carter: you indicated you indicated that there had been some checks, I guess, compliance checks. Yes, sir. Terms of of the particular candidates for contract? Yes, sir. And the conflicts that they may have had the ownership there their past history. Do you have a report on that? Did you generate something regarding that?

George Griffin: We did have standardized questions that were asked at each. When we check the HUD department list. There is a process for that. As well as checking the conflicts of interest. I do have the chair of the committee maybe can maybe talk a little bit more about what when you make calls. How did you determine I had a pre established set of questions that we asked each reference to respond to references come to my mind. Thank you.

Commissioner Carter: Here's my position it is this, if we do an examination of the applicants, and we identify who they are, and we have a report, and we have the criteria that you use to get that I like to see that as a board member, as to improve these companies, I have no idea who they are. I don't know a thing about it. And I don't feel comfortable doing that without some knowledge of the investigations done prior to making a selection.

Ricardo Harris: But we do have a report of the reference texts that were performed based upon your references that were provided by the proposers, we have records.

Commissioner Carter: I'm not suggesting that you haven't done your job, I'm suggesting I can't see I was doing. So, and I think it's our duty, if we're going to commit to a two-year contract with someone, we know who they are. And we know what their history is, we know, is a board. And I just like to have that information.

President Northern: We will work on providing a report on our various contractors. And maybe we can work together found out exactly what you want to see. But we do have some information that may not be in a report format, but we have the department information, they had to submit financials that we have to review, we make a reference check someone has past experience with the Health Authority. And we can pull that together and report on that format. So commissioners can see that.

Commissioner Smith: I'm real big on governance, for example. And making the board should require you (Mr. Northern) to make sure all those things are done and are acceptable. And then if those things are not done, then I don't know what the right term to use. We have to get angry at you (Mr. Northern) to providing the necessary coaching and counseling to run an organization effectively. So that's the one thing I'm saying from a governance standpoint, we have one employee, and that's you (Mr. Northern). And I expect you to make sure all of those things are done, it's your job to make sure the staff provide you with the necessary material to effectively run the organization.

Chairman Proler: I'm just curious if I could ask any of these folks who are recommended. Are they current vendors of the housing authority? Or?

George Griffin: Yes, sir, that is correct. Three out of the four I'm sorry.

Commissioner Li: So I believe everything's better transparent. So where, you go out to every vendor's application, and this is probably four out of the many applicants, right? And use that this boy is going to assemblies most qualified, right? Yes, sir. How many applied for the for the job? So

George Griffin: There were seven?

Commissioner Li: Also, I believe that we could authorize our President & CEO to negotiate and then choose the best one, right?

George Griffin: That's correct.

Commissioner Carter: I just have no information. And I know and I do not question the thoroughness of your work. I just need something upon which I can basically understand or not.

Commissioner Aceves-Lewis: So I do have a couple of questions on the solution. And then maybe we're going to discuss what we need to do with this motion. I noticed that and we discussed this at our last meeting as well. It was in a resolution that subcontractors would be used for at least 30% of the project funds with MWBE businesses. I was curious, how was that check? I will be is there a plan that they present? Is there an accounting that indicates that they did comply with what they said?

George Griffin: Yes, part of it's a requirement through the solicitation. And when we are going through the process of checking backgrounds. We confirm that and in some cases based on our ownership structure. They already meet that criteria.

Commissioner Aceves-Lewis: My only other comment is regarding the difference in rates still. Some of them were higher, and so my request is that we use the data or the financial proposals from the other fitters to negotiate down some of those that were higher since we have comparables. And since we were, I mean, there are actually some that are ranked higher, and they're charging less. So, I would really like to see HHA negotiate that down.

George Griffin: We certainly will include that as part of the negotiating process. The previous door rates that were proposed were back, pre-COVID, in 2017. So much of what we talked about today was an escalation of costs. That's part of the reason, there will be natural differences, because of whether or not that legacy property, some of our properties were built back in the 1930s. So it's going to take, more staff and and be more maintenance. Some of our properties are tax credits and bonds that require compliance-related type functions. So there needs to be a higher expertise. So there are some reasons why there would be a premium charged on or asked for some of them.

Chairman Proler: The existing vendors, you're currently managing the properties, how long have they been, on as their term been two years with the two-year option?

George Griffin: the three that were awarded, as well, or at least are being recommended have been providing property management services to the agency for I want to say, specific to these properties,

Secretary Northern: What was the most recent contract? Before we bid at the contract, was it a two-year, three-year, or four-year contract?

George Griffin: Well, that gets a little unique, because there have been multiple different layers of contracts. Some were one year, some are two years.

David Northern: Also, before you go, just for the record, HUD only allows housing tours to last up to five years. At times, we staggered it so we could take that evaluation and make sure that the contractor was doing a job. But go ahead, Austin, and finish.

Commissioner Carter: you mean, you don't just give it to your contract, rather than the fact? Yes. And

Secretary Northern: yes. Didn't have an option? Yes.

Austin Crotts: Yes. So the current contracts were paid out in 2017. But they weren't actually signed until 2020. So they've actually been working under that contract and pulled in that pricing since 2017. But the contracts were effective on the date, they were signed in 2020, so they actually expire towards the beginning of 25.

Chairman Proler: Thank you. We have a motion and second, I'd like to call for a vote.

Commissioner Carter: I'd like to table this resolution.

Secretary Northern: We've delayed this 8 months.

Commissioner Li: My thing is, I mean, we basically this is recommended by the staff, and they've done the study. And also, maybe it's better for the staff to give us all these four candidates, their background information, just for our reference, because I believe that, if you already reviewed the four out of seven, they've done their homework, but I do want to make sure that on the contract we sign, is there any evaluation process, if there's a resident come and say, are not us savers, or something wrong, does that always have a evaluating process, you know, regularly to make sure that they do a good job. And also the accounting because, I mean, they also put to our bookkeeping, right. I mean, we should make sure that someone is watching focus, right. And that the service good, I believe, you know, if they go through all this process, they should qualify otherwise, as our Vice Chair said, you're (Mr. Northern) responsible because they have to be qualified to be on the list. So I recommend because it has been delayed, maybe we should go forward on that. And then you could pass move on to the past. Let's hold on to the next.

Chairman Proler: Thank you Commissioner Li. I share that view.

Commissioner Aceves-Lewis: question Is there an option to amend it like to pass it pending this review?

Chairman Proler: I think the resolution should be approved. We should make the detailed information that he's asked for available to Commissioner Carter and any others. If it's determined that something material that he learns in that process causes concern, we can bring it back and deal with it at that point.

We have a motion and a second. All in favor? Aye. Any opposed? Okay, the resolution, officially passes subject to Commissioner Carter getting the information.

Secretary Northern: I just want to make a comment. We evaluate on a monthly basis, each contractor and their performance; we listen to the clients if they have any concerns. But we also have certain criteria that

we have to meet in terms of whether it's rent collection, what is lease-up rates, and things like that site; we have inspections done by an outside party, and we do our own inside inspections, also. So it is some criteria to it. And we have reports on that criteria from all the contractors that are currently working on my site. And I know we mentioned MWBE. Two of the contractors are minority contractors out of the four. So we are working hard to make sure we have balance in terms of always as we look toward contract quality, so whenever the candidate wins the bid, are they also required to follow this using 30% of the minority subcontractors.

#### **VIII. EXECUTIVE SESSION**

Chairman Proler suspended the Public Session on Tuesday, April 23, 2024, at 4:48 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.

#### **IX. PUBLIC SESSION RECONVENED**

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

#### **X. ADJOURNMENT**

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

On motion by Commissioner Smith and seconded by Commissioner Li. Commissioner Kirkendoll remarked

Chairman Proler declared the meeting adjourned at 6:04 p.m.