



Brownsville Housing Management Corporation

Board Packet for Regular Meeting On
June 29th, 2021



AGENDA

PUBLIC NOTICE OF WORKSHOP OF THE BOARD OF DIRECTORS OF THE BROWNSVILLE HOUSING MANAGEMENT CORPORATION

In light of the current COVID-19 situation:

Due to the current state of emergency declared by state and local officials, and the mandatory or recommended restrictions on public gatherings, which make convening a quorum of the Board at one location difficult or impossible, the June 29th, 2021 Regular Meeting of the Board of Directors of the Brownsville Housing Management Corporation will be conducted via Zoom Teleconference Meeting by logging on at <https://us02web.zoom.us/j/86388069531>. The meeting will be convened at 11:00 a.m. You may participate in the meeting by calling the toll-free number: (346) 248-7799, Meeting ID: 863-8806-9531.

An electronic copy of the agenda packet for the meeting will be posted at <http://www.hacb.us/category/commissioners> before the day of the meeting. The meeting will be recorded, and the audio from the open portions of the meeting will be available the following day at that internet address.

Atención. Si desea recibir asistencia gratuita para traducir esta información, llame al (956) 214-1531.

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**

4. **Public Comments:**

The Public Comment Period is designated for hearing concerns regarding Brownsville Housing Management Corporation policies or business.

- Address the Board as a whole – do not direct comments to any individual member of the Board.
- There is a three (3) minute time limit per speaker.
- No formal action can be taken.
- For the record, the speaker must identify himself/herself by name before speaking.

5. **Consent Agenda:**

All Consent Agenda Items listed are considered to be routine by the Board of Directors and will be approved by one motion. There will be no separate

discussion of these items unless a Director so requests, in which event the item will be removed from the Consent Agenda and considered individually.

- A. Approval of the Minutes of the Regular Meeting held on November 17, 2020.

6. **Action Items:**

- A. Consideration and Possible Action to Accept the Brownsville Housing Management Corporation Fiscal Year End 2020 Annual Audit. (Benjamin Pena – Burton, McCumber & Longoria)
- B. Consideration and Possible Action to Adopt a Resolution to Approve the Operating Budget for the Brownsville Housing Management Corporation for Fiscal Year End 2022. (Carla Mancha- Chief Executive Officer & David Irwin – Legal Counsel)

7. **Discussion by Directors and Requests for Future Agenda Items.**

8. **Adjournment.**

Signed by:


Laura Villarreal, Board Vice-President

NOTE: The Brownsville Housing Management Corporation does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact Amanda Hernandez, Executive Secretary at 956-214-1531 by Monday, June 28th, 2021, no later than 12:00 p.m. to make proper arrangements.

THE BOARD OF DIRECTORS RESERVES THE RIGHT TO CONVENE IN EXECUTIVE SESSION TO DELIBERATE ANY ITEM ON THE AGENDA WHEN DELIBERATION IN CLOSED SESSION IS AUTHORIZED BY TITLE 5 OF THE TEXAS GOVERNMENT CODE.

I certify that this Notice of Meeting/Agenda was posted on the front door of the offices of the Housing Authority of the City of Brownsville, Texas, 2606 Boca Chica, Brownsville, Texas, on Friday, June 25th, 2021, at _____



Amanda Hernandez, Executive Secretary

I certify that a copy of the Tuesday, June 29th, 2021, agenda of Items to be considered by the Board of the Brownsville Housing Management Corporation was posted on the Bulletin Area at City Hall - Federal Building, on Friday, June 25th, 2021.



Laure Morgan, City Secretary



ITEM NO. 5.A - Minutes for November 17, 2020.



**MINUTES OF THE REGULAR MEETING OF THE
BROWNSVILLE HOUSING MANAGEMENT CORPORATION
HELD ON THE 17TH DAY OF NOVEMBER 2020**

The Members of the Board of Directors of the Brownsville Housing Management Corporation (BHMC) convened for their Regular Meeting via Zoom Teleconference by logging on at <https://zoom.us/j/82638080538> on Monday, November 17th, 2020, at 3:00 p.m.

The meeting was called to order by Vice President Laura Villarreal at 3:21 p.m.

Vice President Laura Villarreal called for **Item no. 2 on the Agenda – Pledge of Allegiance**. The Pledge of Allegiance was recited.

Vice President Laura Villarreal called for **Item no. 3 on the Agenda – Roll Call**. The following Directors were present or absent:

PRESENT: Vice President Laura Villarreal, Employee Director Carla Mancha and Employee Director Miguel Herrera.

ABSENT: None.

Also present were: David Irwin, Legal Counsel; Mandy Hernandez, Executive Secretary; Robert Wilson, Human Resources Officer; Leticia Gonzalez, Client Services Director; Isabel Nunez, Housing Facilities Director; and, Hilda Ledezma, Community Services Director.

There being a quorum present, business was transacted as follows:

Vice President Laura Villarreal called for **Item no. 4 on the Agenda – Public Comments**. Vice President Laura Villarreal then asked if there were any requests for public comments. Employee Director Carla Mancha informed Vice President Laura Villarreal, that Administration had not received any written or verbal requests to address the Board, prior to the Board Meeting being called to order.

Subsequently, Vice President Laura Villarreal requested the Board's permission to make a motion to delegate Employee Director Miguel Herrera (as Chair) to proceed with the BHMC Board Meeting. The Board conceded. Employee Director Carla Mancha seconded the motion and, upon roll call, the following vote was recorded:

AYES: Vice President Laura Villarreal, Employee Director Carla Mancha and Employee Director Miguel Herrera.

NAYS: None

Employee Director Miguel Herrera declared the motion carried.

Employee Director Miguel Herrera then called for **Item no. 5 on the Agenda – Consent Agenda.** Employee Director Miguel Herrera then called for **Item 5.A. Approval of the Minutes of the Regular Board Meeting held on June 29th, 2020.**

Employee Director Miguel Herrera then stated, if there are no questions or concerns, he would entertain a motion to approve the minutes for the regular Board Meeting held on June 29th, 2020. Employee Director Carla Mancha made a motion to approve Consent Agenda Item 5.A., as presented. Employee Director Miguel Herrera seconded the motion and, upon roll call, the following vote was recorded:

AYES: Vice President Laura Villarreal, Employee Director Carla Mancha and Employee Director Miguel Herrera.

NAYS: None

Employee Director Miguel Herrera declared the motion carried.

Employee Director Miguel Herrera called for **Item no. 6 on the Agenda - EXECUTIVE SESSION:** UNDER THE AUTHORITY OF CHAPTER 551, TITLE 5, OF THE TEXAS GOVERNMENT CODE, THE TEXAS OPEN MEETINGS ACT, THE BOARD, DURING THE COURSE OF THE MEETING COVERED BY THIS NOTICE, MAY ADJOURN INTO EXECUTIVE SESSION FOR ANY OF THE FOLLOWING MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE RULES OF PROFESSIONAL CONDUCT CLEARLY CONFLICT WITH CHAPTER 551(\$551.071) OR, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY (\$551.072);

1. Discussion of the Management of the low-income housing tax credit project known as Tropical Gardens.
2. Discussion of the Management of the low-income housing tax credit project known as Candlewick.

THE BOARD RECESSED TO MEET IN THE EXECUTIVE SESSION AT 3:25 P.M.

THE BOARD RECONVENED INTO THE REGULAR SESSION AT 3:47 P.M.

Employee Director Miguel Herrera called for **Item no. 7 – Action, if any, on Executive Session Items.** Employee Director Miguel Herrera then stated that the Board will be acting on **Executive Session Items 6.1. & 6.2.**

Employee Director Miguel Herrera then stated that the Board will entertain a motion for **Executive Session Items 6.1 & 6.2.** Employee Director Carla Mancha made a motion to approve Executive Session items 6.1 & 6.2- relating to the Management of the Low-income Housing Tax Credit Project known as

Tropical Gardens at Boca Chica and Candlewick, as discussed in Executive Session. Employee Director Miguel Herrera seconded the motion and, upon roll call, the following vote was recorded:

AYES: Vice President Laura Villarreal, Employee Director Carla Mancha and Employee Director Miguel Herrera.

NAYS: None

Employee Director Miguel Herrera declared the motion carried.

Employee Director Miguel Herrera then called for **Item no. 8 on the Agenda – Action Items**. Employee Director Miguel Herrera then called for **Item no. 8.A. – Consideration and Possible Action to Adopt a Resolution Authorizing the Opening of a Bank Depository Account for Chicory GP VI, Inc.; and, Item no. 8.B. – Consideration and Possible Action to Adopt a Resolution Authorizing the Opening of a Bank Depository Account for Texas Tropical Gardens at Boca Chica GP, LLC.**

Employee Director Miguel Herrera then stated that the Board will act on both items as one. Employee Director Carla Mancha made a motion to approve the respective Resolutions for Action Items 8.A & 8.B, as presented to the Board. Employee Director Miguel Herrera seconded the motion and, upon roll call, the following vote was recorded:

AYES: Vice President Laura Villarreal, Employee Director Carla Mancha and Employee Director Miguel Herrera.

NAYS: None

Employee Director Miguel Herrera declared the motion carried.

Employee Director Miguel Herrera then called for **Item no. 9 on the Agenda – Discussion by Directors and Requests for Future Agenda Items**. Employee Director Carla Mancha addressed the item and informed the Board, that Administration does not have any future items scheduled. She then stated, if there are any items that present itself, she will be in communication with Vice President Laura Villarreal to coordinate the next BHMC Board Meeting.

There being no further items, Employee Director Miguel Herrera called for **Item no. 10 – Adjournment**. Employee Director Miguel Herrera stated he would entertain a motion to adjourn. Employee Director Carla Mancha made a motion to adjourn. Employee Director Miguel Herrera seconded the motion and, upon roll call, the following vote was recorded:

AYES: Vice President Laura Villarreal, Employee Director Carla Mancha and Employee Director Miguel Herrera.

NAYS: None

Employee Director Miguel Herrera declared the meeting adjourned at 3:50 p.m.

ATTESTED:

Carla Y. Mancha, BHMC Secretary

Laura Villarreal, BHMC Vice President

Date Approved: _____



ITEM NO. 6.A - Acceptance of the BHMC Fiscal Year End 2020 Annual Audit.

BENJAMIN PENA – Burton, McCumber & Longoria



The Right Choice.

BML

Brownsville • McAllen

Burton
McCumber
& Longoria, LLP
CPAs & Advisors

To the Board of Commissioners of the
Brownsville Housing Management Corporation

We have audited the financial statements of Brownsville Housing Management Corporation for the year ended June 30, 2020, and we will issue our report thereon dated May 17, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 14, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Brownsville Housing Management Corporation are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 17, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use Board of Commissioners, and management of Brownsville Housing Management Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Burton, McCumber, & Longoria LLP

May 17, 2021
Brownsville, Texas

ITEM NO. 6.B -
Adoption of a Resolution to
Approve the Operating Budget
for BHMC for Fiscal Year End 2022.

CARLA MANCHA- Chief Executive Officer
DAVID IRWIN – Legal Counsel

**ADMINISTRATIVE RECOMMENDATION TO ADOPT A RESOLUTION
APPROVING THE FISCAL YEAR 2022 BUDGET FOR THE
BROWNSVILLE HOUSING MANAGEMENT CORPORATION**

Background Information:

The Brownsville Housing Finance Corporation (BHMC) is required to prepare an annual operating budget. The Fiscal Year 2022 draft budget was presented to the BHMC of Directors on June 2, 2021.

The Incentive Management Fee income from Candlewick will be received by the BHMC General Partner entity which will in turn pay a Management Fee to COCC in accordance with the established agreements. Thus, there is no Income projected for this fiscal year for BHMC. Total operating expenses are budgeted at \$13,040. The COCC will perform a transfer of \$24,000 to BHMC and it will end with a Net Income of \$10,960.

There are no changes from the draft budget document. This item will require a resolution from the BHMC Board of Directors.

Strategic Plan Alignment

This recommendation is in alignment with the Housing Authority of the City of Brownsville's (HACB) Mission and Vision and all the goals in HACB's Strategic Plan as they all have the common need of an established operating budget for all Programs and Legal Instrumentalities.

Budget Impact:

None.

Administrative Recommendation:

It is Administration's Recommendation for the Brownsville Housing Management Corporation's Board of Directors to adopt a resolution approving BHMC's Operating Budget for Fiscal Year 2022.



Miguel Herrera, Chief Financial Officer

June 25, 2021
Date



Carla Y. Mancha, Chief Executive Officer

June 25, 2021
Date

RESOLUTION # _____

**RESOLUTION TO APPROVE THE FISCAL YEAR 2022
BROWNSVILLE HOUSING MANAGEMENT CORPORATION'S
OPERATING BUDGET EFFECTIVE JULY 1ST, 2021**

WHEREAS, the Brownsville Housing Management Corporation (BHMC) is a legal instrumentality of the Housing Authority of the City of Brownsville (HACB); and

WHEREAS, the BHMC is required to develop its own Fiscal Year 2022 Operating Budget; and

WHEREAS, it is required that the Board of Directors approve the BHMC's FY 2022 Operating Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Brownsville Housing Management Corporation, to approve and adopt the Brownsville Housing Management Corporation's Fiscal Year 2022 Operating Budget effective July 1st, 2021.

BROWNSVILLE HOUSING MANAGEMENT CORPORATION

Laura Villarreal, Board Vice-President

ATTESTED BY:

Carla Mancha, Chief Executive Officer

Date Adopted: _____

BROWNSVILLE HOUSING MANAGEMENT CORPORATION (BHMC)
Proposed Budget
Fiscal Year 2022

		FY 2021	Proposed	Variance
3000-00-000	Income			
3620-80-000	Incentive Management Fee	132,338	-	(132,338)
3999-00-000	TOTAL INCOME	132,338	-	(132,338)
4130-00-000	Legal Expense			
4130-04-000	General Legal Expense	8,000	3,000	(5,000)
4131-00-000	Total Legal Expense	8,000	3,000	(5,000)
4139-00-000	Other Admin Expenses			
4171-00-000	Auditing Fees	3,000	3,000	-
4173-00-000	Management Fee	120,000	-	(120,000)
4182-00-000	Consultants	6,000	5,000	(1,000)
4189-00-000	Total Other Admin Expenses	129,000	8,000	(121,000)
4190-00-000	Miscellaneous Admin Expense			
4190-09-000	Software License Fees/Maintenance	600	600	-
4190-22-000	Other Misc Admin Expenses	1,200	1,200	-
4190-25-000	Cameron County Clerk Fees	240	240	-
4191-00-000	Total Miscellaneous Admin Expense	2,040	2,040	-
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	139,040	13,040	(126,000)
4800-00-000	TOTAL OPERATING EXPENSES	139,040	13,040	(126,000)
4900-00-000	NET OPERATING INCOME (LOSS)	(6,702)	(13,040)	(6,338)
5000-00-000	NON-OPERATING EXPENSES			
5210-00-000	Transfers (In/Out)	(17,000)	(24,000)	(7,000)
5999-00-000	TOTAL NON-OPERATING EXPENSES	(17,000)	(24,000)	(7,000)
8000-00-000	TOTAL EXPENSES	122,040	(10,960)	(133,000)
9000-00-000	NET INCOME	10,298	10,960	662