

**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 10am on August 23, 2011.

Chairman Alonzo Tutson called the meeting to order at 10:05am and established a quorum.

The following Commissioners were present:

Alonzo Tutson, Chairman
Elinor Williams
Gretchen Gayowski
Donald Stockford

McKinney Housing Authority staff members in attendance were:

Beth Bentley
Laury Bravo
Roslyn Miller

The guest in attendance was Carol Keough, Attorney-at-law with Coats Rose.

Commissioner Stockford offered the invocation.

Chairman Tutson called for comments from the public. No one was present.

The first order of business was to **Review and Adopt the Minutes of the Regular Meeting held on June 28, 2011**. Commissioner Williams motioned to accept the minutes as presented. Commissioner Gayowski seconded the motion. A vote was taken with the following results:

Ayes: Tutson
Williams
Gayowski
Stockford

Nays: None

The next order of business was to **Consider/Discuss/Act on Monthly Financials**. Staff Accountant Laury Bravo presented the May financials. Commissioner Gayowski sought clarity on the fiscal year 2010 audit adjustments, particularly the \$118,000 adjustment. Ms. Bentley informed the board that the adjustment should clear up at year end. The amount had been an on-going amount of monies due from the Section 8 Program to the Low Rent Program; however, with the close of the Office of Inspector General (OIG) audit, the amount was no longer due. Commissioner Stockford inquired into the 2% fee per the agreement with GroundFloor Development. Ms. Bravo confirmed that the 2% fee was contingent upon the award of the 9% tax credits. Until such time, that amount would not be posted in the financials.

Concerning the **Consider/Discuss/Act on Portability Update** item, Ms. Bravo reviewed the current status and confirmed that the Grand Prairie write-off amount had been booked on the financials. Further, staff reiterated the process for Portability collection per PIH (Public and Indian Housing) Notice 2011-3. This process will be followed by staff in order address payments due from other housing authorities.

The next item was to **Consider/Discuss/Act on PH Accounts Payable Write-offs for 6/30/2011 (11.15)**. The board expressed concern about the small check balances that were being written off, some under five dollars. Staff was encouraged to assess options that would facilitate access to the funds, which likely were not cashed due to check cashing charges. A suggestion included allowing the tenant to cash the check in the office. Ms. Bentley indicated that staff would review options.

The next item was to **Consider/Discuss/Act on S8 Accounts Payable Write-offs for 6/30/2011 (11.16)**. Ms. Bravo indicated that she has contacted landlords and voucher holders that have not had a chance to deposit or cash their Housing Assistance Payments (HAP) or Utility Reimbursement Payment (URP) checks. Some of those check amounts were small like the Public Housing checks. Payment options would be considered.

The next item was to **Consider/Discuss/Act on PH Program Write-offs for 6/30/2011 (11.17)**. Ms. Bravo and Programs Manager, Ms. Miller, presented detailed write off amounts of outstanding tenant accounts totaling just over \$21,000. This total included rent and non-rent amounts. The figures were taken from the 2/28/2011 Rental Register using the Tenmast System. Tenant move-outs varied from 5/2/2006 to 8/30/2010. This was a clean-up from the previous Tenmast system conversion to the new Lindsey system. Staff indicated that they did not anticipate any additional clean-up items from the previous Tenmast system, but the clean up still continues.

Ms. Bravo addressed the item to **Consider/Discuss/Act on General Stats**. This included offering an overview of general year end stats and 2011-2012 projections for the Accounting office. Critical funding stream changes included industry-wide reductions in areas of Housing Assistance Payment (HAP) amounts, which experienced a 10 percent decrease, and the Capital Funding Program, which experienced an 18 percent decrease in funding. Ms. Bentley expressed that the agency is working through the application process with McKinney Community Development Corporation (MCDC) in January 2012. Commissioner Gayowski requested that the financial presentation be amended to capture budget vs. actual year to date in order to assess if budget changes are needed. This would give the board a better idea of where things stand year-to-date. The new software is expected to assist with capturing this information. Additionally and at present, no salaries have been cut, but that may have to be re-visited.

Chairman Tutson called for a motion to approve agenda items 11.15, 11.16 and 11.17. Commissioner Stockford motioned to accept and act on the recommendations pertaining to the budget items. Commissioner Williams seconded the motion. A vote was taken with the following results:

Ayes: Tutson
Williams
Gayowski
Stockford

Nays: None

The next item of business was to **Consider/Discuss/Act on Public Housing and Section 8 Program Reporting**. Ms. Miller began with an update on Public Housing, informing the board that over 500 applications had been received since June 1, 2011. Lease ups will continue because Maintenance has apartments available for lease. Concerning the forty apartments that need to be made ready, the board indicated the desire to pursue the optimum amount of funding through McKinney Community Development Corporation. Staff and the board spoke to pursuing diversity in funding in the future, new construction and renovation opportunities. The board acknowledged the limited funding that could not address the need of the repairs.

Concerning the Section 8 Department, staff explained that many applicants are currently on multiple waiting lists. This is appropriate as long as those persons are not actually leased under multiple subsidies.

The next order of business was to approve the **Section 8 Management Assessment Program Certification (SEMAP) – 2011 (11.18)**. Ms. Bentley prefaced Ms. Miller's presentation by giving some background on the certification - annual submission to HUD, speaks to the state of the Section 8 Department, and gives opportunity to make critical assessments to make internal changes and enhance internal controls. Ms. Miller covered each of the fourteen SEMAP indicators. The areas where the agency seeks improvement include the adjusted annual income and rent calculation indicators. The Director stressed the need to get MHA's house in order concerning timeliness of re-exams and as a necessity to pursue additional funding.

Chairman Tutson called for a motion to approve agenda item 11.18. Commissioner Stockford expressed his appreciation of staff's honest input and motioned to accept the certification. Commissioner Gayowski seconded the motion. A vote was taken with the following results:

Ayes: Tutson
Williams
Gayowski
Stockford

Nays: None

The next item of business was to **Consider/Discuss/Act on GroundFloor Development Support for TDHCA Application - 2011**. Chairman Tutson shared that he attended the July Texas Department of Housing and Community Affairs (TDHCA) board meeting in Austin. No action was taken at that meeting. Chairman Tutson expressed the need for additional affordable homes in the area. He went on to express that Ms. Bentley would be traveling to Austin in the following month to share the agency's support of the development. Chairman Tutson felt hopeful that the development could get funded.

Commissioner Stockford shared that the June 24 minutes needed to be presented to the board for approval. He wanted to clarify that in that meeting his negative vote related to the funding process only, and that he, indeed, is supportive of affordable housing. He stated further that he was in support of Chairman Tutson and Ms. Bentley representing the agency during the TDHCA board meetings.

Chairman Tutson mentioned the plan to move forward with mini town hall meetings with the residents and City leaders as the development moved forward.

The next agenda item included an update on the **TDHCA 2012 Application Process and Request for Proposals**. Ms. Bentley provided the board with the proposed due dates per the draft 2012 Qualified Allocation Plan (QAP). She further expressed two needs - the need to review any proposed strategy changes in relation to the 2012 RFP with Inclusive Communities Project (ICP) and also how the board might want to pursue an application for addressing the needs of MHA's current portfolio of housing stock.

Chairman Tutson moved to the next agenda item of the **Texas Housing Association (THA) Conference 2011 Update**. The board expressed a desire to bring to the area the legal firm Daniels and Daniels that addressed legal board meetings at the THA conference. The firm could bring a more in-depth training to the board. Chairman Tutson also expressed a desire to bring Henry Flores in to discuss diversity of the current portfolio.

The next item of business was the **Executive Director's Report**. In the interest of time, Ms. Bentley offered brief updates as follows:

- a. SPARK Summer Camp - 17 teen graduates from the summer program - personal development program
- b. Summer Interns at MHA - established The Peace Room (File Room) and a filing system; students of MHA's employees; had direct supervision
- c. Internal assessment - 2010 - 11 - Section 8 is area of most concern; Public Housing has less systemic issues and is much more on track; Former HUD employee is contracting in Section 8 (re-exams and portability) until permanent staffing can be secured.

The board dismissed to Executive Session at 11:41am per 551.074 of the Texas Government Code to discuss Staff Personnel Matters.

The board reconvened from Executive Session at 2:55pm.

A motion was made by Commissioner Stockford and seconded by Commissioner Williams to adjourn and for the board to reconvene in an emergency meeting on Saturday, August 27, 2011. All were in favor.

The board adjourned at 2:55pm.


Secretary


Board Chairman