



Transforming Lives & Communities

2640 Fountain View Drive ■ Houston, Texas 77057 ■ 713.260.0500 P ■ 713.260.0547 TTY ■ www.housingforhouston.com

MINUTES OF THE HOUSTON HOUSING AUTHORITY BOARD OF COMMISSIONERS MEETING

TUESDAY, JUNE 17, 2025

I. CALL TO ORDER

A Meeting of the Board of Commissioners ("Board") of the Houston Housing Authority ("HHA") was held on Tuesday, June 17, 2025, at the Houston Housing Authority Central Office, 2640 Fountain View Drive, Houston, Texas 77057. The meeting was called to order at 2:00 p.m.

LIVE STREAM STATISTICS

June 17, 2025: ● Live Stream Views 66 ● Average view duration 32:04 ● Peak concurrent viewers 23

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

Absent: Jamie Bryant, Secretary

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. CEO OPERATIONAL UPDATES provided by Neal Rackleff, Executive VP & COO

Mr. Rackleff: Thank you very much. It's great to be with you all today. I appreciate the members of the public who come to join us. We really, really do appreciate the things that you bring to us. We take notes, we try to follow up, and we are doing everything to hear you and respond to the concerns that you have.

Jamie Bryant asked me to please apologize on his behalf for not being able to be here, but I think we're all happy to have him stay home and rest and not get anyone else sick. So that's considerate and appropriate in my opinion. He asked me to cover a couple of items. One is a reminder about the voucher wait list. So, for those who are currently on the voucher wait list, you have until June 30th to, quote unquote, save your spot, and let us know you'd like to remain on the wait list. Links are on our website through the Rent Cafe portal, or you can always come into the lobby for assistance. "If you could touch base with Kenny and see if there's anything else you'd like me to put out there in the public". Wait, that was a note from Jamie for me to talk to Kenny.

He asked that I remind the public that the HHA lobby will be closed on Thursday in recognition of Juneteenth, and finally, he asked me to comment on something that was very significant for our Choice Neighborhoods application. Many of you are aware of the fact that we were very grateful to be awarded a \$50 million Choice Neighborhoods grant to completely transform Cuney Homes, which was built back in 1938. It is very, very much in need of being modernized and updated, so we're going to leverage that \$50 million to about \$500 million and completely transform that community. I will tell you all, that transformation will be one of the most important things this agency has done in the last 20 or so years and will be something that you will all want to show your kids and your grandkids. Most importantly, it's going to provide a modern facility. Beautiful with central air and modern amenities for our residents, but along with that, there are always bumps in the road. We hit one with the Texas Department of Housing and Community Affairs "TDHCA" because we need to get tax credits for replacement housing, and they denied our application for some reasons that relate to the level of crime in the area. They asked us to come back to them at their June board meeting with a robust and direct plan to improve public safety.

Chairman Proler: Can I just interrupt your message for a second? I don't want to steal your Thunder but it is rare that TDHCA ever allows someone to come back on an appeal.

Mr. Rackleff: Yes, they were good to us. We worked very closely with law enforcement. We had a very condensed period of time to come up with a very substantive and direct plan. Brian Terry, our Director of Security, did awesome. When we testified at the board meeting, who knew that we have an orator amongst us? He did a fantastic job. If any of you board members are interested, I can send you a link to the testimony. It's about 20 minutes of what we all went through, and he did a fantastic job.

I want to recognize Lynn Henson, who is our Choice Neighborhood Director. She did an amazing job of parsing through very technical crime data and statistics to make a case that was extremely persuasive to the TDHCA Board of Directors.

We were very fortunate to have Chief Guzman and Lieutenant Nathan Carroll from the Houston Police Department travel all the way to Austin for us. Chief Guzman is an Executive Assistant Chief. He's one of the top three or four leaders at a police force of over 5,000 individuals. They did a great job. Tamea Dula, with the law firm of Coats Rose, also helped us tremendously on our appeals.

It was a great team effort. The Board approved our appeal, and we're moving forward. We are so excited to see great things going forward with Cuney.

Commissioner Smith: Can you do me a favor? Can you have the people you recognized ask them to stand, and we can give them their recognition?

Chairman Proler: Lynn, Brian. Just for the record, I happened to watch the testimony from my office. I can't help but share with you all, during the testimony, our President & CEO texted me and said, "This is amazing. I don't have to get up and say a word". Everybody is speaking, so it's really a testament to all of you. And for 20 minutes, my jaw was hanging wide open. It was so incredible how well prepared they were. TDHCA is a very active board. They don't mince words. They ask lots of questions, and they can excuse you very quickly. So very, very great work, Neal.

Mr. Rackleff: Thank you very much. Thanks to everybody on the team. You know, I just want to close by thanking our staff. We have a great group of people here, we really do. We are doing some extraordinary work under extremely difficult circumstances. I dove back into public service full-time about 3 weeks ago, and I forgot for a minute how intense it is. Let me tell you, it's been pedal to the metal. We've had a lot of issues to deal with, but we have really talented folks who step up to the plate every time, in my experience so far, and give us great advice and counsel. And frankly, as Jamie and I listened to the good people we have

on this team, we learn what we need to do so we're in good hands and I'm grateful to be here and grateful for all of your efforts.

Chairman Proler: Thank you. With that, we will move into new business.

V. PUBLIC COMMENTS

Hello, my name is Brenda Chen. I'm with EPOCHTIMES Public Media. We cover the most national news and the local news, and my role is focusing on local news that is relevant to the Chinese-speaking audience and readers. So, I'm here today to urge the Housing Authority, as a government entity, to increase its visibility in the community, especially for the people who have a language barrier, but we are not aware of your programs, such as those in immigrant communities and Asian communities. According to the US Census in 2023, one-third of Houston residents are foreign-born. Based on my experience, at least in the Chinese community, a majority of people don't know what the Housing Authority is and what services it provides. So to effectively reach eligible citizens, I would suggest that the Housing Authority consider forming a partnership with local community news media, having regular news coverage on meetings, programs, and policies, so as to enhance awareness and education across a broader community. As I said no to my company, EPOCHTIMES Public Media, which has worked for the Asian community for over 20 years, we also have partners in Korean, Vietnamese, and other communities. I hope you will consider my suggestion that, through working together, we can make Houston a beautiful and welcoming city.

Chairman Proler: Thank you. Thank you very much. Wise words, very helpful.

Jamel Langley, the Spears Group: Good afternoon Commissioners. I'm the Director of the Spears Group. I've been working in communications for over 16 years, and I've got a master's degree in communications from Georgetown University. The Spears Group has been serving the public and private clients for 17 years. As you know, the Spears Group was awarded the communications contract with the Houston Housing Authority in October 2024. And through a competitive procurement process, we won that work. Since that time, I've been leading our firm's work, and I've been fully committed to delivering high-quality communications, stakeholder engagement, and counsel a lot of HHA's mission and goals. Our firm has had an integral role in helping HHA strengthen its public image and tell the story of this impact. Through our work, we've elevated our programs to amplify the resident-focused initiatives and identified gaps that we filled to support residents, staff, and key stakeholders. We acknowledge the leadership for having the opportunity to choose their own partners; that's why the board today is being asked to vote on CEO Bryant's handpicked firm, Elmore, a fine firm with a greater reputation. Spears Group has enjoyed the opportunity to work collaboratively with Elmore for several months, and we see no reason why that can't continue. Through our work, we take great pride in the thoughtful counsel, compelling narrative development, and resident-focused communications we have made on behalf of HHA. It's really unfortunate that the circumstances surrounding this recent decision have excluded us from a fair opportunity to continue serving the agency in this capacity. I respectfully request reconsideration of the decision to terminate the Spears Group contract for convenience, making it clear there was no dissatisfaction with the quality of work or service that was delivered. We let the sustainable momentum, trust, and measurable results we built together over the past nine months in partnership with Elmore. Thank you for your time and consideration.

Chairman Proler: Thank you very much.

Good afternoon, everyone. My name is Veronica Reed. I'm a social worker. First, I want to give thanks to the Board of Commissioners for giving me the opportunity to speak today. I won't be long, and however, there are some issues that truly need to be addressed, and actions are definitely necessary for positive change and outcome for the betterment of HHA. I started with HHA in August of 2023, which would have been two years this August. I initially considered HHA as a second family. Debra Davis was my immediate

supervisor. She trained me for two days, then my training started with Cassandra Carter. My goal of helping the people of the Houston community was strong and vibrant with a tremendous amount of passion. However, due to the retaliation, which led to wrongful termination and voluntary resignation of other coworkers under the supervision of Debra Davis. My problem started with the first sexual harassment case involving Cassandra Carter, which caused her to resign. Due to no actions being taken after it was brought to the attention of her immediate supervisor, Debra Davis, the verbal sexual harassment by Bishop Outerbridge continued towards me as I was placed in Ms. Carter's position and was faced with the same sexual harassment from Mr. Outerbridge. Mr. Outerbridge was not only a Bishop at that time, but also the President of the resident council board at the Lyerly Senior facility. There's a tremendous amount of misuse and abuse of power and authority, and a lack of professionalism, accountability of leadership, full knowledge of sexual harassment, with no action. There are several Presidents who started before me who have already resigned. I did the protocol and I reported the sexual harassment to Debra Davis and was advised to just not be in the room alone with the Bishop. This was impossible. He was the only member of the board. No actions were taken, so I followed the protocol and went to HR. There was still no action taken. After I went to HR, retaliation began. I would still like to continue with my passion and work for HHA in a different department, which will allow me to continue my service work for the community. Ms. Shona and Mr. Ricardo, we're completely aware of all this and has been mentioned again. Again, what can be done to prevent such actions towards others? Thank you for the opportunity, and I'm looking forward to a timely response.

Ms. Verdell Ingram: I'm tired of coming out here. What I would like to address today is, please get on it when we turn employees in. At Cuney, we're having problems with Ms Davis too. Not returning paper. We turn our event planning in, we turn the tenant funding in, and there's a challenge. It seems like it's a power struggle. You all control the money. I am the treasurer at Cuney until today, but when I turn the paperwork in, it's not going through. You're allowing them to write the MOU at 14 days. Why should it take a multi-million dollar company 14 days to sign off for \$70 or less? We ask questions as to you get \$25 per unit if it's filled \$10, \$15 for us to do activities, where is the \$10 going? Nobody can tell us. We need to know the answers. We need the people that's working to work on our behalf and not treat us like we are employees. We're not the employees. So it shouldn't be held up with a power struggle when we turn something in and we're trying to get their employees to another level, not just feed them. I pushed for their brain, take them on trips where they could see Simone Biles, we went on a field trip that changed their life. She's the greatest in the nation. That's all I'm saying. Opportunity. When you bring in contracts, please ask what you are doing for the residents? Contracts are coming in and money going out. We got to pay rent, we've got to go somewhere else, and you got contracts coming in from everywhere. And now I want to put 5%, so they're putting people in and sending out money. What money is for the residents? What money is coming in for the residents? Think outside the box. If you need some help, I would love to be a consultant. I got a big idea right there.

Chairman Proler: Thank you.

Ms Felder: I'd like to welcome Mr. Rackleff. Residents of Houston who need services from the Houston Housing Authority have no idea how lucky we are to have him serving. Thank you, sir, for the work that you've done and the work that I know you're going to do here.

Mr. Rackleff: You're very welcome.

Ms. Felder: Following up on what I was talking to you all about last month, which is the priority of the housing choice vouchers residents waiting list. I didn't do all of my research, and I thought that it was a HUD directive that the vulnerable populations were prioritized. I spoke with Mr. Coles, who corrected me and I went back and did my research and HUD it gives that choice to the local Housing Authority.

So I'm a retired Hospice nurse that works with medically underserved populations, a lot of those people weren't low-income enough to qualify for full benefits, Medicaid, whatever. But they, you know, barely missed the cutoff. So I did a lot of social work with them to get them services. I placed four or five of them on the wait list, put them in the lottery, printed out the papers, and I thought that they were on the wait list. Mr. Coles corrected me that there was a lottery done for everyone who registered in 2016, and apparently, only two of my people made it through. Two of them have died, so it's irrelevant, but there was no priority at that time. The priority by HUD is elderly, over 62, disabled, emergency, which includes domestic violence, stalking, sexual assault, human trafficking, veterans, and homelessness. You know, Harris County just got a lot of money. Mayor Whitmire is doing a great job on trying to work with the homeless. So I think, you know, the Housing Authority is I'm sure is working with the city as well, but coming off of probation with HUD and getting access to the voucher money that was held up and now it's going to be awarded and everybody's getting the people who are still, you know, on the wait list or transferred over to Rent Cafe. I don't know if you guys are aware of this priority, the choice that you can have to prioritize these populations...

Three minutes had ended, but she was told she could finish her thought.

Ms. Felder: One more thing, just from a medical standpoint, it's as if you had, in a hospital, an unlimited amount of critical-care beds, right? If you have this population that is in the hospital inpatients, and they need these critical care beds, then you would put them all into a lottery to choose who gets the critical care bed. That's not right. It doesn't work, right? So it's the same concept, right? Because there are working families that yes, they're paying 80% of their income towards rent and yes, they need help and yes, they need affordable housing, but that's not the same as elderly over 62, people fleeing domestic violence, disabled veterans, and homeless. So, one thing on the agenda. The resolution 3904. To take the action to submit for approval to the updated final draft of the HHA administrative plan for the housing choice voucher.

Jonathan Brush: Chairman Proler, I recommend that the board end the comments.

Chairman Proler: Ma'am, it's time.

Ms. Felder: Yeah, I know. It wasn't available to be read, so if there is a choice...

Chairman Proler: Thank you. Appreciate it.

Ms. Felder: ...after it's passed, right,

Chairman Proler: Thank you.

Ms. Felder: so like, we couldn't read it and if there was something we had a question about, make a comment.

Chairman Proler: Ma'am, thank you. I'd like to remind everyone that you are limited to 3 minutes.

VI. APPROVAL OF THE MINUTES

a. Board Meeting Minutes: May 20, 2025

Chairman Proler: Commissioners, have you all had an opportunity to review the minutes? I'll entertain a motion to approve the minutes as documented. I did review them. Excellent, excellent job on the minutes.

On motion by Commissioner Carter and seconded by Commissioner Li, the Board unanimously approved the May 20, 2025, Meeting Minutes.

VII. NEW BUSINESS

- a. Resolution No. 3903: Consideration and/or take action to authorize the President & CEO or designee to write off vacant tenant accounts for January 1, 2025, to March 31, 2025.**

PRESENTED BY: Ricardo Harris, Director of Asset Management

Chairman Proler: We have a fairly big agenda here, and I know I have a lot of questions and comments. So, please let's get comfortable. Ricardo, you're up.

Mr. Harris: Resolution No. 3903 is to seek the Board's approval for the President and CEO to write off the first quarter of 2025, uncollectible rent debt in the amount of \$27,773.28. That actually represents one of the lowest write-offs that we've had in a considerable amount of time. Fortunately, due to a lot of the individuals who moved out during the first quarter left not owing any balances. In many cases, we had security deposits that we had to refund, so this particular quarter would probably stand out for quite some time. These write-offs, again, are used to remove the debts that are outstanding on the accounts that have been considered uncollectible due to the various attempts to collect from the individuals, particularly. As a result, these accounts would be written off and then forwarded to a collection agency for further collection. Also, they will be added to HUD's PIC system, which will identify those individuals who left owing the Housing Authority a particular debt and will probably prohibit them from receiving assistance from any other Housing Authority, until that debt is satisfied. It is recommended that the board approve Resolution No. 3903.

Chairman Proler: Thank you. Before we move forward, I have just a few quick questions if I could. First off, you don't give yourself enough credit. This is the lowest quarter write-off in over five years, and that includes COVID. This is incredible, and this board owes you a tremendous level of appreciation. Fine, fine work. My only question is that it seems two things. One goes to the write-off of Kelly Village. If you could just address why Kelly versus other properties, and secondly, most of them are maintenance charges. Could you just address those two things?

Mr. Harris: Yes, oftentimes, maintenance charges of that amount are, unfortunately, possibly due to the individual moving out and damaging the unit. We've had situations where they might take the appliances or just intentionally damage them, causing maintenance fees of that magnitude.

Chairman Proler: I also want to make one final comment before we vote. If you look at your board book pages 82 and 83, you will see that for emergency work orders and non-emergency work orders, every property scored an A, which I think this board has never seen, so that's impressive, too. Thank you. That's very, very impressive.

Chairman Proler asked for a motion to approve Resolution No. 3903.

On motion by Commissioner Li and seconded by Commissioner Ballard.

Chairman Proler asked if there is any more discussion regarding this resolution. Hearing none, Chairman Proler called for a vote.

The Board approved Resolution No. 3903.

Congratulations, very, very well done, but can you beat it next quarter?

Mr. Harris: No guarantees.

- b. Resolution No. 3904: Consideration and/or take action to authorize the President & CEO or designee to submit for approval the updated final draft of the HHA Administrative Plan for the Housing Choice Voucher and related programs, to be effective July 1, 2025.**

PRESENTED BY: Kenneth Coles, Sr. Vice President of Voucher Operations

Good afternoon, Commissioners. A little background on why this is being requested for you to approve. The administrator's plan for the voucher program is the day-to-day operational policies for individual housing authorities, which go hand in hand with the one-size-fits-all federal regulations that all housing authorities must follow. This particular set of updates stems from the Housing Opportunity Through Modernization Act of 2016, better known as HOTMA. HUD has been working on the rule-making for the past nine years, and they're just getting around towards the end of that rule-making, so these changes over these five pages of summaries impact the 391-page admin plan by updating language required under HOTMA, and we're asking for your approval.

Chairman Proler: Thank you. I'll entertain a motion to approve 3904.

On motion by Commissioner Ballard and seconded by Commissioner Smith.

Chairman Proler asked if there was any discussion regarding this resolution.

Commissioner Aceves-Lewis: I'm curious about the lady who spoke during public comments. She didn't introduce her name. So, do you know the last lady's name who spoke?

Chairman Proler: We'll get that name for you.

Commissioner Aceves-Lewis: OK. Yes. So I think she mentioned that she was not able to open this document to see the administrative plan changes, so I just didn't know what was accessible to the public and whether there were any known issues with opening up the document for the public to review in advance of the meeting.

Mr. Coles: Ok, understood. This went a little differently than it normally goes as far as proposed changes. These are all statutory changes, so the updates were published in the Federal Register. So you actually have to go into the Federal Register and HUD published, what typically, the Housing Authority would publish but since these aren't our changes, we didn't really have any changes to publish. We were just following the requirement to change our admin plan based on HUD's changes to the statutory requirements for the program.

Commissioner Aceves-Lewis: So the public is not able to see?

Mr. Coles: The public could see them, but the public is typically used to going to the Houston Housing Authority website and looking at the proposed changes based on what we're publishing, but since we didn't publish these changes, because they weren't our changes at the Housing Authority. These were changes that HUD made statutorily. So HUD published the comment period online, and you had to go to the Federal Register and other places to see the changes that HUD was proposing to their program guidelines, and we're just following through to update our admin plan, which is the request of the board today.

Chairman Proler: Thanks.

Anna Hawkins: If I may add a comment, we do have our HHA board report on our website. If Ms. Felder is having trouble accessing that report, then I need to speak with IT but the resolution and the backup paperwork that you have provided with the resolution, she or anyone should be able to see the whole book online.

Chairman Proler: All in favor say aye.

The Board approved Resolution No. 3904.

- c. Resolution No. 3905: Consideration and/or take action to authorize Houston Housing Authority's refinance of The Peninsula Park Apartments, located at 4855 West Fuqua Street, Houston, Harris County, Texas 77045.**

PRESENTED BY: Mike Rogers, Vice President of Fiscal and Business Operations

Mr. Rogers: Good afternoon Chairman and board members. Resolution 3905 seeks approval to move forward with the refinance of the Peninsula Apartments. A little background on Peninsula. Peninsula was a tax credit deal that the Housing Authority participated in, originating back in 2003 and was first placed in service in 2004. Consists of 280 units. They're all at 60% or lower. Supporting families at 60% or lower of the area median income. So the property is now roughly in its 21st or 22nd year of operation. It was originally financed with bonds. Those bonds had a mandatory remarketing of them back in September of last year. Some of you may remember some of these discussions. It was recommended to the Housing Authority by people involved in the bond business not to move forward with the remarketing because it's extraordinarily expensive. It's as if you were issuing brand-new tax credit bonds, which some of you may know is one of the biggest front-end expenses for all these tax credit deals. So Citibank stepped up and gave us a bridge loan, which, through extensions, is set to expire at the end of September of this year.

Chairman Proler: You said Citibank has stepped up and gave us a...

Mr. Rogers: Citibank was...

Chairman Proler: No, no, no, let me finish. They gave "us" a bridge loan. We just have a land lease on this property to the owners of the Peninsula Apartment.

Mr. Rogers: OK, the loan was given to Peninsula Apartments.

Chairman Proler: OK, great. So, I want to make sure we're correct.

Mr. Rackleff: And we control the entire ownership interests of this partnership.

Commissioner Carter: When you say "control," do you mean they're wholly owned subsidiaries of...

Mr. Rackleff: We are the general partner, and then we acquired the limited partnership interest, and so the entire ownership interest of this limited partnership is with entities.

Commissioner Carter: HHA is their wholly owned subsidiary?

Mr. Rackleff: Yes, sir.

Mr. Rogers: Yes, the original General Partner was an affiliate of the Housing Authority. That limited partner was the tax credit partner. In 2002, we substituted another one of our affiliates in for that limited partnership role, so we are in control of the entirety of that partnership at the present time. So Citibank gave us a bridge loan to allow us to move forward with pursuing this refinance transaction. We've been working on that for the past several months. A number of people here within the housing authority have been working on it, and what we're coming up with right now is a...Freddie Mac is offering a loan that's going to be for five years with a 35-year amortization. The first year, being interest only, and then it will kick in with the amortization. We've not been able to lock in the interest rate yet because we're still working on the final piece of the puzzle, which is the level of insurance that Freddie Mac is going to require the partnership to carry on that so that will somewhat impact the cash flow and will maybe move down the loan depending upon how aggressive they get in terms of their insurance requirements. The interest rate right now, if we were able to close today, would be 5 5-year treasury plus a spread of 2.03%, which is slightly over 6%. The existing loan that's on the property right now is carrying an interest rate of a little over 8%. So we're going to refinance at a lower interest rate. The loan that we are proposing is not to exceed \$10.8 million. There's about \$7.8 million that's owed on the existing one. And one of the reasons that we're moving forward with the with the larger principal balance loan is that we're going to take some of those proceeds from this loan and we're going to place a new roof on the property that's going to cost about \$1.2 to \$1.3 million and do some other deferred maintenance items out there to, kind of let the property fund itself in terms of being able to put the repairs so that we don't have to go in and use some of our other reserves or other sources of money to put into this deal to make these repairs. The intention would be that we're not going to stop working on Peninsula. We're going to keep moving forward with it as we've mentioned in other situations working on a complete resyndication or reworking of this with a new tax credit deal at some point in time in the next 5 years to go through and do much more extensive renovations on the property to extend its useful life as an affordable housing property for the next 20 plus years.

Commissioner Carter: So you're looking for new Equity Partners?

Mr. Rogers: We will be, yes.

Chairman Proler: Can somebody tell me what the current occupancy level is?

Mr. Rogers: 95%

Chairman Proler: And so it's cash flowing and throwing off cash flow, correct?

Mr. Rogers: It's cash flowing marginally right now. It will be doing a little bit better because it's like many LIHTC properties, it has been strapped over the past few years with the extraordinarily high insurance rates that the Houston market has been suffering with. That's lessened this year, so we do anticipate that the property will produce a better cash flow over the next five years.

Chairman Proler: Who is managing this property?

Mr. Rogers: Allied Orion.

Chairman Proler: Last question for me, how did you determine the \$3,000,000? I mean, I'm a banker and, on a 25-year-old property, it's going on a 35-year amortization that's roughly 70 years. I don't even know how Freddie Mac can, I mean, the useful life of a property is...

Mr. Rogers: I think that's why it's only a five-year loan. I think they're recognizing the future in this property, and they're kind of putting us under a timeline that we're going to move forward with the resyndication.

Chairman Proler: My question is, I mean, are we certain that \$3,000,000 repositions the property into a position that it can operate, you know, or is \$3,000,000 all you can get, and that's a function of what will be the appraised value?

Mr. Rogers: Well, it's definitely a function of what we can get.

Chairman Proler: I guess where I'm going, Mike, is what happens if we do this deal and we find out there's \$7,000,000 of renovation work that has to be done.

Mr. Rogers: That's why it would be going into the resyndication, because at this point in time, in five years from now, you'd be looking at probably doing somewhere between \$40,000 to \$50,000 per unit of renovation and repairs. If you went to go into the next tax credit deal, so this is, I hate to call it a bandaid because it's a little bit more than a bandaid, but this is a bridge to the next level on these properties. We have a number of these properties in our portfolio. So this will be the first one, but there will be others that will be coming back in the future because we have a number of these deals that we got into in about this time frame, so they're all in that early 20 years of their useful life.

Chairman Proler: What is our fee to Freddie Mac?

Mr. Rogers: \$75,000.

Chairman Proler: OK.

Joel North: I was going to mention, you asked a question about how we determine that we took the PCA that REID had done, it's probably about 18 months ago, and we looked at that to help with the scope that we've got.

Mr. Rackleff: I will add that Jamie asked for \$1.25, which covered the ratio, and initially, we were looking at a \$1.15, so we think more conservative. This was one of the properties that, when I was just a lad here at the Housing Authority years ago, in 2004, was done, and the particular builder developer built this really well; it's extraordinarily well built and has lasted a lot better than other properties. But it's very typical with these tax credit properties that they had about a 15 year, 20 year point where they've got a lot of wear and tear and they need to be recapitalized and usually go back for tax credits, which is a very sophisticated major undertaking and we're not there yet, but this is a good bridge to put the roof on it get in good shape and move forward.

Commissioner Carter: Is this the common approach that we used in most of these properties and we're trying to do like this?

Chairman Proler: This is one of the first ones.

Commissioner Carter: We don't know if this is going to work.

Chairman Proler: Yeah, so we're going to find out. Alright, we need to monitor this.

Commissioner Carter: I've got confidence in him.

Chairman Proler: I'd like to come back in six months. What's your estimated time to close with Freddie Mac?

Mr. Rogers: We're looking at closing, possibly, by the end of this month.

Commissioner Carter: Wonderful.

Chairman Proler: That's great.

Commissioner Aceves-Lewis: Did you say 5 years and 35 years amortization?

Mr. Rogers: Yes, first-year interest only and then 35-year amortization for the remaining four years.

Chairman Proler: And it's already stabilized, so..

Commissioner Li: Do we know the interest rate?

Chairman Proler: Yes, 6%, six and change.

Mr. Rogers: That's if we close today. As soon as Freddie makes up their mind on what level of insurance they're going to want, we'll know what the premium is going to be, and we can establish it.

Chairman Proler: I'm really pleased that Jamie set the debt service coverage at 1.25. That really ensures that if there is a problem with the property, we'll know about it soon.

Mr. Rogers: The Staff is recommending the approval.

Chairman Proler asked for a motion to approve Resolution No. 3905 as submitted.

On motion by Commissioner Smith and seconded by Commissioner Li.

Chairman Proler asked if there is any more discussion regarding this resolution. Hearing none, Chairman Proler called for a vote.

The Board approved Resolution No. 3905.

d. Resolution No. 3906: Consideration and/or take action to authorize the President & CEO or designee to amend Resolution No. 3877 to execute a contract with the Local Initiatives Support Corporation (LISC) for Planning Coordination Services for the Near Northside/Irvinton Village Choice Neighborhood Planning Grant.

PRESENTED BY: Lynn Henson, Choice Neighborhood Director

Hello, Commissioners. Resolution 3906 asks for authorization for the chairman, excuse me, for the President and CEO to execute a contract with LISC for planning services for the Near Northside and Irvinton Village Choice Neighborhood Planning Grant. You may remember that this item came before the Board in March 2025. At that time, you approved this project; however, the language stated to authorize the President and CEO to execute a "memorandum of understanding". That was an error. It should have read "contract". And so today, we're asking for a correction to that item to approve for the President and CEO to execute a contract. I will note that the scope of services is the same. This is a correction to the language.

Chairman Proler: Thank you, Lynn. I'll entertain a motion for approval of Resolution No. 3906.

On motion by Commissioner Kirkendoll and seconded by Commissioner Ballard.

Chairman Proler asked if there is any discussion regarding this resolution. Hearing none, Chairman Proler called for a vote.

The Board approved Resolution No. 3906.

e. Resolution No. 3907: Consideration and/or take action to authorize the President & CEO or designee to award and execute a contract with Elmore Public Relations for public relations services.

PRESENTED BY: Rizvan Quadri, Director of Human Resources

Mr. Quadri: Good afternoon, Chairman and Commissioners, and HHA staff. Resolution No. 3907. Let me give you some background as to the request that we're making to procure PR services for crisis communications. As many of us know, many of you know, housing authorities operate in a uniquely sensitive space, and crisis events of any kind happen quite often. They require immediate, expertly handled responses, and it requires a dedicated crisis communications team, not just a project-based consultant. Therefore, we went through a robust solicitation process and came away impressed with Elmore Public Relations' credentials and extensive background experience in Houston. The team is comprised of seasoned public relations individuals who have worked at higher levels. So this particular firm will work alongside with in-house staff, particularly with our newly minted Communications and Social Media Coordinator.

Chairman Proler: Unfortunately, she's on vacation. Could you please take just half a minute to tell everyone about her?

Mr. Quadri: Sure, absolutely. Her name is Robin Jackson, and she comes with many years of experience, having worked in the marketing and advertising space. And so we're just fortunate to have her services here to support us in those efforts, and she'll be working quite well alongside normal public relations. So we're looking forward to her working with us closely. Alongside the fact that they'll be working in-house to develop and execute a real crisis communication plan, that's going to be tailored to HHA's complex operating environment. As you know, challenges do arise from time to time, but they'll also engage community organizations, residents, and stakeholders to build public goodwill, especially when there are any types of sensitive initiatives that we need to incorporate or implement.

So I present to you this resolution and consideration taking action to authorize the execution of the contract with the Elmore Public Relations for relation services, particularly in crisis communications.

Chairman Proler: Thank you, Riz. I'll entertain a motion to approve Resolution number 3907 and submitted.

On motion by Commissioner Li and seconded by Commissioner Ballard.

Chairman Proler: Any comments, questions?

Commissioner Aceves-Lewis: I have a question, and related to the change, I heard you say that the current PR Group is operating more in a consulting capacity, and we need a team now. Is that correct?

Mr. Quadri: Right. In terms of crisis communications, that is correct.

Commissioner Aceves-Lewis: Lastly, just related to KPI reporting, will the new organization provide that so that we can evaluate their effectiveness?

Mr. Quadri: Yes, and we'll be working closely to ensure that we have those reports available to not just members of the HHA staff, but also the board as needed.

Commissioner Aceves-Lewis: Great. Thank you.

Chairman Proler: I would like to make one comment on a personal note. As many of you know, I've served on this board previously, back in 2019, and had a lot of exposure to the PR agencies that have come and gone from this agency. I want to tell you that Susan Elmore's group has done, in my view, an impeccable job over the course of the last four months with some of the crisis management we've had to go through. I am proud that our President has been invited to be on television and to be interviewed, and I am proud that our President has been invited to be in a feature story in The Chronicle. So I want to thank them publicly for their work, and they have our support.

So with that, I'll call for a vote on the resolution as submitted.

The Board unanimously approved Resolution No. 3907.

VIII. EXECUTIVE SESSION

Chairman Proler suspended the Public Session on Tuesday, June 17, 2025, at 2:51 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 3:59 p.m.

NEW BUSINESS continued

- f. Resolution No. 3908: Consideration and/or take action to authorize the President & CEO or authorized representative of the Houston Housing Authority, authorizing the acquisition and rehabilitation of those certain apartments located at approximately 20100 Park Row Blvd., Katy, Texas 77449 and known as the Lancaster Apartments, and the execution of all required documents therefor.**
- g. Resolution No. 3909: 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 Governmental Note (Lancaster Apartments), Series 2025, and the execution of all required documents therefor.**
- h. Resolution No. 3910: Consideration and/or take action to authorize the President & CEO or authorized representative of the Houston Housing Authority, authorizing the acquisition and rehabilitation of those certain apartments located at approximately 11501 West Road, Houston, Texas 77065 and known as the Sugar Creek Apartments, and the execution of all required documents therefor.**
- i. Resolution No. 3911: 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 Governmental Note (Sugar Creek Apartments), Series 2025, and the execution of all required documents therefor.**

- j. **Resolution No. 3912: Consideration and/or take action to authorize the President & CEO or authorized representative of the Houston Housing Authority to facilitate the acquisition of the site, the construction of the apartment complex to include units “affordable” to low and moderate income families and to be known as Orem Circle located at or about 0 Martin Luther King Blvd., Houston, TX 77048, and the execution of all required documents therefor.**

Chairman Proler asked for a motion to vote on Resolution Nos. 3908, 3909, 3910, 3911, and 3912 in seriatim.

On motion by Commissioner Smith and seconded by Commissioner Ballard.

Chairman Proler asked for a motion to adopt Resolution Nos. 3908, 3909, 3910, 3911, and 3912.

On motion by Commissioner Ballard and seconded by Commissioner Kirkendoll, the Board approved Resolution Nos. 3908, 3909, 3910, 3911, and 3912.

X. ADJOURNMENT

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

On motion by Commissioner Carter and seconded by Commissioner Ballard.

Chairman Proler declared the meeting adjourned at 4:01 p.m.