

**HOUSING AUTHORITY OF THE
CITY OF KYLE TX**

**MINUTES OF THE AUGUST 30, 2022, BOARD
MEETING**

AUGUST 30, 2022, BOARD MEETING MINUTES

1. The meeting was called to order by Chair Harper at 5:37 pm. Steve Colella was asked to call the roll. Commissioners Harper, Lopez, and Salazar were present. A quorum was confirmed.
2. Minutes of the following meetings were reviewed, and three minor edits were noted:
 - a. May 24, 2022
A motion was made by Commissioner Salazar and seconded by Commissioner Lopez to approve the minutes as presented. Chair Harper called for the vote, and it passed unanimously.
3. A citizen comment period was opened at 5:39 pm. No email comments were received, and there was no one asking to speak. The chair closed the comment period at 5:39 pm.
4. The chair asked Steve Colella, President of MDP Management LC to give the board an update regarding the management of Charles Young Public Housing and Pete Dressen Housing. Mr. Colella gave the board an update of the following issues with respect to his company's progress with the management effort:
 - a. Report regarding Pete Dressen Housing:
 - i. The property is 97% leased and occupied. The one vacant unit was used for years as a storeroom and was stripped over time of parts, equipment, fixtures, etc. Management has estimated it will take approximately \$6,000 in materials and supplies + \$2,000 in labor costs to bring the unit to a rentable condition
 - ii. The property failed its second REAC inspection on June 1-2, 2022, with a score of 50c, an improvement of 23 points but not enough to satisfy HUD or management. Another inspection will be scheduled in December 2022 and management will be ready for it.
 - iii. HUD issued a default notice on July 18, 2022, that was dated June 24, 2022. No flags were issued on the HA or MDP because

the HUD Branch Chief and Account Executive believe the property will pass the next REAC inspection.

- iv. Management has had several conversations with Jay Tyler of USDA regarding the progress on PD. Specifically reported was the recent Rent Comparable Study completed that indicates the rents at PD can be increased 92% to meet the current market rates. Colella also discussed the planned submission of a Budget Based Rent increase request that would incorporate the major work needed on the property, specifically roof replacement and exterior siding and trim replacement. This will be able to be done if USDA is willing to increase the rents to the needed level. Colella reported to Mr. Tyler that the increase in rents would not affect the portion the residents currently pay. Colella will submit his request to Tyler by September 20th for review and hopefully approval by October 1, 2022.
- v. Jay Tyler submitted a letter that details 7 Findings that need to be cured. Colella stated that these were going to be difficult to clear because they were items that should have been handled in earlier years. Colella has placed this task low on his list of priorities.
- vi. The anonymous \$20,000 donation by a Kyle citizen has been used up. Colella contacted this person and is planning another meeting at the property soon on the premise of receiving another donation.
- vii. The conversion of the Resident accounting has finally been completed to Real Page's One Site software and resident ledgers are now current.
- viii. The Community Director and Regional Director have scheduled a 100% update of the tenant files to be completed not later than September 30, 2022.
- ix. The annual Rent Contract Renewal is due to be implemented December 1, 2022, by SHCC. Colella wants to get the USDA approval of the BBRI increase prior to that deadline so the new higher rents can be implemented on that date.
- x. Colella reported on his research to determine the need for an Executive Director of the HA. His research determined that with

a management agent there is no need to also have a designated ED.

- b. Report regarding Charles Young Public Housing
 - i. The property is 100% occupied
 - ii. A REAC inspection held July 6, 2022, resulted in a score of 91b
 - iii. Colella recently met with PIH staff to discuss the option of conversion from Public Housing to the HUD RAD program. Colella has recommended tabling this idea until several other higher priorities are dealt with.
 - iv. Recent work by Gloria Vasquez in MDP's accounting dept. has uncovered available Capital funds for CY that have never been used since 2019. To date she has received approval to reinstate \$34,482 for 2019 and is working on similar situations for 2020, 2021 and 2022. Once these steps are accomplished, then management will present plans to PIH to obligate some of these funds to:
 - 1. add a new roof on building 409/411 and the office structure
 - 2. perform repair work on other roofs as need
 - 3. perform exterior siding and trim repairs as needed and then paint the entire exterior of the property
- c. General items regarding the Housing Authority
 - i. Colella discovered that Bill Rocha, CPA, who has completed the annual audit for several years, has closed his office. Colella solicited a proposal from Leal & Carter CPAs to do the work. This firm does audits for several HA's in the state and their proposed fee is less than what Bill Rocha has charged.
 - ii. Colella reported that his investigation to make sure every set of meeting minutes has been voted on and approved and posted on the City of Kyle website was completed and the only minutes that were available to be approved were those approved in May 2022.
 - iii. New property identification signs have been made for each property and will be installed soon.
 - iv. Colella reported that Jerry Hendrix, Acting City Manager, has presented a budget request to the city council for fund to prepay in full the USDA loan on PD in the amount of approximately

\$182,000 and provide the property \$50,000 to help with operating costs. Jerry has also solicited a matching request to the county. Hendrix said the funds will be available in the budget year starting October 1, 2022.

- v. Colella reported that the HA owes MDP \$117,000 in payroll and related expenses, items paid by MDP on behalf of the HA and management fee and other fees approved in the management agreements and most of the funds from the city and county will be used to reduce that debt.
5. There was discussion between Mr. Colella and the board members. Colella noted that his staff had run up against numerous obstacles over the first 364 days, but everything is moving forward and in the right direction.
 6. There being no further business and no questions, the meeting adjourned at 6:14 pm.