

Housing Authority of the City of Denton
Minutes for the Special Called September Work Session Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, September 20, 2016 at 12:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 12:00 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Bill Giese, Commissioner
Salty Rishel, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistance to the CEO
LeMaya Woods, Director of Housing
Darlene Hattox, Accounting Manager
Cynthia Richards, Eligibility Specialist
Ramon Guajardo, Development Consultant

II. OPEN FORUM

No speakers were present

III. CAPACITY- DENTON HOUSING AUTHORITY

Ms. McDade went over the newly proposed DHA Organizational Chart and focused on positions that are being proposed to add for 2016-2017. Ms. McDade stated that she is proposing to add a Deputy CEO, an additional Admin Assistant, Asset Specialist (this position would assist with compliance of DHA properties), Accounting Clerk (this position would assist the Director of Finance with payroll and accounts payable), Mobility Specialist (DHA applied for funds from HUD to pay for this position, which would assist clients search for units), additional Maintenance Tech, and a Heritage Oaks Manager. Ms. McDade stated that we would also add a new Eligibility Specialist to replace the staff person that performs those duties now due to her transferring into a Case Specialist position. She also stated that we would like to make the Summer Youth positions (2) permanent as well. Ms. McDade stated that these new positions would allow us to operate DHA more efficiently and to bring in some additional staff to assist with the development side. Chair Stream asked for the dollar amount that will be added to the budget for these new positions. Commissioner Giese stated that it is approximately \$319,000 in salaries. Chair Stream asked why we need an additional Maintenance Tech. Ms. McDade stated that the Maintenance Department is stretched with work orders and make readies at the Main Office, Pecan Place and Heritage Oaks, as well as maintaining the other rental properties owned by DHA.

Chair Stream asked the Board to give their current thoughts on the addition of these new positions. Commissioner Giese stated that Ms. McDade cannot be expected to do everything, and he thinks that the Organizational Chart is appropriate and the Board should give her the authorization to make needed changes (with guidance from the Board). Commissioner Rishel stated that he believes we have been operating with a very lean number of staff. He thinks we will continue to grow and he supports where we are going with the changes, but he would like to see some comparables from other PHA's about what they are spending on administrative fees. Ms. McDade stated that it is difficult to compare DHA to other housing authorities because most HA's do not do development (especially those operating only Section 8), but she can attempt to do so. Chair Stream expressed concern for the dollar amount of the salaries and relying on the money from development to pay those salaries. Vice Chair English stated that she had some concerns and would like to see job descriptions for the new positions. She stated that she thinks the Organizational Chart is top heavy and adds a lot of additional salaries to the budget. She stated that she is not opposed to it, but would like to see a bit more information. Ms. McDade stated that she will bring the Board a more detailed budget at the next meeting.

Ms. McDade stated that the Board was provided a printout of available cash as of July 31, 2016. She stated that this is money available to DHA for development or special programs. Ms. McDade stated that last year we set up a program to help with security deposits and application fees. Commissioner Giese stated that he believes DHA should maintain approximately \$600,000 in cash (90 day supply).

Ms. McDade told the Board that the Attorney is still working on the information regarding the sale of the properties that the Board approved for sale back in July. The Board agreed that they would like to see some movement on this sooner, rather than later.

Ms. McDade stated that the Board was provided a chart showing the projected income from development. There was some discussion about Renaissance Courts and the time frame remaining before the option to purchase. Chair Stream stated that we need to determine what reserves we will need to purchase the property and funds to maintain it. There was some discussion about assuming the loan, rather than having to have cash on hand to purchase the property. Mr. Guajardo stated that the earlier you can negotiate a buy-out the lower the exit taxes will be. He stated that if there is a significant amount of exit taxes (over \$100,000), we could probably be in a position to refinance again and roll the exit taxes into the loan. He stated that the limited partner may want to exit before the 15 years, if they have gotten all of their benefit from the deal, and it couldn't hurt to have some discussion with them about their position. Ms. McDade stated that we will be having a Renaissance Courts Public Facility Corporation meeting next week to further discuss their finances.

IV. REVIEW OF CURRENT DHA PROGRAMS AND PROPERTIES

Chair Stream asked for an update on Real Waves Radio and the car lot that we are currently renting property to. Ms. McDade stated that Real Waves Radio have been making some improvements to the building and their lease will start on October 1st. Ms. McDade stated that Paul Hamilton Motors has been paying increased rent to cover the property taxes, and our maintenance staff restriped the parking lot. Ms. McDade stated that Giving Hope requested a reduction in rent due to their loss of funding. She stated that their rent was \$1400, and we agreed to reduce it to \$1000/month.

V. HOUSING NEEDS

Ms. McDade stated that she wanted to provide some information regarding the needs of DHA (waiting list) and the City of Denton. Ms. McDade stated that she thinks the Board needs to discuss these needs, as well as what we see DHA's role being in housing the homeless.

There was a lot of discussion about options available to DHA to help in housing the homeless. The Board discussed project basing some vouchers at some of the new developments. Ms. McDade stated that there is a process that has to be gone through to project base vouchers. She stated that a RFQ has to be issued and applications can be received from several properties. So, there is no guarantee that the vouchers would go to a DHA owned or developed property. There was discussion about setting up special programs to assist with emergency and transitional housing. The Board had discussion about setting up a fund for a specific amount to assist with these types of housing and whether DHA would facilitate the program or contract with another community service provider that already provides that type of assistance, and DHA would provide the funding. Ms. McDade stated that if DHA funds the program, we will be able to set the guidelines. Ms. McDade stated that she will do some research about what other communities are doing and bring some more information back to the Board for further discussion.

VI. TIMETABLE FOR CURRENT DHA OWNED PROPERTIES

Ms. McDade summarized a previous recommendation from the Consultant that DHA keep Pecan Place and develop on the site, as well as keep Heritage Oaks land and rebuild. Ms. McDade stated that we are maintaining Heritage Oaks, but she suggests the Board make Heritage Oaks a priority. She stated that DHA did put out an RFQ for developer partners. Commissioner Rishel stated that the development team reviewed the three RFQs that were submitted. He gave an overview of the RFQs stating that two of them provided proposals to demolish and rebuild Heritage Oaks and one of them also included a proposal to demolish and rebuild Pecan Place. Ms. McDade stated that her recommendation is to ask the developers that responded to the RFQs to put together a proposal for Heritage Oaks specifically and bring back to the Board. The Board requested the full appraisal for Heritage Oaks. Ms. McDade stated the appraiser is working on it, and she will bring it back to them as soon as we receive it. Commissioner Rishel stated that he wants to see the appraised value of Heritage Oaks before deciding to develop or sell.

Mr. Guajardo stated that he believes that Pecan Place is an excellent location for development. He stated that we could utilize state, federal, historical credit and housing credits on the existing building. Then, use 4% housing tax credits for construction of new units. The Board said that they do want to look at developing the lots around Pecan Place. They also want to confirm if Pecan Place is still committed to being an elderly property.

Mr. Guajardo stated that he also recommends that we go back to the three developers that submitted an RFQ and ask for their best and final proposals.

The Board concluded that they would like to see a complete appraisal of Heritage Oaks in the next 30 days and an answer on whether Pecan Place is still committed to being an elderly property. Ms. McDade stated that we would also ask the developers to submit their best and final proposals for Heritage Oaks, if interested.

VII. NEW DEVELOPMENTS

Mr. Guajardo stated that he would like some direction from the Board regarding how many more development deals they would like to see and in what time frame. He stated that he believes AMTEX will be coming back to the Board in the next month or two with more details about their proposed site. Chairman Stream stated that the Board needs to consider what they can reasonably manage. Commissioner Giese said that he thinks we should be receptive to new proposals that come in. He also stated that there is a limit to what the Board can do and what the staff can do. Commissioner Rishel stated that if DHA is going to ask the City to send all

interested developers through us, then we need to establish a percentage goal to fill the housing need in the community. Mr. Guajardo recommended going through with the presentation to City Council and taking the position that DHA is open to consider any proposal that is submitted and will look at each one individually to determine demand, look at financing and management of the property and decide if we want to partner with them on a case by case basis.

VIII. ADJOURNMENT

Meeting adjourned at 2:50 pm.

Housing Authority of the City of Denton
Minutes for the September Meeting of the Board of Commissioners

The meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, September 27, 2016 at 5:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:30 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistance to the CEO
LeMaya Woods, Director of Housing
Darlene Hattox, Accounting Manager
Tangela Caldwell, Director of Section 8
Barbara Ross, City of Denton

II. OPEN FORUM

No speakers were present

III. PRESENTATION OF FY 2014-2015 AUDIT: ROB SEAY

Rob Seay (Hankins, Eastup, Deaton, Tonn & Seay) presented the FY 2014-2015 Audit. He stated that the audit went well and no issues or problems were found. Commissioner Rishel had a question regarding Acquisition of Capital Assets that went from \$207,385 in 2014 to \$500,994 in 2015 (page 10 of the report). Mr. Seay stated that he would get the detail and breakdown to Ms. McDade to pass on to the Board. In regard to Custodial Credit Risk (page 15), Mr. Seay stated that we had a total of 16 days last year where deposits exceeded FDIC insurance and pledged collateral. So, there was technically a little bit of risk. He stated that it appears the bank was taking a day to pull collateral over. Ms. McDade stated that she has already spoken to the bank about this and feels it has been taken care of. Mr. Seay stated that in regard to internal control over financial reporting, the results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. In regard to compliance with major federal programs, DHA complied in all material respects with compliant requirements.

IV. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: August 23, 2016

The above minutes were presented for approval. Motion was made by Commissioner Giese to approve the minutes for August 23, 2016 and seconded by Vice Chair English.

b. Administrative Reports for August 2016: Sherri McDade

Ms. McDade followed up with the Board regarding the preliminary appraisal values for Heritage Oaks and provided them with those numbers. The Board had some discussion, but agreed they

do want a full appraisal of Heritage Oaks. Ms. McDade stated that she also provided the Board with some information and a timeline for selling the DHA owned properties.

Commissioner Rishel requested more detail in Ms. McDade's report in regards to meetings that are attended in the community.

Ms. McDade introduced Tangela Caldwell, the new Director of Section 8.

c. Financial Statements for August 2016

August Financials were provided in the Board packets. The Board had no questions or concerns.

d. Approval of Resolution #09-16- To Approve Budget for FY 2016-2017

Resolution #09-16 was presented to the board for approval of the Budget for FY 2016-2017.

Accounting Manager, Darlene Hattox presented the proposed budget. Mrs. Hattox gave an overview of DHA Income, New Positions, Salaries, DHA Benefits and each DHA program. The Board requested more detailed information about staff training and travel. Chairman Stream stated that she would like to know what training DHA staff are attending in order to know that the travel and training budget are not excessive.

Ms. McDade stated that she provided the Board with staff position descriptions, which includes the proposed new positions.

Motion was made by Commissioner Giese to approve Resolution #09-16 and seconded by Commissioner Rishel. The Resolution was approved by unanimous vote.

V. ADJOURNMENT

Meeting adjourned at 6:45 pm.

**Housing Authority of the City of Denton
Minutes for the October Meeting of the Board of Commissioners**

The meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, October 25, 2016 at 5:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:20 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Kristin English, Executive Assistance to the CEO
Mattye Jones, Attorney
Gary Henderson, United Way of Denton County
Greg Sawko, United Way of Denton County

II. OPEN FORUM

No speakers were present

III. APPROVAL OF RESOLUTION #10-16- Amendment to the Purchase and Sale Agreement of 1710 Morse Street with United Way of Denton County

Resolution 10-16 was presented to the Board for approval. Mr. Sawko, Chairperson United Way of Denton County, stated that they are requesting an amendment to the sales contract to allow more time to develop the property on Morse Street. He stated this is due to financing, City issues and recommendations from their Consultant to hold off until their capital campaign is wrapped up. Mr. Sawko stated that they are asking for an additional 12 months and that he anticipates possibly having to come back with an additional request for more time. Motion was made by Commissioner Giese to approve Resolution 10-16 and seconded by Commissioner Rishel. The Resolution was approved by unanimous vote.

IV. PRESENTATION OF HERITAGE OAKS APPRAISAL- Chip Sargent

The Board was provided with a hard copy of the Heritage Oaks appraisal. Mr. Sargent gave an overview of the appraisal. He stated that the value is placed at \$5.1 million that reflects 134 units. He stated that he budgeted \$10,000 per unit to renovate the down units (20 units) and \$100-\$150,000 toward other site issues, such as drainage.

He stated that Heritage Oaks is currently renting below market. He estimates the neighborhood market rent to be \$650 per unit. The analysis provided considers renting at market. Since Heritage Oaks is renting below market, he states that it takes approximately a one year cycle to bring income to market levels due to staggering leases. Mr. Sargent stated that a 15% discount was applied to market income to reflect lease-up. Mr. Sargent stated that during the course of his research, he found that there is a high interest in apartments in Denton and a large market for this type of property, if the Board decides to sell.

V. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: September 20, 2016 and September 27, 2016

The above minutes were presented for approval. Motion was made by Commissioner Rishel to approve the minutes for September 20, 2016 and September 27, 2016 and seconded by Vice Chair English.

b. Administrative Reports for September 2016: Sherri McDade

Ms. McDade was not present at the meeting. The Board did not have any questions regarding her report at this time.

The Board stated that they would like to meet as soon as possible in Executive Session to discuss the future of Heritage Oaks regarding whether to sell or redevelop and put a timeline in place. The Board also requested a report from staff that attended the presentation given at the City regarding tax credits available to historic properties.

VI. ADJOURNMENT

Meeting adjourned at 5:55 pm.

Housing Authority of the City of Denton
Minutes for the Special Called December Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, December 20, 2016 at 5:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:29 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistance to the CEO
LeMaya Woods, Director of Housing
Darlene Hattox, Director of Finance
Tangela Caldwell, Director of Section 8
Barbara Ross, City of Denton
Ramon Guajardo, Consultant
Ramon Guajardo, Jr., Consultant

II. OPEN FORUM

No speakers were present

III. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: October 25, 2016

The above minutes were presented for approval. Motion was made by Commissioner Rishel to approve the minutes for October 25, 2016 and seconded by Commissioner Giese. The minutes were approved by unanimous vote.

b. Administrative Reports for October and November 2016: Sherri McDade

Ms. McDade stated that she submitted the Section 8 Management and Assessment Certification (SEMAP) to HUD. This report is a management review of the Section 8 program. She stated that it is done throughout the year by checking files, voucher utilization and inspections. Ms. McDade stated that there were some technical issues this year with reporting to HUD's PIC system that created a lot of errors that needed to be fixed. She stated that overall she feels we performed a lot better this year.

Ms. McDade stated the staff completed some research on Emergency and Transitional Housing available in Denton. She also discussed the Denton Supportive Housing Pilot that United Way is administering, in which transitional housing is provided for 10 individuals for one year with intensive case management. Ms. McDade stated that we are also researching the process of project basing some vouchers, which is a lengthy process involving HUD, and she will be bringing that information back to the Board. There was also some discussion about the

possibility of reopening the waiting list for the homeless population. Chair Stream expressed some concern about reopening the list and the new applicants being ranked higher than the current individuals that have been waiting on the list.

Commissioner Giese stated that he thinks we need to partner with other agencies to administer an emergency and transitional housing program that includes wrap around services. He stated that DHA could fund the program. Ms. McDade stated that she recommends partnering with another agency, but make sure that we set the criteria and priorities. Commissioner Giese stated that he would prefer to gear the program toward families with dependent children. Ms. McDade asked if they preferred to set aside a set amount of money for the program, or set a number of families to help. Commissioner Giese suggested setting a specific number of families to assist, provide the funds for the rent and partner with United Way to provide the other services needed by the family. Ms. McDade stated that she would have a meeting with United Way staff and bring information back to the Board.

Ms. McDade stated that the Mayor has requested some additional HUD VASH vouchers for us to assist the veteran population.

Ms. McDade stated that we are extending the deadline to sell our rental properties. After running the ad in the newspaper, we did not receive any bids. She also stated that we have a staff person working on the information needed to apply for historical tax credits for Pecan Place and will be bringing that information back to the Board.

c. Financial Statements for September, October, November 2016

Commissioner Giese had a question on October financials regarding the line item of Transfer Between Programs and Projects in the amount of \$257,500.00 between Management Fund and DPFC. Mrs. Hattox explained that was money from The Veranda development that went into DPFC and transferred to Management Fund.

There was some discussion about utilization. Commissioner Rishel asked Ms. McDade what her goals are for 2017. Ms. McDade stated to better utilize the voucher program and to put some services together for our clients to help them toward self-sufficiency. She also stated that she wants to get the Ready to Rent Program going to better train and equip our clients to be good tenants in the private market.

VI. ADJOURNMENT

Meeting adjourned at 6:35 pm.

Housing Authority of the City of Denton
Minutes for the Special Called January Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, January 31, 2017 at 5:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Sheryl English, Vice Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:06 pm.

Commissioners Present:	Sheryl English, Vice Chairman Salty Rishel, Commissioner Bill Giese, Commissioner
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Commissioners Absent:	Kathryn Stream, Chairman
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Others Present:	Sherri McDade, CEO Kristin English, Executive Assistant to the CEO LeMaya Woods, Director of Housing Darlene Hattox, Director of Finance Tangela Caldwell, Director of Section 8 Barbara Ross, City of Denton Mattye Jones, Attorney Ramon Guajardo, Sr., Consultant
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II. OPEN FORUM

No speakers were present

III. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: December 20, 2016

The above minutes were presented for approval. Motion was made by Commissioner Giese to approve the minutes for December 20, 2016 and seconded by Commissioner Rishel. The minutes were approved by unanimous vote.

b. Administrative Reports for December 2016: Sherri McDade

Ms. McDade stated that the Section 8 voucher program is under a continued Resolution from the federal government that ends on April 28th. She stated that she has not yet heard what the budget or funding is going to look like under the new administration.

Ms. McDade stated that she will be getting some information back to the Board regarding some options for transitional housing.

Ms. McDade stated that she received a notice that the Affirmatively Furthering Fair Housing may be cut by the new administration, and she will update the Board when she receives further information.

Ms. McDade stated that the bid process for the sale of DHA rental properties has been extended to February 14th.

Ms. McDade stated that the 1st building is being projected to be complete on The Veranda in June. She stated that the leasing trailer should be up soon and she would like to market to the individuals on our waiting list and residents at DHA properties first.

Ms. McDade stated that she has been asked by the City Council to do another presentation to talk about tax credits on February 7th. She stated that Mr. Guajardo and Mrs. Jones will be present as well. Ms. McDade stated that part of the presentation will include our plans regarding the money we will receive from development and how we can give some of those fees back to the community. Commissioner Giese stated that he really does think we need to help improve the shelter.

As part of Ms. McDade's report, she stated that she included Resolution 02-17- Support MOU for Regional Assessment of Fair Housing.

Resolution 02-17- To Support MOU for Regional Assessment of Fair Housing was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 02-17 and seconded by Commissioner Rishel. The Resolution was approved by unanimous vote.

c. Financial Statements for December 2016

There were no questions or comments regarding December financial statements.

IV. Executive Session

Vice Chair English suspended the regular meeting at 5:28pm to go into closed session pursuant to §551.071 of the Texas Government Code to seek the advice of its attorneys about a pending or contemplated litigation or about a settlement offer; or to consult with its attorney on a matter in which the duty of its attorney under the Texas Disciplinary Rules or Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act and/or pursuant to §551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property, if deliberation in an open meeting would have a detrimental effect on the position of the Authority in negotiations with a third person; discussion with Consultant regarding development and/or pursuant to §551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or charge against any officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

a. Consult with Attorney regarding MOU with Palladium USA, Inc.

Vice Chair English reopened regular session at 6:47pm.

V. Approval of Resolution 01-17

RESOLUTION AUTHORIZING DENTON HOUSING AUTHORITY TO (A) WORK COOPERATIVELY WITH PALLADIUM INTERNATIONAL USA, INC. TO DEVELOP PALLADIUM DENTON (THE "PROJECT") BY NEGOTIATING AND ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH REGARD TO THE PROJECT; (B) FOR THE FORMATION OF A TEXAS LIMITED PARTNERSHIP FOR THE PURPOSE OF OWNING THE PROJECT; AND (C) SUCH OTHER ACTIONS NECESSARY OR CONVENIENT TO CARRY OUT THIS RESOLUTION.

Resolution 01-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 01-17 as amended per discussion with our Attorney and seconded by Commissioner Rishel. The Resolution was approved by unanimous vote.

There was discussion and a decision to move the regularly scheduled February Board Meeting to February 22nd.

VI. ADJOURNMENT

Meeting adjourned at 6:53 pm.

Housing Authority of the City of Denton
Minutes for the Special Called February Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Thursday, February 9, 2017 at 3:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 3:07 pm.

Commissioners Present:	Kathryn Stream, Chairman Sheryl English, Vice Chairman Salty Rishel, Commissioner Bill Giese, Commissioner arrived at 3:30 pm
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Others Present:	Sherri McDade, CEO Kristin English, Executive Assistant to the CEO Mattye Jones, Attorney
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II. OPEN FORUM

No speakers were present

III. Executive Session

Chairman Stream suspended the regular meeting at 3:09pm to go into closed session pursuant to §551.071 of the Texas Government Code to seek the advice of its attorneys about a pending or contemplated litigation or about a settlement offer; or to consult with its attorney on a matter in which the duty of its attorney under the Texas Disciplinary Rules or Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act and/or pursuant to §551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property, if deliberation in an open meeting would have a detrimental effect on the position of the Authority in negotiations with a third person; discussion with Consultant regarding development and/or pursuant to §551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or charge against any officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

a. Consult with Attorney

Chairman Stream reopened regular session at 4:06 pm.

IV. Approval of Resolution 03-17

RESOLUTION AUTHORIZING THE CEO OF DENTON HOUSING AUTHORITY (A) TO CREATE THE PREMIER DENTON PUBLIC FACILITY CORPORATION, A PUBLIC FACILITY CORPORATION, AND (B) ANY OTHER ACTIONS NECESSARY OR CONVENIENT TO CARRY OUT THIS RESOLUTION.

Resolution 03-17 was presented to the Board for approval. Motion was made by Commissioner Rishel to approve Resolution 03-17 as presented with the noted edits to be made by the Attorney, Mrs. Jones, who will review all filed forms and make any changes referring to Ms. McDade as a Commissioner of the Board, rather than Secretary to the Board. Motion was seconded by Vice Chair English. Resolution was approved by unanimous vote as presented with noted edits to the Formation documents.

V. Approval of Resolution 04-17

RESOLUTION AUTHORIZING DENTON HOUSING AUTHORITY TO (A) WORK COOPERATIVELY WITH MV RESIDENTIAL, LLC TO DEVELOP RESERVE AT SHERMAN (THE "PROJECT") BY NEGOTIATING AND ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH REGARD TO THE PROJECT; (B) FOR THE FORMATION OF A TEXAS LIMITED PARTNERSHIP FOR THE PURPOSE OF OWNING THE PROJECT; AND (C) SUCH OTHER ACTIONS NECESSARY OR CONVENIENT TO CARRY OUT THIS RESOLUTION.

Resolution 04-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 04-17 and seconded by Vice Chair English. The Resolution was approved by unanimous vote.

VI. ADJOURNMENT

Meeting adjourned at 4:17 pm.

Housing Authority of the City of Denton
Minutes for the Special Called March Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Friday, March 10, 2017 at 9:00 am at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 9:00 am.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistant to the CEO
LeMaya Woods, Director of Housing
Darlene Hattox, Director of Finance
Tangela Caldwell, Director of Section 8
Cynthia Richards, Asset Compliance Specialist
Mattye Jones, Attorney with Coats Rose
Ramon Guajardo, Sr., Consultant
Ramon Guajardo, Jr., Consultant

II. OPEN FORUM

No speakers were present

III. DISCUSSION WITH MAYOR REGARDING DHA DEVELOPMENT

City of Denton Mayor, Chris Watts, stated that he wanted the opportunity to have an open dialogue with the Board following the last City Council meeting. He stated that the Council is trying to monetize the request for Resolutions from the City by developers. The Mayor stated that due to the elimination of property taxes, the Council would like to know how the developer fees will be used to benefit the community. He stated that DHA had made a request to the City that all developers first come to the Housing Authority to be vetted. In light of that request, the Council wants to know how much revenue the Housing Authority will be getting and what DHA will be doing with all of the revenue. There was a lot of discussion about these developments being taken off the tax roles and that the income DHA will be receiving needs to be put back into the community. Ms. McDade stated that DHA provided audits, financial statements and budgets to the City Council as requested. Mayor Watts stated that Council requested that information in order to make an informed decision on the request to send all developers to DHA. He stated that Council was not satisfied with the answers of how the developer fees were going to be spent and maximized to benefit the community. Ms. McDade stated that the developer fees DHA will receive is over a 15 year period. She stated the numbers given to the Council in regard to how the developer fees were to be spent over that 15 year period were an estimate due to the impossibility of providing exact numbers. There was also discussion that without DHA as a

partner, the developers would pay the property taxes and take all of the developer fees and none of that money would be put back into the City. Ms. McDade stated that it is DHA's mission to provide affordable housing to the community and house the low income families on our program and waiting list.

Attorney Jones clarified that DHA was before the Council because we wanted to be co-developers with the two developers that were asking for Resolutions of Support. She stated that DHA's request to have the City send all developers to DHA to vet deals was a separate request and issue that was not related to the current request. The Board agreed that the two were confusing the Council. So, DHA chose to take the policy request off the table until the current developers requesting Resolutions could be looked at by Council.

Mayor Watts stated that all of this is a worthy conversation, and he thinks it was just bad timing. Chair Stream stated that she was surprised to learn that Council did not know that these developments were tax exempt. Mayor Watts stated that he does not know if the Council is currently able to distinguish between the request that DHA made to be "a clearing house" for development in the city and current requests from developers coming before the Council for Resolutions that DHA already has Memorandums of Understanding (MOU) with. He stated that the City Council has to look at the interest of the entire community. Chair Stream stated that the Board wants the City to know that the only project that DHA is currently needing support for is the Ojala project. She stated that the Ojala project has a senior development that is much needed in the community. Chair Stream stated that the Ojala project is the only project DHA is working on at this time. She stated that if the City wants to take on these projects and partner with developers to build affordable housing in the future, that the Board would be delighted because of the time and effort spent to get the deals done.

Vice Chair English expressed her hopes that the City Council will continue to get educated on how the Housing Authority works and the mission of DHA in relation to the housing needs of the community.

IV. UPDATE FROM OJALA REGARDING DEVELOPMENT

Matt Vrugink from Ojala Holdings stated that they route all of their projects in other cities through the local Housing Authorities because they know the housing needs of the city. He stated that the current project (Standard and Hudson at Medpark) got through Planning and Zoning and will be coming up for zoning approval in the next month. Mr. Vrugink stated that Ojala has a MOU with DHA, which includes the Ad Valorem tax exemption and states that is a standard structure in the industry. He stated that the only way to make these deals work is to have the tax exemption or find 5-6 million dollars in soft money (CDBG or Home Funds), which he states is not available in Denton. Mr. Vrugink stated that Ojala has spent a lot of time, money and effort with DHA, and they are at a point that if the tax exemption is not going to be feasible they will have to pull the plug on the current affordable housing project and future projects in Denton. He stated that without the tax exemption, the deals will not work. Mayor Watts asked if Mr. Vrugink knows the amount of taxes that will be saved on the project. Mr. Vrugink stated that it is estimated at \$350-\$400,000 a year. Mr. Vrugink concluded that Ojala needs the City Council to approve a Resolution of Non Opposition for the Standard and Hudson at Medpark. He stated that he hopes the Council can separate this request with any policy requests in relation to DHA, and he will meet with every Council member to help educate them if needed.

V. Executive Session

Chairman Stream suspended the regular meeting at 9:48 am to go into closed session pursuant to §551.071 of the Texas Government Code to seek the advice of its attorneys about a pending or contemplated litigation or about a settlement offer; or to consult with its attorney on a matter in which the duty of its attorney under the Texas Disciplinary Rules or Professional Conduct of the

the Texas Government Code to deliberate the purchase, exchange, lease, or value of real

property, if deliberation in an open meeting would have a detrimental effect on the position of the Authority in negotiations with a third person; discussion with Consultant regarding development and/or pursuant to §551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or charge against any officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

a. Discussion of DHA's future Development

Chairman Stream reopened regular session at 10:15 am.

VI. ACTION, IF ANY, RESULTING IN CLOSED SESSION DELIBERATION

No action taken or recommendations in open session for a vote.

There was discussion and a decision to move the regularly scheduled March Board Meeting to March 21st at 2 pm. Commissioner Giese stated that future regular meetings need to try and be on the regular date and time- 4th Tuesday at 5 pm.

VII. ADJOURNMENT

Meeting adjourned at 10:18 am.

Housing Authority of the City of Denton
Minutes for the Special Called March Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, March 21, 2017 at 2:00 pm at the DHA Central Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 2:05 pm.

Commissioners Present:	Kathryn Stream, Chairman Sheryl English, Vice Chairman Salty Rishel, Commissioner arrived at 2:16 pm Bill Giese, Commissioner
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Others Present:	Sherri McDade, CEO Kristin English, Executive Assistant to the CEO LeMaya Woods, Director of Housing Darlene Hattox, Director of Finance Tangela Caldwell, Director of Section 8 Cynthia Richards, Asset Compliance Specialist Ramon Guajardo, Sr., Consultant Barbara Ross, City of Denton
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II. OPEN FORUM

No speakers were present

III. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: January 31, 2017 and February 9, 2017

The above minutes were presented for approval. Motion was made by Vice Chair English to approve the minutes for January 31, 2017 and February 9, 2017 and seconded by Commissioner Giese. The minutes were approved by unanimous vote.

b. Administrative Reports for January and February 2017: Sherri McDade

Ms. McDade stated she provided the Board with the draft of the 2017 Annual Plan. She stated that she also provided Chapters 5 and 11 of the Administrative Plan. She explained that she has received notice from HUD that funding will be reduced and DHA may not have enough funding to pay for current vouchers, and they are working with us on ways to reduce utilization. She stated that one of the recommendations is to lower the occupancy standards to two people per bedroom. She stated that the occupancy standards are reflected in Chapter 5 of the Administrative Plan. Ms. McDade stated that Chapter 11 of the Administrative Plan focuses on Payment Standards and the recommendation is to lower payment standards to reduce the amount of HAP paid and prevent us from having to terminate families from the Section 8 program. Ms. McDade stated that these changes have been made available for public comment. They will be brought back to the Board for approval in May, if necessary. She stated that the federal budget expires on April 28th and she is hoping to know what our funding will be and if changes are needed.

Commissioner Giese said that he has a copy of a letter from Monsignor King Outreach Center regarding raising funds for the shelter. He provided all of the Board with a copy of the letter and stated that he would like to see a discussion about making a contribution to the shelter on a future agenda.

Mr. Guajardo, Jr. gave a report on the construction progress of The Veranda. He stated that the Community Center is 100% sheet rocked and they started texturing. The paint will be going on in 3 days and trim and cabinets will follow. He stated that they are on track for a May 22nd turnover date on the Community Room. Mr. Guajardo stated that building 12 will be the first building to come on-line, which is scheduled for the end of June. He gave an overview of progress on each building. He stated that the site is very clean and the construction progress is going well. Ms. McDade asked about the leasing trailer. Mr. Guajardo stated that they are still working with the City on the leasing trailer, as the City would like to see landscape completed around the location of the trailer. Ms. McDade stated that two leasing days have been scheduled. One day for Heritage Oaks and Pecan Place residents and another day for current participants and families on the waiting list. She stated that the management company will be taking pre-applications from anyone interested in moving to The Veranda.

c. Financial Statements for January 2017

There were no questions or comments regarding January financial statements. Ms. McDade stated that February financial statements were not received in time to provide to the Board.

d. Resolution 05-17- Approval of Renewal of Lease with Denton County Dental Clinic

Resolution 05-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 05-17 and seconded by Commissioner Rishel. The Resolution was approved by unanimous vote.

Commissioner Giese asked for clarification of future meeting dates and times. Ms. McDade stated that regular meetings are scheduled for the 4th Tuesday of each month at 5 pm. Commissioner Giese stated that he does not have a problem with changes, but that we need to make sure that changes are convenient for every member of the Board. Vice Chair English suggested moving the regular meetings to 4 pm. The Board agreed that they would wait until a 5th Board member is appointed to make any changes to the time. Ms. McDade stated that even if she is not available on regular meeting dates, the meeting could still go forward with other DHA management staff available for questions. Chair Stream stated that was a possibility, but not a probability.

IV. Adjournment

Meeting was adjourned at 2:36 pm.

Housing Authority of the City of Denton
Minutes for the Special Called March Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, April 18, 2017 at 5:00 pm at the DHA Main Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:00 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
LaToya Brown, Administrative Assistant
LeMaya Woods, Director of Housing
Darlene Hattox, Director of Finance
Tangela Caldwell, Director of Section 8
Cynthia Richards, Asset Compliance Specialist
Barbara Ross, City of Denton

II. OPEN FORUM

No speakers were present

III. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: March 10, 2017 and March 21, 2017

The above minutes were presented for approval. Motion was made by Commissioner Rishel to approve the minutes for March 10, 2017 and March 21, 2017 and seconded by Vice Chair English. The minutes were approved by unanimous vote.

b. Administrative Reports for March 2017: Sherri McDade

Ms. McDade stated she provided the Board with information regarding the possible funding shortfall for the Section 8 program. Ms. McDade stated that she had a correction to make to her report that states the current federal budget expires on April 18, 2017 and should read April 28, 2017. Ms. McDade stated that all of the numbers are HUD's best estimate at this time, but those numbers are projecting a loss of 171 vouchers by the end of the year. That number is if we are funded at 94%. Ms. McDade stated that we will start working on the DHA budget in July.

Ms. McDade stated that she provided a construction update on The Veranda in her report that was provided by our Consultant. She stated that she has a meeting scheduled with City of Denton staff on the 20th to discuss the Ojala development.

Commissioner Rishel asked Ms. McDade how the Housing Opportunity Through Modernization Act (HOTMA) will affect funding. Ms. McDade stated that it would affect administration, but not funding.

There was some discussion about a participant that held onto a voucher for almost a year without leasing up. Ms. McDade stated that she met with the participant and gave her 30 days to lease up. The participant decided to port to another county and found a unit to lease. Commissioner Giese wanted to make sure that this was a special case and not routine for a participant to hold onto a voucher for that long of a time. Ms. McDade stated that it was a special case.

c. Financial Statements for February and March 2017

Ms. Hattox, Director of Finance, brought the income statement for Section 8 Program in March Financials (page 10) to the Board's attention. She stated there is an amount of \$30,933.77 showing on line item of Bad Debt- Other. Ms. Hattox stated that this was misclassified by the fee accountant in February financials as income and corrected in March financials.

Chairman Stream asked about a Construction in Progress line item on the Combined Balance Sheet (page 3 of March financials) for \$7,445.35 under Pecan Place. Ms. Hattox stated that anytime we make improvements, the fee accountant lists as Construction in Progress. This will accumulate through the fiscal year. Then, be reclassified as a Capital Improvement. Ms. Hattox stated that carpet and flooring have been replaced, as well as painting. Commissioner Rishel disagreed that those should be considered Capital Improvements. Ms. McDade stated that they would get some clarification from the fee accountant and auditor.

Commissioner Rishel had a question regarding a Gain or Loss of capital assets for Section 8 in the amount of \$5300.00 (page 10 of February financials). Ms. Hattox stated that was due to the sale of the van.

d. Report from Commissioner Giese Regarding Agency Funding

Commissioner Giese stated that there have been questions about whether we could use any funds to assist the homeless population. He stated that he requested that the Board be provided the Local Government Code, which he believes is important in determining that DHA has the authority to assist the homeless. Commissioner Giese wanted to talk about the sections that he believes are relevant to Denton and DHA. He specifically pointed out Sections 392.002 (9) relating to "persons of low income", 392.003 (1) relating to a shortage of safe and sanitary housing at rents affordable to persons of low income forcing them to live in unsanitary or unsafe housing, 392.004 Operation Not For Profit, 392.005 Tax Exemption, 392.006 Unit of Government; Governmental Functions, 392.011(f) (1 and 2), 392.052 (c), 392.055 Rentals and Tenant Selection. Commissioner Giese stated that his conclusion is that we do not currently have the authority to help Monsignor King or the Salvation Army, but he thinks the authority can be granted prior to the next fiscal year budget. He stated that he believes that we should aid the homeless and that could be accomplished by designating funds to the homeless shelter. Commissioner Giese stated that DHA could adopt policies deemed appropriate to assist with the homeless problem in Denton.

Chairman Stream stated that there are other agencies in Denton, such as Our Daily Bread, that serve the homeless. Commissioner Giese stated that other agencies do not have shelters and as he understands the government code assistance needs to be directed at homeless shelters.

Commissioner Rishel stated that there needs to be policy and guidelines put in place to establish how funds can be spent and how much can be allocated to other agencies on an annual basis. He suggested a structure where agencies submit proposals to us each year that include their mission and what the funds would be used toward. He stated that his preference would be to purchase land or buildings for rent.

Chairman Stream stated that we have to take into consideration future expenses, such as purchasing Renaissance Courts, before designating funds to other places. Ms. McDade stated that the current estimate to purchase Renaissance Courts is \$1.2 million.

Vice Chair English stated that she is not in agreement with giving any funds at this time. She also stated that we need to look into this to make sure it would not be in violation of any HUD policies.

Motion was made by Commissioner Giese to authorize the CEO to draft a Resolution stating the Board has the authority to designate funds to other agencies to provide services for DHA clients and seconded by Commissioner Rishel. Motion was approved with Commissioner English voting no.

e. Update on DHA Development

Ms. McDade stated that she has a meeting with City staff on the 20th to discuss the Ojala development.

Commissioner Rishel requested a list of the Housing Authorities that owe us money for ports. He would like to see who owes the money, how much and for how long has it been delinquent. Ms. McDade stated that she would get that report to him.

IV. Adjournment

Meeting was adjourned at 6:06 pm.

**Housing Authority of the City of Denton
Minutes for the May Meeting of the Board of Commissioners**

The meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, May 23, 2017 at 5:00 pm at the DHA Main Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:00 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistant to the CEO
LeMaya Woods, Director of Housing
Darlene Hattox, Director of Finance
Tangela Caldwell, Director of Section 8
Cynthia Richards, Asset Compliance Specialist
Ramon Guajardo, Consultant, Ramel Co.
Ramon Guajardo Jr, Consultant, Ramel Co.

II. OPEN FORUM

No speakers were present

III. PUBLIC HEARING- 5- YEAR AND ANNUAL PHA PLAN

Chairman Stream opened the hearing at 5:00 pm. No individuals were present. Hearing was closed at 5:01 pm.

IV. UPDATE ON UNITED WAY OF DENTON COUNTY (UWDC) OFFICE BUILDING

Lyle Drescher gave a quick update about the construction side of the UWDC office building. He stated they are currently in the site development and permit phase of the project. Mr. Drescher stated that the drainage issues have been resolved to the City's satisfaction. They will be ready to kick off construction when the capital campaign is complete.

Ellen Painter gave an update about the campaign to raise money for the project. She stated they have received over \$300,000 in significant pledges. She stated the community is behind this project, and they have approached other businesses that are expected to contribute approximately an additional \$300,000.

Ernie McCraw stated they learned early on that the community is proud of this project and they are very likely to get some large grants that will fund a large portion. He stated that by the end of summer they feel like they will have enough money raised to state the project will go forward.

Bill Patterson stated that they have really been educating the community of all of the services provided by UWDC while trying to raise money, and they are getting a lot of positive feedback.

All of the UWDC representatives stated that their packets and literature mention that DHA is a partner in this project and that it helps to sell the deal, as well as being a strong credibility factor for the grant writing process. Mr. McCraw stated that by the end of summer they should know for certain if they have been awarded the large grants. They stated they will come back in September or October to give the Board another update.

V. DEVELOPMENT UPDATE- MATT VRUGGINK, OJALA

Mr. Vrugink was unable to be at the meeting. Ramon Guajardo gave the Board an update on the proposed Ojala development project. Mr. Guajardo stated that City Council denied the Resolution for the Standard, but approved the Resolution for the senior site, The Hudson. Ojala had previously stated that both projects had to be approved by City Council and constructed with tax credits.

Mr. Guajardo stated that Ojala has now come back with another possible option that they are calling The PFC Model. Mr. Guajardo gave an overview of the comparison of this model to the previous 4% tax credit model. He stated that both properties would still be tax exempt and that the big difference comes on the financing side. He stated with the PFC Model the HUD construction loan would increase from \$42 million to \$50 million. Mr. Guajardo stated that the previous 4% tax credit model would have given the project a \$21 million equity contribution. He stated that under the PFC model it is proposed that Ojala would bring \$12 million of private equity into the project, and the investors will be looking at approximately a 15% rate of return on their investment. Mr. Guajardo stated that the rents would no longer be at 60% AMI as in the tax credit model. The PFC model has 50% of the units at 80% AMI and the other half of the units would be market rate. He provided the Board with the projected rents for the PFC model.

Mr. Guajardo stated that DHA would have received 35% of developer fee and 45% of cash flow under the tax credit model. He stated that the revenue projections to DHA with the new PFC model would generate \$2.4 million for The Standard and \$1.5 million for The Hudson.

Mr. Guajardo stated that a big difference with this model is that those projections show that Ojala would sell their interest in the project at year 5 and DHA would get 15% of those proceeds. For The Standard, that would equate to \$1.5 million and for The Hudson \$909,900. He stated that at the end of 15 years, DHA would have the right to buy the property for market value.

Mr. Guajardo stated that he believes the numbers are negotiable and if the Board decides they may want to move forward with this new model, they will do some negotiating and try to improve those numbers. He stated that another idea would be to negotiate lowering some of the rents to make them affordable to the residents at Heritage Oaks.

Commissioner Giese requested that a new market study be done to see if there is a demand for 80% AMI and market rate units in that area. He also expressed concern that the rents are not affordable enough to meet a need in the community and our clients. Mr. Guajardo agreed and said that DHA should request a market study. He stated that the additional revenue received from the sale of Ojala's interest could be invested back into the community to assist the lower income families.

Chair Stream asked if DHA would have any say in the investor that Ojala sold their interest to. Mr. Guajardo stated that language can be added that DHA have an opportunity to review and not unreasonably withhold approval of the new investor partner.

There was some discussion about whether we should attempt to go back to City Council, which has new members, and present the 4% deal again. Ms. McDade stated that she does not believe there would be a different outcome. Mr. Guajardo stated that Ojala has expressed that they cannot wait much longer for a decision on this project before they have to cut their losses and move forward. Commissioner Giese stated that out of courtesy he thinks we need to let the City know that we are considering this new development structure.

The Board gave direction to Mr. Guajardo to pursue this model and negotiate to maximize the revenue to DHA and to see if rents can be reduced below the 80% for the elderly site. They also want to make sure there is a demand to fill the units and assurance that there is no liability to the agency on the loan.

VI. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: April 18, 2017

The above minutes were presented for approval. Motion was made by Commissioner Rishel to approve the minutes for April 18, 2017 and seconded by Commissioner Giese. The minutes were approved by unanimous vote.

Chair Stream asked if any clarification was received from Urlaub about the capital assets as discussed at the last meeting and if a list of housing authorities owing money to DHA was provided to Commissioner Rishel as requested at the last meeting. Ms. Hattox stated that there are HUD requirements as to how expenses are classified and that no changes can be made.

Ms. McDade stated that she had the outstanding port balance report for Commissioner Rishel.

b. Update on The Veranda- Ramel Company (this was moved up from letter 'f' on the agenda)

Mr. Guajardo, Jr. gave an update on the construction progress of The Veranda. He stated that the project is approximately 60% complete. He also stated that the club house should be ready by the end of the week, and the first residential building (building 12) is scheduled for completion June 9th.

Commissioner Rishel inquired if any of the trees that were salvaged could be used in any way on the property. Mr. Guajardo said that he would check into that.

Vice Chair English stated that she would like to be included in the next site visit.

c. Approval of Resolution 06-17- Write Off Bad Debt at Heritage Oaks (moved up from letter 'd')

Resolution 06-17 was presented to the Board for approval. Motion was made by Commissioner Rishel to approve Resolution 06-17 and seconded by Commissioner Giese. The Resolution was approved by unanimous vote.

d. Approval of Resolution 07-17- Write Off Bad Debt at Pecan Place (moved up from letter 'e')

Resolution 07-17 was presented to the Board for approval. Motion was made by Commissioner Rishel to approve Resolution 07-17 and seconded by Commissioner Giese. The Resolution was approved by unanimous vote.

e. Administrative Reports for April 2017: Sherri McDade (moved down from letter 'b')

Ms. McDade discussed information regarding the shortfall on the voucher program. She stated that our June numbers should go down considerably, and she hopes we will be brought out of shortfall by HUD.

Ms. McDade stated that the federal budget was approved and our HUD funding is estimated at HAP-97.27% and Admin Fees at 75.7%.

Ms. McDade stated that the 2017 Annual Plan was included in their packet and it will be brought back to the Board next month for approval.

Ms. McDade stated that we have submitted two Resident Board Applications to the Mayor, but have not yet received a response.

Ms. McDade addressed her request for clarification regarding the direction of the Board to create a policy for use of agency funds. She provided the Board with some options that they may be interested in designating funds toward: 1. Housing Pilot Program 2. RFQ process to address the needs of the community that could be administered by a 3rd party 3. Direct funding to shelters

4. Other. Ms. McDade asked for further direction from the Board on which of the options they would like more information on.

Commissioner Giese and Chair Stream both stated they thought we needed a Resolution to allow them to designate funds to other agencies. Ms. McDade stated that she would need to create a policy for the Board to designate funds for specific programs, such as the options she provided. She stated that she needs to know which of those programs they are interested in so she can create the policy.

Commissioner Giese stated that he does not believe they need a policy to detail particular projects, but a general statement that the Board can, if they choose to, designate funds to other agencies as related to our mission to support housing.

Chair Stream stated that she would really like to get a Resident Board member sworn in to be included in these discussions.

Commissioner Giese stated that there is a lot of discussion in our community about homelessness. He stated that he thinks we should create a subsidy program for families with young children needing rental assistance and other community resources. He stated that DHA doesn't need to administer the program, but needs to be involved and collaborate with other agencies to assist these families.

Chair Stream stated that she has some issues with bringing other agencies into the mix and losing our say in how the program is administered. She stated that the Board should have the authority to help other agencies, but should be careful about giving funds or subsidies directly to the homeless. She stated that there are several agencies in the community that support the homeless population and DHA's mission is affordable housing.

Commissioner Giese stated that he disagrees that homeless is not part of our mission, and he will continue to propose ways to meet some of the needs of the homeless.

f. Financial Statements for April 2017 (moved down from letter 'c')

Commissioner Giese stated that he has reviewed the audit for Renaissance Courts and believes there is an accrued deferred management fee of \$689,000 that will eventually be paid to DHA. Ms. McDade stated that we do receive a portion from them twice a year based on their cash flow. Ms. McDade stated that we need to schedule a Renaissance Courts Board Meeting in order to go into more detail.

Commissioner Giese stated that the financials look pretty reasonable. He stated that he is a little concerned about the accrued compensated absences and that the numbers seem high. Ms. Hattox stated that reflects staff vacation time.

Commissioner Giese had a question regarding an amount of \$150,000 for Management Fund- line item Notes, loans & mortgages receivable. Ms. Hattox stated that was for the sale of the Morse Street land to United Way.

Commissioner Rishel went back to Admin Reports and had a comment about the report from the Asset Compliance Specialist, Ms. Richards. He requested that she refrain from using the word "I" in her report, rather use the word "we" to include the entire DHA team.

Commissioner Giese stated that he is unsure if the reports need pronouns at all.

The Board discussed having a Special Called Meeting on June 14th at 5:00. Ms. McDade stated we would send an email and confirm with each of them.

VII. ADJOURNMENT

Meeting was adjourned at 7:17 pm.

Housing Authority of the City of Denton
Minutes for the Special Called June Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Wednesday, June 14, 2017 at 4:00 pm at the DHA Main Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 4:00 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman arrived at 4:08 pm
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistant to the CEO
LeMaya Woods, Director of Housing
Darlene Hattox, Director of Finance
Tangela Caldwell, Director of Section 8
Cynthia Richards, Asset Compliance Specialist
Mattye Jones, Attorney
Ramon Guajardo, Consultant, Ramel Co.
Ramon Guajardo Jr, Consultant, Ramel Co.

II. OPEN FORUM

No speakers were present

III. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: May 23, 2017

The above minutes were presented for approval. Motion was made by Commissioner Rishel to approve the minutes for May 23, 2017 and seconded by Commissioner Giese. The minutes were approved by unanimous vote.

b. Administrative Reports for May 2017: Sherri McDade

Ms. McDade stated to the Board that we have contacted other housing authorities and requested that they absorb our clients, which some of them agreed to do.

Commissioner Rishel asked for clarification from Ms. Richards about the training she attended in Dallas for the CBA's Power of Rent Reporting Pilot Summary and Findings. Ms. Richards stated that the goal is for management companies to report that residents are paying their rent in an effort to help boost their credit. Commissioner Rishel wants to know if this is something we can look into providing for our clients and residents. Ms. McDade stated that she would look into it and the possibility of doing this at our properties.

Commissioner Rishel asked how the waiting list number decreased to 1021 applicants. Ms. Caldwell stated that letters were sent to all of the applicants on the waiting list, and that was the number that responded to the letter. Ms. McDade stated they were given approximately 90 days to respond before being removed from the waiting list.

Commissioner Rishel asked why we were conducting zero income meetings on a monthly basis. Ms. McDade stated that it is in the policy and the number of families has decreased since the meetings have started, which is an indication that it is working.

Commissioner Giese asked for more information about the Valet Trash at Heritage Oaks. Ms. Woods stated that on a trial basis on Monday, Wednesday and Friday, the residents at Heritage Oaks can put their trash outside their door and Maintenance staff will pick it up and take it to the dumpster. Ms. McDade stated that they are seeing how it works on a trial basis before bringing the policy to the Board.

c. Approval of Resolution 08-17- Approve Annual Plan

Resolution 08-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 08-17 and seconded by Vice Chair English. The Resolution was approved by unanimous vote.

d. Approval of Resolution 09-17- Adopt Violence Against Women Act (VAWA) Policy

Resolution 09-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 09-17 and seconded by Vice Chair English. The Resolution was approved by unanimous vote.

Chair Stream requested that DHA have Denton County Friends of the Family provide some updated training for staff in order to recognize possible signs of abuse with our participants.

e. Update on The Veranda- Ramel Company

Mr. Guajardo, Jr. gave a brief update on the construction progress of The Veranda. He stated that Building 12 has been completed and is waiting on the Certificate of Occupancy. He stated the building has a total of 10 units (8- three bedrooms and 2- four bedrooms). Mr. Guajardo, Jr. stated that Building 12 is 100% leased. He stated that he has walked the building and created a punch list. Mr. Guajardo, Jr. told the Board what kind of things he is looking for during the walk through. He stated that he did not find any major issues. Mr. Guajardo, Jr. stated that he sent the list to the contractors and heard back the following morning that they would start working on it.

f. Development Update

No update given.

IV. EXECUTIVE SESSION

Chairman Stream suspended the regular meeting at 4:34 pm to go into closed session pursuant to §551.071 of the Texas Government Code to seek the advice of its attorneys about a pending or contemplated litigation or about a settlement offer; or to consult with its attorney on a matter in which the duty of its attorney under the Texas Disciplinary Rules or Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act and/or pursuant to §551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property, if deliberation in an open meeting would have a detrimental effect on the position of the Authority in negotiations with a third person; discussion with Consultant regarding development and/or pursuant to §551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or charge against any officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

a. Consult with Attorney regarding MOU with Ojala

b. Consult with Attorney regarding Cooperation Agreement with the City of Denton

Chairman Stream reopened regular session at 6:14 pm.

V. ACTION, IF ANY, RESULTING IN CLOSED SESSION DELIBERATION

No action taken.

Vice Chair English wanted to recognize Commissioner Giese for having a building named after him at Denton ISD Central Services.

The Board agreed to check their schedules to change the July Board meeting date from the 25th to the 11th at 4pm. Ms. McDade stated that we will send an email to the Board to confirm.

VI. ADJOURNMENT

Meeting adjourned at 6:17 pm.

Housing Authority of the City of Denton
Minutes for the Special Called July Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Wednesday, July 11, 2017 at 4:00 pm at the DHA Main Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 4:08 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman arrived at 4:08 pm
Salty Rishel, Commissioner
Bill Giese, Commissioner

Others Present:

Sherri McDade, CEO
Kristin English, Executive Assistant to the CEO
Mattye Jones, Attorney with Coats Rose
Ramon Guajardo, Consultant, Ramel Co.
Ramon Guajardo Jr, Consultant, Ramel Co.
Barbara Ross, City of Denton

II. OPEN FORUM

No speakers were present

III. PRESENTATION AND DISCUSSION WITH MAYOR CHRIS WATTS

Chairman Stream stated that the Board thought it would be helpful to touch base with the Mayor to possibly get a view about what the City is thinking in regards to the Housing Authority. Mayor Watts stated that he wanted to meet because it seemed there may have been some confusion, concern and probably anxiety between the Board and the Council following the previous meetings regarding the affordable housing issue. He stated that the Council voted to support the senior component of our latest development effort, but did not support the family side. Mayor Watts stated that he has become aware, by reading the meeting minutes from the last DHA Board Meeting, that DHA may be moving forward with the development deal under a new structure that does not require City Council approval. He stated that when he realized the project would be 50% market and 50% affordable at 80% AMI, he thought that we were moving backward. Mayor Watts stated that he understands and supports that the Board is autonomous and they make decisions in the best interest of DHA's mission. He stated that he believes it is unfortunate that the Ojala project collided with policy discussions with the City Council and it became too difficult to separate the two. The Mayor stated that he has a concern with this type of project coming through the Housing Authority with a lower number of affordable units.

Mayor Watts acknowledged that DHA already has properties that are not on the tax rolls. He stated that the perspective of affordability in Denton and the desire to have more affordable housing is a common goal of both DHA and the City. He sees a desire from DHA to move into a different paradigm from the federally funded voucher program to other avenues allowing DHA to increase revenue to offset a loss of HUD funding. Mayor Watts stated this is where DHA and the City can potentially diverge on certain interests (not the affordable housing interest). He stated that for instance if DHA has three development projects that will be off the tax rolls that savings could equate to \$700,000-\$800,000 a year. Mayor Watts stated the importance of that and if that is the path DHA is going down we should be cautious because developers only care about money, not affordable housing. He suggested that moving forward DHA should ask for set aside units that can be available for homeless and transitional housing initiatives that the City and United Way are trying to create. Mayor Watts stated that the City has zero units for transitional and homeless housing with wrap around services. Mayor Watts thinks it would go a long way if DHA asks our partnering developers for transitional housing set asides, especially if we are taking these properties off the tax rolls.

Mayor Watts stated that moving forward there will be people on the outside that look at the numbers and begin to question DHA because of the fact that we are taking the properties off the tax rolls. He stated that DHA should find a way to accommodate and meet other interests city wide. Mayor Watts stated the City doesn't really have an organization at this time to channel ideas through to create transitional/homeless units. He stated that DHA is in a position to contractually have the developers set aside some of those units in our developments moving forward.

Mayor Watts suggested that if DHA decides to move forward with the Ojala project under the new structure, DHA should reach out to some council members and get their input even though it does not require their support.

Commissioner Giese stated it was his understanding that the City Council voted against the family component of the development because they did not like the fact that it was being taken off the tax rolls. He stated that he believes it was due to a lack of understanding that tax credits are a viable way to build more affordable housing. Commissioner Giese stated that if the council had fully understood that the tax exemption is embodied in a state law and that DHA is tax exempt on all projects, the vote may have had a different outcome. He stated the rejection was quite a disappointment.

Commissioner Giese stated that DHA is already looking into ways that we can fund some subsidies, on a pilot basis, that will benefit the homeless and transitional housing. He stated that it is DHA's mission to improve affordable housing and move forward.

Commissioner Rishel stated that DHA can develop a revenue stream by doing development and put funds back into the community. He stated that the City has to allow DHA to build that revenue stream.

Commissioner Rishel stated DHA will build quality affordable housing and provide services to the residents and community. He stated that DHA needs the leverage to work with developers, but until the City of Denton develops a heart for the homeless and people that are less fortunate than they are...

Mayor Watts interrupted Commissioner Rishel and stated that his comments were inappropriate. He stated that it was way out of line to accuse him and the City of Denton of not having a heart for the homeless. Mayor Watts stated that he will talk about policy and strategy, but Commissioner Rishel's rhetoric is not going to promote a working relationship with the City.

Vice Chair English stated that a massive amount of non -profits are a part of the Denton County Homeless Coalition. She stated that everyone is aware of the homeless issue and to say that the City is not aware or onboard is unfair. Commissioner English stated that the City is very passionate about the homeless population.

Mayor Watts stated the policies are written, funds from private corporations for rent subsidies are in place, as well as the agencies to provide services, but the problem is there are no units. Commissioner Rishel stated that his point was if DHA had a revenue stream, we could be leaders in that process. Mayor Watts stated that he doesn't disagree with that, but during meetings with the Council there was no money shown to put toward community projects. All of the funds were reserved to purchase Renaissance Courts and making up for HUD funding cuts.

Mayor Watts stated that DHA's heart for affordable housing is very evident. He stated that there are ways that the City and DHA can work together on common interests, and if DHA can work with developers to set aside units, they will provide the wrap around services and all of those kinds of things.

Mayor Watts stated that the need from his perspective as Mayor is that we need units for people who are in crisis with little to no money. He stated he knows we have an affordability issue, but we have a really big issue with people who are one crisis away from being homeless.

Commissioner Giese requested that the Mayor appoint a Resident Commissioner from the two applicants that have been submitted for the vacant spot on the DHA Board. Mayor Watts stated that he would get that done.

IV. EXECUTIVE SESSION

Chairman Stream suspended the regular meeting at 4:57 pm to go into closed session pursuant to §551.071 of the Texas Government Code to seek the advice of its attorneys about a pending or contemplated litigation or about a settlement offer; or to consult with its attorney on a matter in which the duty of its attorney under the Texas Disciplinary Rules or Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act and/or pursuant to §551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property, if deliberation in an open meeting would have a detrimental effect on the position of the Authority in negotiations with a third person; discussion with Consultant regarding development and/or pursuant to §551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or charge against any officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

- a. Consult with Attorney regarding MOU with Ojala
- b. Consult with Attorney regarding Cooperation Agreement with the City of Denton

Chairman Stream reopened regular session at 5:24 pm.

V. ACTION, IF ANY, RESULTING IN CLOSED SESSION DELIBERATION

No action taken.

VI. ADJOURNMENT

Meeting adjourned at 5:26 pm.

Housing Authority of the City of Denton
Minutes for the August Meeting of the Board of Commissioners

The special called meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Wednesday, August 22, 2017 at 4:00 pm at the DHA Main Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Sheryl English, Vice Chairman of the Board of Commissioners for DHA, called the meeting to order at 4:04 pm.

Commissioners Present:

Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner
Beverly Bryant, Commissioner

Absent:

Kathryn Stream, Chairman

Others Present:

Sherri McDade, CEO
Darlene Hattox, Director of Finance
Kristin English, Executive Assistant to the CEO
Ramon Guajardo Jr, Consultant, Ramel Co.
Barbara Ross, City of Denton

II. OPEN FORUM

No speakers were present

III. SWEARING IN OF NEW BOARD MEMBER- BEVERLY BRYANT

Kristin English, Executive Assistant to the CEO at DHA, swore in new board member, Beverly Bryant, for a two year term. Mrs. English also notarized all of the necessary documents. Commissioner Bryant shared a bit of her background with the Board.

IV. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: June 14, 2017 and July 11, 2017

The above minutes were presented for approval. Motion was made by Commissioner Giese to approve the minutes for June 14, 2017 and seconded by Commissioner Rishel. The minutes were approved by unanimous vote.

Motion was made by Commissioner Rishel to approve the minutes for July 11, 2017. Commissioner Giese asked that these minutes reflect that Mayor Watts does not have the authority to make the statement about DHA funding being reserved to purchase Renaissance Courts (page 2, paragraph 5) The approval was seconded by Commissioner Bryant. The minutes were approved by unanimous vote with the understanding that the previous minutes were reviewed to verify the statement made by Mayor Watts and Commissioner Giese's disapproval of that statement. The minutes were reviewed and found to be a correct reflection of the statement made by Mayor Watts. The statement was referring to the information provided to council regarding the intended use of funds to be earned from the Ojala project. Mayor Watts was stating that the information provided by DHA did not reflect any funds being put toward community projects, but were reserved for the purchase of Renaissance Courts and to make up for HUD funding cuts.

b. Administrative Reports for June and July 2017: Sherri McDade

Commissioner Giese asked for clarification on the first paragraph of Ms. McDade's report regarding shortfall status. Ms. McDade stated that HUD expected to see our HAP payments go down with the reduction in utilization. Commissioner Giese stated that it should read that HUD did not see a significant reduction of HAP payments, rather than expenses.

Ms. McDade stated that she would like for the Board to go see a new development in Ft. Worth based on the "Housing First Model". She stated that they remodeled a run- down development for the homeless and

brought in a supportive housing program to work with the residents. Ms. McDade stated she will schedule an appointment to tour the property if the Board and perhaps Barbara Ross would like to go.

Ms. McDade stated that we have a meeting scheduled with United Way to discuss possible future partnerships. Commissioner Rishel asked for an update on construction of the new United Way office building. Ms. McDade stated that they are coming along and continue to raise money. She stated they are getting close to hiring a construction company.

c. Financial Statements: May, June and July 2017

Commissioner Giese stated that if we are not going to use our available cash right away it should probably be invested. Ms. McDade stated that staff are working on an Investment Policy and will be bringing it to the board after the first of the fiscal year.

d. Draft of FY 2017-2018 Budget

Commissioner Giese commented that Ms. Hattox has done an excellent job on the budget and it is easy to read. Mrs. Hattox, Director of Finance, gave an overview of the draft budget. She stated that the number of vouchers we are leasing has decreased and the administrative (admin) fees for those vouchers has decreased as well, because of those decreases we will be losing approximately \$266,000 in admin fees earned. Mrs. Hattox stated that HUD will no longer separate the admin fees for VASH vouchers. That number is now absorbed into the Section 8 admin fees earned. Ms. McDade wanted to clarify that we were receiving about 75 cents per unit and now we are anticipating getting 70 cents. Ms. Hattox stated that we currently have over 100 port-ins, which means we are administering another housing authority's voucher. She stated that we only earn 80% of the admin fee on those ports. She stated that it is very difficult to try to estimate the amount for next year because we do not know the number of port -ins we will receive.

Mrs. Hattox stated that we don't anticipate the income changing for Heritage Oaks. She stated that we will still have the same number of units next fiscal year.

Mrs. Hattox stated that there is approximately a \$12,000 change in income for Pecan Place. She stated that this is due to an increase in rent at Pecan Place.

Mrs. Hattox stated that Management Fund is still getting approximately \$33,000 for rental properties that include the radio station, car lot and Giving Hope. She stated that Section 8 pays Management Fund for renting space in the main office. She stated that we also get a Management Fee of 7% of the income from Heritage Oaks and Pecan Place, which shows an increase of about \$2,000 from the increased rents at Pecan Place. Mrs. Hattox stated that we anticipate receiving approximately \$150,000 Asset Management Fee for Renaissance Courts and \$27,000 Bond Issuance fee for The Veranda. She stated when The Veranda is 100% leased up (expected around July 2018), DHA will receive approximately \$743,000.

Ms. McDade stated that Mrs. Hattox could hit some highlights on the expenses, but that they really looked at expenses across the board on all programs and took them to the bare minimum. She stated that she will talk to the board possibly next month about salaries and benefits. Commissioner Rishel wanted to know where the big decrease in salaries was coming from. Ms. McDade stated that we didn't refill some positions primarily due to the Section 8 budget. Commissioner Giese stated that some salaries are allocated. He stated that he asked for a separate line showing allocations and this should give a clearer picture of salaries.

Commissioner Rishel said the other big difference looks like a decrease in legal expenses by \$30,000.

Mrs. Hattox stated that was reduced to reflect the fact of the Ojala deal not coming to fruition. She also stated that we are anticipating a decrease in office expenses. She stated we received new copy equipment and renewed the lease, which brought the cost down by \$200 a month at the main office and \$150 a month at Heritage Oaks. Mrs. Hattox stated that we also renegotiated some other contracts that will save us money, as well as simply cutting back on ordering office supplies.

Commissioner Rishel asked how often we review our contracts. Ms. McDade stated we take a look at contracts at least once a year. Contracts are for different lengths of time- some for 1 year and some for 5 years. She stated that Mrs. Hattox is really good at keeping up with the contracts.

Commissioner Rishel asked if we are giving staff enough training and education needed to do the best job they can do. Mrs. Hattox stated that she in fact left a conference to attend the board meeting.

Commissioner Giese expressed concern about the decrease in Section 8 salaries and being short staffed. Mrs. Hattox stated that changes were made to that since the draft was printed. She stated that the difference is only \$20,000. Ms. McDade stated that they will get them an updated copy. Ms. McDade stated that even with the funding cuts the Section 8 program has cash to operate. She stated that she certainly doesn't want to cut staff. Commissioner Giese wanted to point out that the budget does not show any salary increases. He stated that Ms. McDade will probably give them a recommendation as to what she wants to do with personnel salaries, and the board would make the decision regarding Ms. McDade's salary. He stated that will have an effect on the budget.

e. Approval of Amount of Non-Federal Funds to Designate for Programs and Services

Motion was made by Commissioner Giese to designate \$250,000 for programs and services and seconded by Commissioner Rishel.

Commissioner Rishel stated that he would like to see a policy with an application process. Vice Chair English stated that she would like to see a scholarship set aside for children of Section 8 participants. Commissioner Giese stated that he thinks the scholarship is a good idea, but thinks that should be a separate allocation. Commissioner Bryant asked what type of programs the board is going to allocate the money toward. Commissioner Giese gave a background of previous discussions. He stated that examples would be Salvation Army, Monsignor King Shelter, Our Daily Bread, assistance toward transitional housing, partnership with United Way. Ms. McDade stated that we would be taking DHA funds and designating them to help families that may not be on our Section 8 program. She stated that the board will approve an amount to designate each year based on the budget. Commissioner Bryant stated that she does not agree with using the funds for non -Section 8 participants. She stated that she thinks the funds need to be designated for DHA clients. Commissioner Giese stated that the funds would be used to support and provide services for individuals who are in need of housing. Ms. McDade said that we have discussed getting individuals off our waiting list and possibly helping them with some wrap around services, training, childcare, etc. and have discussed those individuals being single parents who need services. The motion was approved by 2-1 vote, with Commissioner Bryant voting no.

f. Approval of Resolution 10-17- Board Authority to Designate Non-Federal Funds

Resolution 10-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 10-17 and seconded by Commissioner Rishel. The Resolution was approved by unanimous vote.

g. Update on The Veranda- Ramel Company

Mr. Guajardo, Jr. gave a brief update on the construction progress of The Veranda. He stated that the Club House, buildings 12, 1 and 4 have all been completed. He stated that framing has been completed in buildings 9 and 10. Mr. Guajardo, Jr. stated that buildings 6 and 8 are in progress of being sheet rocked. He stated that most resources have been pulled to focus on building 10 (the large 4 story). Mr. Guajardo, Jr. stated that 64% of total hard and soft costs have been billed. He stated that he did include a punch list for building 4 so the Board can see some items that he is focusing on. Vice Chair English asked about the blinds in the units. Mr. Guajardo, Jr. stated they are 1 inch metal blinds. Vice Chair English stated that the board did not agree to metal blinds. She stated that the blinds were supposed to be faux wood in the units. Mr. Guajardo, Jr. stated that he would check on that. Mr. Guajardo, Jr. presented some pictures of building 4 to show the progress from start to finish.

V. EXECUTIVE SESSION

No Executive Session

VI. ACTION, IF ANY RESULTING IN CLOSED SESSION DELIBERATION

No Executive Session

VII. ADJOURNMENT

Meeting adjourned at 5:36pm

**Housing Authority of the City of Denton
Minutes for the September Meeting of the Board of Commissioners**

The meeting of the Denton Housing Authority (DHA) Board of Commissioners was held Tuesday, September 26, 2017 at 5:00 pm at the DHA Main Office, 1225 Wilson St. Denton, Texas.

I. CALL TO ORDER

Kathryn Stream, Chairman of the Board of Commissioners for DHA, called the meeting to order at 5:07 pm.

Commissioners Present:

Kathryn Stream, Chairman
Sheryl English, Vice Chairman
Salty Rishel, Commissioner
Bill Giese, Commissioner
Beverly Bryant, Commissioner

Others Present:

Sherri McDade, CEO
Darlene Hattox, Director of Finance
LeMaya Woods, Director of Section 8
Kristin English, Executive Assistant to the CEO
Ramon Guajardo Jr, Consultant, Ramel Co.

II. OPEN FORUM

No speakers were present

III. EXECUTIVE SESSION

Chairman Stream suspended the regular meeting at 5:08 pm to go into closed session pursuant to §551.071 of the Texas Government Code to seek the advice of its attorneys about a pending or contemplated litigation or about a settlement offer; or to consult with its attorney on a matter in which the duty of its attorney under the Texas Disciplinary Rules or Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act and/or pursuant to §551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property, if deliberation in an open meeting would have a detrimental effect on the position of the Authority in negotiations with a third person; discussion with Consultant regarding development and/or pursuant to §551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or charge against any officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

- a. Update on development
- b. Personnel matters regarding CEO

Chairman Stream reopened regular session at 6:00 pm.

IV. ACTION, IF ANY, RESULTING IN CLOSED SESSION DELIBERATION

Motion was made by Commissioner Giese to direct the CEO to suspend negotiations with Ojala Holdings and seconded by Vice Chair English. The motion was approved by unanimous vote.

Motion was made by Commissioner Rishel to direct the CEO to contact a realtor about putting DHA owned properties on the market and seconded by Commissioner English. The motion was approved by unanimous vote.

Motion was made by Commissioner English to extend the contract with Ramel Company, LLC for 6 months effective 7/1/17 and seconded by Commissioner Rishel. The motion was approved by unanimous vote.

V. DISCUSSION AND ACTION ITEMS

a. Approval of Minutes: August 22, 2017

The above minutes were presented for approval. Motion was made by Commissioner Rishel to approve the minutes for August 22, 2017 and seconded by Vice Chair English. The minutes were approved by unanimous vote.

b. Administrative Reports for June and July 2017: Sherri McDade

Ms. McDade stated that she provided information for two change orders regarding The Veranda. She also reminded the Board of the VIP Tour of The Veranda on November 9th at 11 am.

Commissioner Giese asked when we will get a response on the shortfall application. Ms. McDade stated that we will know after our October 1st Housing Assistance Payment (HAP) run. Then, submit our check register and HUD will make a determination at that time.

Ms. McDade stated that she would like for United Way of Denton County (UWDC) to present the 2017 Community Needs Assessment to the Board. She stated that she will schedule for them to come to a future board meeting.

Ms. McDade stated that she is still working on the supportive services policy. She stated that UWDC is willing to work with us on that fund of money. Ms. McDade stated that the Board had previously expressed interest in setting aside funds for scholarships. She stated that she would like to set up a scholarship fund through the school foundation in order to keep it as confidential as possible. Ms. McDade stated that she hopes to have a draft policy to the Board in October.

Commissioner Rishel asked for some more details regarding the meeting staff attended regarding the Denton Plan 2030. Mr. Guajardo, Jr. stated that we were able to provide feedback about our experience developing/constructing The Veranda. He stated that the City's main focus was about zoning, but we were able to discuss some other areas with them as well.

1. The Veranda Change Order #1- Revision- Electrical Addition
2. The Veranda Change Order #2- Cable Conduit Installation & Request for Extension
3. Update on The Veranda- Ramel Company

Mr. Guajardo, Jr. stated that the Board already approved Change Order #1- specifically allowing NRP to go back to the bank and acquire more tax credits to cover the cost. He stated that we are now about 80% complete on construction and NRP has not touched the \$1.2 million contingency. Mr. Guajardo, Jr. stated that Change Order #2 is NRP asking to utilize the contingency for the work that was approved in Change Order #1, rather than getting more tax credits. He stated that the second part of Change Order #2 is for redesign and cost incurred for installing cable conduit. Mr. Guajardo, Jr. stated that initially cable service was going to be provided by Verizon and they were going to install the conduit themselves. However, the Verizon deal did not come to fruition and NRP decided to work with Spectrum to design and negotiate installation of the infrastructure. He stated that the agreement requires NRP to install the conduit, which was not included in the original budget. Mr. Guajardo, Jr. stated that the cost will come out of NRP's contingency and will be of no cost to DHA or the bottom line of the contract. Mr. Guajardo, Jr. stated that the last portion of the Change Order is to extend the completion date due to weather delays. He stated that NRP provided the back-up to support their claim and the completion date is now March 29, 2018. Mr. Guajardo, Jr. stated that he does anticipate another change order coming to further extend that date a bit more.

Mr. Guajardo Jr. gave a brief update on the construction progress of The Veranda. He stated that The Veranda construction is 80% complete and 52% leased up. Mr. Guajardo, Jr. stated that buildings 12, 1, 2, 3, and 4 have been turned over and the next will be building 5 with 1-bedroom units. He stated that he is now starting to focus on building 10, where he has some concerns about turn over due to how the building was permitted and the fact of the two elevators which are lengthy installations. Mr. Guajardo, Jr. stated

c. Financial Statements: August 2017

No questions or comments regarding August 2017 financials.

d. Approval of Resolution 11-17- Approve Budget for FY 2017-2018

Commissioner Giese stated that an adjustment needed to be made to the salary of the CEO.

Ms. McDade stated that Mrs. Hattox has done a very good job of detailing and explaining the budget and her budget analysis. Ms. McDade asked if anyone had questions about the details or budget analysis and Mrs. Hattox could address those questions. Commissioner Rishel stated that he appreciated the detail provided by Mrs. Hattox. Chairman Stream stated that they all appreciate the detail provided and feels most of the questions have been answered by that detail or at the previous meeting when the draft budget was presented.

Resolution 11-17 was presented to the Board for approval. Motion was made by Commissioner Rishel to approve Resolution 11-17 and seconded by Vice Chair English. The Resolution was approved by unanimous vote.

e. Approval of 12-17- Local Government Purchasing Cooperative

Mrs. McDade stated that we are requesting to join the Purchasing Coop through the Texas Buy Board to purchase materials, supplies and equipment at a reduced rate. Mrs. Hattox stated that there is no cost to join the Coop.

Resolution 12-17 was presented to the Board for approval. Motion was made by Commissioner Giese to approve Resolution 12-17 and seconded by Vice Chair English. The Resolution was approved by unanimous vote.

f. Motion to Reappoint Commissioner Giese to the Denton Behavioral Health Leadership Team (BHLT)

Motion was made by Vice Chair English to reappoint Commissioner Giese to the BHLT and seconded by Commissioner Rishel. The motion was approved by unanimous vote.

VI. ADJOURNMENT

Meeting adjourned at 6:45pm

