

**Minutes of Special Board Meeting  
Held by the Board of Directors of the  
Pharr Housing Development Corporation**

**May 12, 2016**

Special Session held by the Board of Directors of the Pharr Housing Development Corporation held on May 12, 2016 at 3:30 p.m., at The Pharr Housing Authority, Administration Building, Board Room located at located at 104 W. Polk Ave., Pharr, Texas. Upon roll call those present were as follows:

President: Ricardo Cuellar

Directors: Frank Nunez, Mario Lizcano, Uvaldo N. Gutierrez, III, Deborah Lopez

Absent Directors:

Also Present: Mr. Noel De Leon, Interim Director, Marissa Hernandez, PHA Attorney; Lazaro Guerra, Finance/Human Resource Director; Janie Barrera, Executive Secretary; Michael Scott, Channel 5 News; Heriberto Perez, City of Pharr; Heriberto Perez, Univision; Neyla Herrera; K.C. Fletcher;

President Ricardo Cuellar called the meeting to order and welcomed everyone present and proceeded with the Pledge of Allegiance.

Director Mario Lizcano gave the Invocation.

Next Order of Business was Excuse the Absence of Any Board Member. President Ricardo Cuellar advised all Board members were present.

Next Order of Business was Public Comment. President Ricardo Cuellar advised the Board there were no public comment request.

Next Order of Business was In accordance with Chapter 551 of the Texas Government Code (Open Meetings Act), the Housing Authority of the City of Pharr, Board of Commissioners hereby gives notice that it will meet in executive session. Should any final action, decision, or final vote be required in the opinion of the Board with regard to any item deliberated during a closed meeting, then such final action, decision, or final vote shall be made during the open meeting held in compliance with Chapter 551, Government Code, V.T.C.A. The Board of Commissioners will discuss the following matters:

**Discussion with Legal Council and Possible Action on Valle de Palmas Adult Day Care, Inc., Unpaid Rent Collection.**

**Discussion of Items Related to Number of Members of the Board of Directors, and the Composition of the Executive Committee.**

Pursuant to Section 551.071, the Board of Commissioners may convene in a Closed, non-public meeting with its attorney and discuss any matters related to **Legal advice on pending or**

**contemplated litigation, settlement offer, And/or on a matter in which the duty of the attorney to the governmental body Under the Texas Disciplinary Rules of Professional Conduct of the State Bar Of Texas clearly conflicts with this chapter.** The Board of Commissioners and Its attorney may also discuss such issues with the appropriate staff so as to obtain. Necessary and relevant information so that such discussion is informative and developed. President Ricardo Cuellar advised the Board of Directors would now enter into Executive Session time being 3:35 p.m.

Next Order of Business was RECONVENE into open session and consider action, if any, on items discussed in executive session. President Ricardo Cuellar advised the Board Meeting was not back in Regular Session time being 4:25 p.m. President Ricardo Cuellar advised on **Discussion with Legal Council and Possible Action on Valle de Palmas Adult Day Care, Inc., Unpaid Rent Collection** No Action was taken. President Ricardo Cuellar advised on **Discussion of Items Related to Number of Members of the Board of Directors, and the Composition of the Executive Committee.** President Ricardo Cuellar advised No Action was Taken.

Director Mario Lizcano advised the media had recently reported an issue related to unpaid rents at one of our properties called Mesquite Terrace in an effort to maintain Transparency and answer various questions that have been received from both the media and the community the Pharr Housing Development Corporation would like to make the following statement. A lease was signed by Mesquite Terrace and Valle De Palmas Adult Day Care in 2009 for an operation of an onsite adult daycare on the Mesquite Terrace premises and according to the documents, Valle de Palmas filed with the Secretary of State and the Texas Comptroller of Public Accounts; Sergio Munoz, Jr. and Federico Sandoval are identified as the owners and Oscar Elizondo, Jr. is named as the Chief Executive Officer the purpose of this project was presumably for the benefit of some of the residents of the Pharr Housing Authority. Director Lizcano continued to advise this property has been managed by various third party management companies since that time, in January 2016 the newly appointed Board of the Pharr Housing Authority hired a new Interim Executive Director who began a full Audit in assessment of Pharr Housing Authority and associated entities, properties. Director Lizcano continued to report in Mr. De Leon's Audit of Mesquite Terrace and based on documents he was provided by the management companies he discovered that many months of rents were either not been paid or were under paid by Valle de Palmas since that time our General Council has reached out to Valle de Palmas and its Chief Executive Officer to request documents including proof of payments under the terms of the lease there is currently ongoing communication between our General Council and Council for Valle de Palmas although no documents have been received to this point. Director Mario Lizcano advised these are the facts there are no motives behind this investigation and action other than to do what is best for the residents of the Pharr Housing Authority and the Citizens of Pharr, unfortunately in any dispute of this nature especially where there are multiple parties involved there is a process that must be followed and there are no immediate remedies we want to assure the community that now that this issue has been unearth we are taking any and all steps available to us pursuing to the lease agreement and under the law to recover any unpaid rents due and owing.

There being no further business to come before the Board of Directors, the President asked for a motion to adjourn. The motion was made by Director Uvaldo N. Gutierrez, III and duly second by Director Mario Lizcano. Upon call for votes the following was recorded.

Ayes: Ricardo Cuellar, Frank Nunez, Mario Lizcano, Uvaldo N. Gutierrez, III, Deborah Lopez

Nays: None

The Meeting was adjourned at 4:28 p.m.



Attest:

*Ricardo Cuellar*  
President, Ricardo Cuellar

*Noel De Leon*  
Secretary, Noel De Leon