

**TAKE NOTICE THAT THE REGULAR MEETING  
OF THE BOARD OF COMMISSIONERS  
OF THE  
HOUSING AUTHORITY OF THE  
CITY OF MCKINNEY**

The regular meeting of the Board of Commissioners of the Housing Authority of the City of McKinney, Texas, was held at 1200 North Tennessee Street at 6:30pm on November 7, 2011.

Chairman Alonzo Tutson called the meeting to order at 6:30pm and established a quorum.

The following Commissioners were present:

Alonzo Tutson, Chairman  
Thomas Johnson  
Gretchen Gayowski  
Donald Stockford  
Elinor Williams

McKinney Housing Authority staff members in attendance were: Laury Bravo, Donny Hernandez, Roslyn Miller and Beth Bentley.

The guest in attendance was Mattye Jones, Attorney-at-law with Coats Rose.

Commissioner Stockford offered the invocation.

Chairman Tutson called for comments from the public. On behalf of the residents and Resident Council, Commissioner Williams shared that the Resident Council of MHA is currently taking donations for winter coats – small – 2XL, with a couple of 4x or 5x – ages 3 – 17. Donors will deliver the coats November 18 – 19 between 9 – 11am. Team dv8 will provide coats for additional youth that participate in their program.

The next order of business was to **Review and Adopt the Minutes of the Regular Meeting held on August 23, 2011 (11.07.11.01)**. Commissioner Williams motioned to accept the minutes as presented. Commissioner Gayowski seconded the motion. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

The next order of business was to **Consider/Discuss/Act on Chairman and Vice-Chair for the Board of Commissioners for Fiscal Year 2011 – 2012 (11.07.11.02)**. A motion was made by Commissioner Stockford for Commissioner Tutson to serve as Chair and Commissioner Gayowski as Vice-chair. Commissioner Johnson seconded the motion. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

The meeting continued with **Consider/Discuss/Act on Ground Floor Development Updates – 2011**. Ms. Bentley explained that the developer had been notified that the ideal date to receive all presentation information was November 17 due to the Thanksgiving holiday and no later than November 21 for the November 29 meeting. ICP would be contacted with the same dates.

The next agenda item was to **Consider/Discuss/Act on TDHCA 2012 Application Process and Request for Proposals (11.07.11.03)**. Ms. Jones spoke about the TDHCA 2012 application process and provided the three options for participation:

1. **Master Plan** – take neighborhood – ask consultant team to come and do plan for that site and the surrounding community; leaves you with a plan but not necessarily with a product; lengthy process – study, space, charrets, resource outline – 12 month or longer process
2. **Select a developer** – in concert with board and management – determine what will be developed – very attractive option – pick someone qualified who is then charged with doing the application, having their team with architect and guaranteeing all financing schemes; the board’s vision discharged into a development opportunity; site specific and want a reposition of the asset for this particular site
3. **No particular site in mind** but open to whatever else will assist in fulfilling the mission; locate land, get ad valorem tax; example – HFC could also give exemption for tax

Commissioner Johnson sought pros vs. cons for each option and stressed the need for a long-term strategy:

1. Master plan – PRO - vet and explore longer; usually not a canned product; CON – end up paying for that and don’t end up with a product but a plan; PHA has to pay for the plan
2. Developer – PRO - does the plan and PHA gets the product; get the benefit of their resources, architectural team, etc.
3. PRO - developer must give some credence as to whether the deal will work before going into it; CON – PHA put resources and time and it didn’t make

Attorney Jones offered the following food for thought:

Don’t set schedule so liberally so the developer doesn’t get a chance to participate in the next pre-application round for 9% option; must show site control for a period of time; financing options are limited; bond program is becoming more attractive; don’t have to pick a site, can just pick a developer; can state that MHA is interested in exploring existing portfolio; can always do a mixed income property - some market and non-market rate (60% AMI); timing – good – not too short; doing an announcement to key developers who are well-financed and competent – wanting to work in PH arena - qualifications will be gleaned from their submissions; 12 – 15 developers in this market that are more national and some that are more regional; idea is to share the developer fee and have right of first refusal when ground lease time expires; once hired, MHA can decide which route to take with their expertise;

Additionally, Ms. Jones offered: consider – can always write RFO to say seeking ‘developers’ – can pick more than 1 developer – probably want to land with one or can pick the site; if MHA wants to keep ACC and so many non-ACC – can have public/private funds; As far as time-frame – pretty laid out – start, go through selection process, most likely want to engage in 9% process and if not, they probably have something in mind – may want to go through 4% process; January – pre-app is due.

Based on this information, Commissioners discussed and weighed each option for MHA, considering the desire to get beyond having just a plan but wanting to see actual development. Commissioner Gayowski, motioned to issue a generic RFP to entertain how to and ultimately develop or approach current and existing properties to include redevelopment or development. The motion was 2<sup>nd</sup> by Commissioner Williams. A vote was taken with the following results:

Ayes: Tutson  
 Gayowski  
 Johnson  
 Stockford  
 Williams

Nays: None

**The next agenda item was to Consider/Discuss/Act on Monthly Financials**

- a. Consider/Discuss/Act on Financial Analysis
- b. Consider/Discuss/Act on Proposed Budget Revisions for 2011-2012 (11.07.11.04)
- c. Consider/Discuss/Act on Public Housing Accounts Payable Write-offs – First Quarter FY 2011-12 (11.07.11.05)
- d. Consider/Discuss/Act on S8 Program Write-offs – First Quarter FY 2011-12 (11.07.11.06)
- e. Consider/Discuss/Act on Public Housing Program Write-offs (11.07.11.07)

Commissioner Gayowski expressed a concern regarding the revised budget presentation spreadsheet and the accompanying financial analysis from the fee accountant, inquiring if the agency was heading into Troubled status. Ms. Bravo expressed that the initial report did not include all months for the current fiscal year and the agency expected to be up to speed within the next month. Ms. Bravo went on to explain that the software conversion took time to learn and areas to correct were still being found.

Commissioner Johnson inquired when staff would know if all data had been finally converted. Chairman Tutson followed up with a request for a timeline for completion of the software conversion, expressing a concern that staff still had to triple check the work for accuracy. Ms. Bentley offered the timeline of the end of October for Public Housing and the end of December for Section 8.

Regarding the revised budget, Commissioners expressed concern about the salary of \$26,400 each being proposed for two Section 8 new hires and possibly not attracting quality applicants. Commissioner Williams shared that Section 8 is a delicate area and persons were needed who enjoyed the workload. Ms. Bentley explained that the budget would not allow more at this time but likely could in future months.

Commissioner Stockford motioned to accept the revised budget as presented (11.07.11.04). Chairman Tutson proposed to amend the budget to reflect a review in six months. Commissioner Stockford made the motion to include the amendment. The motion was 2<sup>nd</sup> by Commissioner Gayowski. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

Commissioner Johnson called for a 5 minute break at 8:56pm. Commissioners returned at 9:01pm.

Commissioner Stockford made the motion to approve agenda item **Consider/Discuss/Act on Public Housing Accounts Payable Write-offs – First Quarter FY 2011-12 (11.07.11.05)**. The motion was 2<sup>nd</sup> by Commissioner Gayowski. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

Commissioner Stockford made the motion to approve agenda item **Consider/Discuss/Act on S8 Program Write-offs – First Quarter FY 2011-12 (11.07.11.06)**. The motion was 2<sup>nd</sup> by Commissioner Gayowski. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

Commissioner Stockford made the motion to approve agenda item **Consider/Discuss/Act on Public Housing Program Write-offs (11.07.11.07)**. The motion was 2<sup>nd</sup> by Commissioner Gayowski. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

Ms. Bentley shared that monies owed to the agency that exceeded \$1,500 would be pursued through the Office of Inspector General (OIG).

Program and Public Housing items were covered under **Consider/Discuss/Act on Public Housing and Section 8 Program Reporting and Consider/Discuss/Act** on Public Housing Maintenance Department Reporting. Mr. Hernandez reviewed his program report and shared the priorities, high point items to low point items. He expected to have the UPCS inspection items completed by December, weather and vacancies permitting.

Commissioner Williams asked for Mr. Hernandez's recommendation to rebuild or renovate. Mr. Hernandez's recommendation was to rebuild, expressing the limited funding and limited staff to address the major repairs needed.

The next item on the agenda was to **Consider/Discuss/Act on Approval of Board of Commissioner Finance Liaison (11.07.11.08)**. Chairman Tutson made a motion to nominate one with an accounting background, who was thorough, very honest and candid - Commissioner Gayowski. Commissioner Stockford 2<sup>nd</sup> the motion.

A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

The next item on the agenda was the Executive Director's Report:

- a. Daniels & Daniels Presentation on handling public meetings – approximately \$4,500 and could involve invites across the state; option for spring 2012
- b. Housing Authorities of Texas Symposium (HATS) – November 7, 2011 – attended by Commissioner Johnson and Ms. Bentley; Commissioner Johnson reported that he got a lot of insight, more or less data gathering on his part. He would like to see Henry Flores brought in to discuss using assets to generate assets and new ideas – outside of the box; sometimes put up our own obstacles and barriers; seminar was very impressive
- c. Salvation Army bell ringing sign up – Monday, December 19, 2011 Salvation Army – Chairman Tutson confirmed 11am, and Commissioner Gayowski confirmed 6pm.

Chairman Tutson entertained a **motion to adjourn**.

A motion to adjourn was made by Commissioner Williams and seconded by Commissioner Johnson. A vote was taken with the following results:

Ayes: Tutson  
Gayowski  
Johnson  
Stockford  
Williams

Nays: None

All were in favor. The board adjourned at 9:29 pm.

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Secretary

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Board Chairman