

**BOARD OF COMMISSIONERS MEETING
HOUSING AUTHORITY OF TRAVIS COUNTY, TEXAS
502 East Highland Mall Blvd.
Suite 106-B
Austin, Texas 78752
June 27, 2009
9:00 a.m.**

MINUTES

The Housing Authority of Travis County, Texas held a Board of Commissioners Meeting at 502 East Highland Mall Blvd. on the above date. A quorum was established, and Chairman Tommy A. Nobles called the meeting to order at 9:06 a.m.

ROLL CALL

Roll Call of Commissioners: Chairman Tommy A. Nobles, Vice Chair Ofelia Elizondo, Commissioner Tracy Burkhalter, Commissioner Richard Moya, Commissioner Melvin Wrenn. Staff in Attendance: Executive Director Wiley Hopkins, Assistant Executive Director/CFO Bill Friday, Director of Development & Planning Keith Hoffpauir, PR/Marketing Manager Cindy Noland, Administrative Assistant Debbie Honeycutt, Asset Manager Sherri Griffin. Guests: Alex Carter and Robert Carter, Carter and Leal, Harvey Davis, Travis County Housing Finance Corporation, Sue Hopkins. Executive Director Wiley Hopkins certified the quorum.

NEW BUSINESS

Item 1: Citizen Communications

There were no citizen communications.

At this time Chairman Tommy Nobles requested the Board adjourn into Executive Session to discuss personnel matters.

Item 15: Executive Session – Pursuant to the Texas Government Code Annotated, the Commissioners may discuss the following agenda items. In addition the Commissioners may also discuss and consider any other item posted on this agenda if there are issues that require consideration in Executive Session and the Commissioners announce that the item will be considered during the Executive Session

According to the Texas Government Code Annotated 551.071, Consulting with Attorney
According to the Texas Government Code Annotated 551.072, Real Property
According to the Texas Government Code Annotated 551.074, Personnel Matters

The Board adjourned into Executive Session at 9:07 a.m.

Item 16: Reconvene from Executive Session and take any action deemed necessary as the result of Executive Session discussions

The Board reconvened at 11:15 a.m. Commissioner Ofelia Elizondo made a **motion** to accept the resignation of Executive Director Wiley Hopkins effective July 31, 2009. A Transition Committee will be appointed and at the appropriate times will meet to conduct business relating

to the search for a new Executive Director. The Committee will have full authority over the Authority's decisions as presented during the transition. Daily operations will be conducted by the Executive Director or his designee, and that the Transition Committee will be the clearinghouse for all committees currently active. Commissioner Melvin Wrenn seconded the motion, which **passed** unanimously.

Chairman Nobles then requested a motion to table items 2, 3, 9 and 11 until the next regular Board Meeting. Mr. Wrenn made the **motion**. Commissioner Richard Moya seconded the motion, which **passed** unanimously.

Item 2: Approval of Minutes from the May 30, 2009 Board Meeting

The item was tabled until the next regular Board Meeting.

Item 3: Approval of Minutes from the May 13, 2009 Special Board Meeting

The item was tabled until the next regular Board Meeting.

Item 4: Presentation, deliberation and possible action regarding correspondence related to the FY 2007 Audit Information request from the HUD Regional Office

The item was table until the next scheduled meeting.

Chairman Nobles then called the Board's attention to Item 6.

Item 6: Presentation, discussion and possible action regarding the current status of the HATC's Internal Audit

Mr. Robert Carter of Leal and Carter presented a handout and gave the presentation of the status report. He said the most important item was the Inter-Fund Receivables and Payables. He said they were awaiting a plan from staff to determine a basis for evaluating the collectability of the funds.

Mr. Carter said that on item two, the escrow funds were used to perform repairs on individual homes. He said when that is done, it should be added to the basis of the house, when they can be identified to specific homes. He said that when it cannot be identified with specific homes, the expenses must be written off as operating expenses. He said that after increasing the basis, any gain or loss would be what you paid for it plus the improvements to it. He said they were awaiting a list of the repairs that could be identified to specific houses.

Mr. Carter said that management discussion and analysis, item 3, would be done by staff after the completion of the prior two items.

Mr. Carter said that as far as the OIG investigation, they had nothing to report because the OIG hadn't reported yet.

Mr. Carter said that as far as the REAC audit, everything had to be submitted to REAC's website, and that the redesign of the audit portion website is not fully functional yet. He said that REAC requirements were incompatible with the current situation. He said they were trying to contact REAC to try and find a solution to the problem.

Mr. Nobles asked if when the same thing happened the previous year, was the Authority penalized for it. Executive Director Wiley Hopkins said that they were penalized in the scoring. Mr. Nobles asked Mr. Carter to please document such in the audit so it will be clear that the issue lies with REAC.

Chairman Nobles then directed the Board's attention to Item 5.

Item 5: Presentation, discussion and possible action regarding the HATC's participation in a pending City/County Housing Committee

Chairman Nobles gave the Commissioner's a handout. Travis County Housing Finance Corporation's (TCHFC) Executive Director Harvey Davis presented the item. He said the item was on the County's agenda for the following Wednesday, June 30th. He said it was an initiative to have a housing committee that would initially be city-county, then expand to include the Housing Authorities from each.

Chairman Nobles said it would be a temporary committee. Mr. Davis said it was sponsored by Commissioner Sarah Eckhardt. He said the City planned on having it on the agenda at one of their July meetings, sponsored by Council Member Laura Morrison. He said it was an effort to explore opportunities to do more regional-type opportunities. He said conceivably it would include other cities in the County, and beyond the County.

Chairman Nobles said the primary purpose of the proposal is to get an idea of the condition of housing in Travis County, and that the committee would come back to the County to make recommendations as how to move forward. Mr. Davis said the City has done some excellent housing studies, but they were only for the City, and the information would be more valuable if it was a wider area. He said that the County now has to do a study as a requirement of its CDBG grants.

Chairman Nobles said the thing he wanted to get back to Mr. Davis was the Housing Authority's support of this, and to become a viable force for any decisions made by the committee.

Commissioner Melvin Wrenn said that Mr. Davis participated on a committee for the African-American Quality of Life. He said that part of the recommendation of their study was to have the overall committee which would look at the application of CDBG. He said he thought it was a very good approach, but needed the higher authority to get together, to formalize the pattern recommended in the African-American Quality of Life study. Mr. Wrenn commended Mr. Davis on the fact that he participated, and that he commended Commissioner Eckhardt for taking up this because it was very important to the African-American Quality of Life group.

Chairman Nobles said he would entertain a **motion** to become participants. Mr. Wrenn made a motion to support and endorse the initiative and see if the Authority can play a part. Commissioner Tracy Burkhalter seconded the motion. Discussion followed.

Commissioner Ofelia Elizondo asked if there would be any funding requirements. Mr. Davis said as far as he knew, no funding requirements.

A vote was taken, and the motion **passed** unanimously.

Mr. Nobles directed the Board's attention to Item 14.

Item 14: Appointments to Committees

Chairman Nobles said he would like to form an Agency Transition Committee, with Commissioner Richard Moya as Chairman, and Ms. Burkhalter as Vice Chair. He said all remaining Board members of the Housing Authority would also become a part of the Committee. He said that in addition, the President of SHFC, Mr. Craig Alter would also be a member of the Committee. He said that would be the three members of the Committee, and that Ms. Elizondo would serve as an alternate. Mr. Nobles said it was an umbrella committee to the existing committees, including the personnel, policy and audit committee of the Board. He said they do continue to be stand-alone committees, but the Transition Committee will be a priority as far as the Board of Commissioners.

Mr. Wrenn said he would like to put the Committee in the form of a **motion**. He said he so moved. Ms. Burkhalter seconded the motion.

Chairman Nobles said the scope that is being presented will be forwarded immediately, and that he would be asking that the Transition Committee coordinate with the Executive Director and establish a first meeting as soon as possible. He said he considered the first of that week.

A vote was taken, and the motion **passed** unanimously.

Mr. Nobles referred the Board's attention to Item 7.

Item 7: Presentation, discussion and possible action regarding financial statements and current status of the Housing and Urban Development Office of the Inspector General

Mr. Friday presented the item. Mr. Wrenn said in terms of the balance sheet, there was cash restricted and cash unrestricted. Mr. Friday said that the only restricted funds were \$156,000 in a WAMU account left from the sale of Sweetwater Apartments.

Mr. Wrenn asked if unrestricted meant they were non-governmental funds. Mr. Friday said not necessarily. He said it was a total of all programs. He said that there is a fund of \$500,000 that is restricted for Section 8. He said that funds were necessarily being drawn from that Section 8 savings account because HUD was sending less money, and there are not enough funds being sent to cover administrative costs.

Ms. Elizondo asked if the amount available for operations was \$293,030.02. Mr. Friday said yes. Ms. Elizondo asked if the Authority is currently utilizing \$25,000 to \$35,000 a month for operations. Mr. Friday said yes.

Chairman Nobles referred the Board to Item 8.

Item 8: Presentation, deliberation and possible action regarding the employee Simplified Employee Pension (SEP) IRA Plan

Ms. Elizondo referred the Board to the material in the Board Book. She said she wanted the Board to be familiar with the other options for employee retirement accounts. Mr. Hopkins presented the report. Mr. Moya said the Board was still looking at ways to reinstate the SEP account at some level.

Mr. Moya requested that the item be considered during the budget item discussions. The Board members agreed.

Item 9: Presentation, deliberation and possible action to approve the location, date and time of the annual Board meeting

The item was tabled until the next scheduled Board Meeting.

Item 10: Presentation, discussion and possible action regarding current operations and projected revenues from development initiatives properties

Director of Development and Planning Keith Hoffpauir made the presentation. He said he had met with the SHFC's financial advisor Marnie Miller to discuss what opportunities for both rehab and new building existed in the current market. He said that Ms. Miller is in the process of evaluating the market through discussions with developers.

Mr. Hoffpauir said that he had his first meeting with the Central Texas Foreclosure Prevention Task Force. He said the focus in the coming meetings will be on foreclosure assistance and getting the information out to the public about what's available.

Chairman Nobles congratulated Mr. Hoffpauir on his appointment to the Committee.

Mr. Craig Alter, President of SHFC, asked Mr. Hoffpauir to elaborate on the discussions with Ms. Miller about what the potential might be. Mr. Hoffpauir said that mainly the SHFC would be looking at tax credit properties that were nearing the end of their affordability period. He said there are opportunities to get additional credits on those properties, but hopefully the interest would be in properties where that may not be necessary, and that rehab and maintenance could be done prior to the expiration of the affordability period. Once purchased, the SHFC would be the owner and would receive all of the cash flow from the property. He said that another advantage was that the properties would be within 15 years of their life, which places them in the prime of their economic life.

Mr. Alter asked Mr. Hoffpauir if he could give a rough estimate as to what the potential cash flow might be. Ms. Elizondo asked Mr. Hoffpauir if he could use Southpark as an example. Mr. Hoffpauir said that using Southpark as an example, the monthly rent collections currently run around \$148,000 per month. He said that after operating expenses, that should leave a cash flow of several thousand dollars.

Item 11: Presentation, discussion and possible action regarding the report from the PR/Marketing Manager

The item was tabled until the next scheduled Board Meeting.

Item 12: Presentation, discussion and possible action regarding reports of vacancies and operations of Housing Authority Programs

Mr. Hopkins presented the report together with Mr. Friday. Mr. Hopkins said that the public housing newsletter had received a first place award from Southwest NAHRO. He said that it was the first time the newsletter had received that level of recognition, and that the newsletter was put together by Affordable Housing Manager Tracy Rico as Editor in charge.

Mr. Hopkins said that the public housing reporting rate for PIC was at 100, since the problems with the reporting software had been resolved.

Mr. Wrenn asked Mr. Friday if there is an orientation to the Section 8 program and made aware of owner bias. Mr. Friday said that it was done during their office visit. He said if the person is having trouble, they come back in for an appointment. He said the Authority also maintains a listing of properties accepting vouchers in the service area.

Mr. Friday said that often, landlords will not accept applicants because of a criminal record, no matter how minor or long ago. Mr. Wrenn said that might be something the inter-area proposed committee could look at, as far as encouraging landlords to be more liberal.

Chairman Nobles then called for a five minute recess. The Board recessed at 12:25 p.m. and reconvened at 12:32 p.m.

Item 13: Presentation, discussion and possible action regarding recommendations for actions from Board Committee Members

Mr. Wrenn presented the report of the Finance Committee. Mr. Moya asked if the budget is supposed to go into effect on July 1 and it's not passed in the current meeting, what needed to be done. Mr. Friday said a resolution of continuance would be passed.

Mr. Moya asked for an Executive Session to discuss possible staff cuts in the budget. Mr. Wrenn recommended making a resolution of continuance so the Board may closely examination the draft budgets.

Mr. Moya made a **motion** to go into Executive Session in accordance with Texas Government Code Annotated 551.074, Personnel Matters. Ms. Elizondo **seconded** the motion, which passed unanimously.

Item 15: Executive Session – Pursuant to the Texas Government Code Annotated, the Commissioners may discuss the following agenda items. In addition the Commissioners may also discuss and consider any other item posted on this agenda if there are issues that require consideration in Executive Session and the Commissioners announce that the item will be considered during the Executive Session

According to the Texas Government Code Annotated 551.071, Consulting with Attorney
According to the Texas Government Code Annotated 551.072, Real Property
According to the Texas Government Code Annotated 551.074, Personnel Matters

The Board adjourned into Executive Session at 12:42 p.m.

Item 16: Reconvene from Executive Session and take any action deemed necessary as the result of Executive Session discussions

The Board reconvened at 1:45 p.m. Mr. Wrenn made a **motion** that the Finance Committee meet the following week and bring back to the Board a balanced budget and other considerations. Mr. Moya seconded the motion, which **passed** unanimously.

Mr. Wrenn said he would like to thank Mr. Hopkins for his service as Executive Director. Chairman Nobles said he was in agreement and that Mr. Hopkins spirit and the things he had done to advance the Housing Authority. He said Mr. Hopkin's legacy will always stand and to be proud of it.

Item 17: Presentation, deliberation and possible action to approve the Housing Authority of Travis County Budget for the Fiscal Year of July 1, 2009 to June 30, 2010

The item was covered in Item 13 discussions.

REPORTS

- Executive Director's Report

Mr. Hopkins gave the presentation. He said he wanted to publicly thank Assets Manager Sherri Griffin for the stellar performance she gave in handling all construction matters for the new office building. He said he appreciates all she had done.

Mr. Hopkins said that as it was his last Board Meeting, he wanted to state that he had many gratifying years with the Housing Authority. He said he wanted to thank the Board for considering his request that the staff be treated with the utmost respect and recognized as doing outstanding work for the Authority.

- Issues and concerns of the Board

There were none at that time.

ADJOURN

There being no further business, Mr. Moya made a **motion** to adjourn. Ms. Elizondo seconded the motion, which **passed** unanimously. The Board adjourned at 1:53 p.m.

Respectfully submitted