

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

**MINUTES OF THE JUNE 29, 2023, BOARD
MEETING**

JUNE 29, 2023, BOARD MEETING MINUTES

1. The meeting was called to order by Chairman Harper at 5:16 pm. Steve Colella was asked to call the roll. Commissioners Harper and Lopez were present. At 5:26 pm Commissioner Salazar arrived. A quorum was confirmed at that time.
2. Minutes of the February 22, 2023, board meeting was reviewed:
A motion was made by Commissioner Salazar and seconded by Commissioner Lopez to approve the minutes with minor spelling corrections. Commissioner Harper called for the vote, and it passed unanimously.
3. A citizen comment period was opened at 5:16 pm. No email comments were received, and there was no one asking to speak. The chair closed the comment period at 5:17 pm.
4. The Chair asked Steve Colella, President of MDP Management LC and Executive Director of The Housing Authority of the City of Kyle 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 Charles Young Public Housing:
 - The property has had the parking areas repaired, paved, seal-coated and striped.
 - Roofs that needed replacing or repairs have been completed.
 - Exterior carpentry repairs and full exterior painting have been completed.
 - The property has 100% occupancy.
 - B. Report regarding Pete Dressen Housing:
 - The property is 97% occupied with the only vacancy being unit #132. This unit was used as a storeroom for many years by previous executive directors. It requires a total redo. As a result, Colella petitioned HUD to identify the unit as offline until August 3, 2023 so that it would not be included in the REAC inspection. It will be made ready and leased by that date.

- The REAC inspection was finally performed by HUD on June 13, 2023. The resulting score was a 76c. Although not as good a score as we had hoped for, it is a passing score, so the property is finally off the “failed inspection” list at HUD.
- Southwest Housing Compliance Corporation (SHCC) performed a Management and Operations Review at Pete Dressen Housing June 23, 2023. Management anticipates a formal letter from SHCC July 23, 2023. More information will be forwarded during the next meeting.
- In preparation for the REAC inspection, 31 new windows and 110 new window screens were installed in various units throughout the property.
- Starting June 14th, the roofing contract installed six new roofs as phase 1 of a 3-phase plan to install new roofs on all fifteen of the buildings. The second phase will be in August and the 3rd phase in late October.
- All of the residents that have been paying market rent for years have moved out after finding out their rent rate would increase approximately 92%.
- The management office at Charles Young Public Office has been renovated and cleaned up.
- The copier lease that has been in place for 3 years was cancelled under mutual agreement with the copier company due to repeated problems. Management leased another copier which works much better.
- Mr. Harper had loaned an office chair to the previous Executive Director and Colella stated he would have staff return it to Mr. Harper’s residence.
- Colella reported that all withheld payroll checks for Frank Arredondo have been paid to Mr. Arredondo in full.
- The question as to who owned the fence along the city drainage ditch and Pete Dressen Housing was clarified by the city staff resulting in knowledge that the fence belongs to the property.

C. General updates:

- There have been no new donations from citizens in support of the property.

- The audit for the period July 1, 2021-June 30, 2022 has been completed and the auditor reported no Findings. A copy of the audit will be emailed to the commissioners for their review.
- The previously reported five years of Payment in Lieu of Taxes The Housing Authority of the City of Kyle owed the City of Kyle, was waived by the City Council at their February 23, 2023 meeting. The council also waived future payments of this payment.
- There is no new information on the Franconia claim that was implemented on behalf of the Housing Authority of the City of Kyle by Viridian. Colella conversed with Mr. Coopersmith of Viridian, and he reported that the process can take two to two and a half years so there was no news other than the claim is included in Batch 45.
- Colella reported his intention to convert the trash removal program from individual trash receptacles for each apartment on the properties to one dumpster at each property. The property is required to have an enclosure screened from all sides with opaque walls with materials that match the buildings per city ordinance. Colella estimated the cost of each enclosure to be approximately \$2,500; bids are being taken. By switching this program to from individual receptacles to one dumpster, the cost per month will be reduced by approximately 37% per property which will result in the enclosures being paid for eight months into the change.
- The insurance on the property will show a significant increase in premium on the upcoming renewal, according to a representative of the agent, the Texas Municipal League Intergovernmental Risk Pool:
 - ✓ Property coverage will increase 20% due to deteriorating losses, plus an inflationary factor of 12% on building values, plus 8% on contents
 - ✓ Liability coverage will have no increase on General Liability, law enforcement liability will increase 10%
 - ✓ E & O will have no rate change
 - ✓ Cyber insurance will result in a \$350 per property rate
- The application to prepay the USDA mortgage is slowly moving forward and it is estimated to be another 4-6 months before a

decision is made by USDA. A resident meeting with management and a USDA representative will be held sometime in July.

- Colella reported that Pete Dressen Housing will receive a 5% OCAF rent increase effective December 1, 2023 from HUD, resulting in approximately \$17,000 in additional rent over a 12-month period.
- On June 27, 2023 management submitted a request to USDA to release \$26,648.44 of Reserve for Replacement funds to replenish the operating account for items completed in preparation for the REAC. The funds release was approved June 29th.

D. Future Plans

- Management has established a Capital Fund Plan that will provide the property \$44,000 per year for the next five years to be used to improve the interiors of the units at Charles Young Public Housing
- Starting in December 2023 we will be setting aside approximately \$17,500 monthly to build a fund to replace all the exterior wood on all the Pete Dressen buildings with a Hardy Board type product and then paint all the buildings. This work will be done during the 12-month period of December 2023-November 2024.
- In the period December 2024 through November 2025 the Pete Dressen parking lots will be repaired as needed, seal-coated and stripped. Once that is completed unit interior refurbishing will be addressed including appliances, HVAC units, cabinets, flooring, etc.

5. There being no further business and no questions, the meeting adjourned at 5:56 pm.



Daniel Harper

Chairman

September 14, 2023



Steve Colella

Executive Director

09/14, 2023