

Disaster Recovery Program Hurricanes Dolly and Ike

Public Housing Activities Application: Round 2.2

Dear Applicant:

The Texas General Land Office (the Land Office) is pleased to provide you with a copy of the Community Development Block Grant Disaster Recovery Program's 2011 Housing Program Application for **Public Housing Applicants** related to Hurricanes Dolly and Ike Round 2.2.

This application is made available for CDBG Disaster Recovery Public Housing Applicants under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 110-329), enacted on September 30, 2008 for the purpose of assisting in the recovery activities related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization in areas affected by Hurricanes Dolly and Ike.

The Land Office believes local knowledge of what needs to be done for recovery will be the determining factor in the long-term success of these funds. Accordingly, each selected applicant will be responsible for project development and day-to-day management under the oversight of the Land Office. Applicants must comply with the Housing and Urban Development (HUD) approved Conciliation Agreement regarding Case No. 06-10-0410-8 (Title VIII) and Case. No. 06-10-0410-9 (Section 109).

Disaster Recovery applicants and funded entities are required to carry out citizen participation procedures in accordance with the Citizen Participation Plan as described in this application and for complying with the requirements of the *Hurricanes Dolly and Ike Round 2 Housing Guidelines*. Applicants are cautioned that despite the expedited application process, they are still responsible for ensuring that all citizens have equal access to information about project activities. **Each applicant is required to conduct at least one (1) public hearing prior to submitting an application. Applications must be submitted by 5:00pm on Friday, December 9, 2011 to the address listed below.**

Questions about this application should be directed to the following:

Texas General Land Office
Disaster Recovery Program
ATTN: Dennis Ku
301 Congress Avenue. Suite 600
Austin, Texas 78701
Phone: 512-447-5590
Toll Free: 1-866-206-1084
E-mail: dku@hntb.com

We look forward to working with you to provide assistance to the areas impacted by Hurricanes Dolly and Ike.

Sincerely,

Jorge Ramirez
Disaster Recovery Program Director
Texas General Land Office

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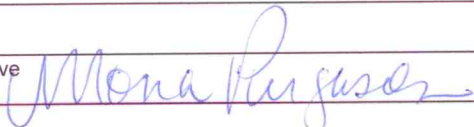
Grant Administrator Selection

Applicants who will not be using staff to administer their programs must select three (3) preferred Grant Administrative Firms from the Land Office's Master List of Qualified Administrators which are acceptable to the applicant for the operation of the Round 2.2 Disaster Recovery program grant. This selection is for post-award activities. The Land Office will contract with one of the selected firms to provide these services.

The Land Office will negotiate with the Grant Administrative Firm to develop mutually agreeable staffing hourly rates and cost of expenses and related services, and will issue Work Orders for the provision of services to support funded projects.

The Land Office will not issue a Work Order to a Grant Administrative Firm until the Applicant / Grantee receives a Disaster Recovery grant award from the Land Office. The cost of preparing application documents may be reimbursed at the Land Office's discretion from the Disaster Recovery grant, if budgeted, but cannot be reimbursed until after the Disaster Recovery grant contract has been fully executed by the parties.

See the list of firms and required selection form at: <http://www.glo.texas.gov/GLO/disaster-recovery/>

		2. DATE SUBMITTED	Applicant Identifier
1. TYPE OF SUBMISSION: Application Construction <input checked="" type="checkbox"/> Non-Construction _____	Pre-application Construction Non-Construction	3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: Housing Authority of the City of Galveston		Organizational Unit: Department:	
Organizational DUNS: 946385713		Division:	
Address: Street: 4700 Broadway		Name and telephone number of person to be contacted on matters involving this application (give area code)	
		Prefix: Ms.	First Name: Mona
City: Galveston		Middle Name:	
County: Galveston		Last Name: Purgason	
State: Texas	Zip Code: 77571	Suffix:	
Country:		Email: ded@ghatx.org	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): N/A Federal Taxpayer Id# 74600928		Phone Number (give area code): 409-765-1904	Fax Number (give area code): 409-765-1911
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision (If Revision, enter appropriate letter(s) in box(es) (See instructions for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See instructions for Application Types) Other (specify) Public Housing Authority	
		9. NAME OF FEDERAL AGENCY:	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: - TITLE (Name of Program):		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Replacement of Public Housing	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Galveston, Texas			
13. PROPOSED PROJECT		14. CONGRESSIONAL DISTRICTS OF:	
Start Date: 1-15-2012	Ending Date: 1-15-2015	a. Applicant (GHA) 14	b. Project 14
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal CDBG Round 2	\$ 84,087,545.00	a. Yes. <input type="checkbox"/> THIS PRE-APPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ONDATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
CDBG Round 1 anticipated	\$ 25,000,000.00		
b. Applicant	\$ 13,200.00.00		
c. State	\$. 00		
d. Local	\$. 00		
e. Other	\$ 80,624,845.00		
f. Program Income	\$. 00		
g. TOTAL	\$ 202,912,390.00.	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PRE-APPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Ms.	First Name Mona	Middle Name	
Last Name Purgason		Suffix	
b. Title Interim Executive Director	c. Telephone Number (give area code) 409-765-1904		
d. Signature of Authorized Representative 	e. Date Signed 12-6-2011		

Tab I – Threshold Requirements for Housing Recipients

In order to receive funding, it is necessary for each applicant to: demonstrate they are eligible to participate in the Program; demonstrate that they have the capacity to administer the Program; identify eligible activities that meet the needs of the region and affirmatively further fair housing; comply with the Conciliation Agreement; be recommended in the regional Methods of Distribution (MOD) adopted by the Council of Government for the applicant’s location; and define in detail the proposed scope of work. All application activities must meet the requirements of the *Community Development Block Grant Disaster Recovery Program: Hurricanes Dolly and Ike Round 2 Housing Guidelines* located at http://www.glo.texas.gov/GLO/_documents/disaster-recovery/housing/subrecipients/ike-round2-housing-program-guidelines.pdf. Each of these items must be addressed to enable the Land Office to award and commence the preparation of the necessary contracts for execution. (NOTE: All other housing activities are addressed in a separate “General Housing” application).

Applicants for public housing activities must meet the following threshold requirements at the time of application:

- I. Applicants are not eligible to receive a new contract until any unresolved audit findings, questionable or disallowed costs are resolved. Applicant must be in good standing with any outstanding program commitments.
- II. Applicant may not be listed as “debarred” on federal or state debarment lists.
- III. The activities undertaken will affirmatively further fair housing and comply with the Conciliation Agreement.
- IV. The applicant must have sufficient capacity to administer these funds.

Submission of application documents, **due December 9, 2011**, may be made electronically via Adobe Portable Document File (*.pdf) format. The Land Office requests that electronic submission of any spreadsheets be in a format readable by Microsoft Excel with all formulas intact. In addition, the Land Office requests electronic submission of word-processing documents be in a format readable by Microsoft Word. The electronic submission may utilize a CD-ROM submitted with the hard copy, or sent separately via email to Dennis Ku at dku@hntb.com. The completed application must be signed by an authorized signatory.

Applicants will have sixty (60) calendar days following contract execution to submit local Public Housing Guidelines to the Land Office for approval.

EXHIBIT 1. Previous Housing Participation Information

SECTION 1. Previous Participation and Background Certification Form

Although the Disaster Recovery Program is administered by the Land Office, these Sections 1 and 2 must reflect TDHCA-assisted affordable housing or related supportive services activities. Review the information for accuracy and full disclosure as incomplete forms or disclosure may result in disqualification of the application or an administrative deficiency.

If the Applicant has no previous experience with TDHCA funding, enter N/A in the TDHCA Activity ID# column. Attach an additional sheet if necessary. 📄

Applicant Printed Name: Galveston Housing Authority List the "Applicant Legal Name" for each current or pending application of the Applicant:

SECTION 1. EXPERIENCE WITH TDHCA OR OTHER APPLICABLE HOUSING CONSTRUCTION/REHAB. PROGRAMS (LIST ALL IN THE PREVIOUS 10 YEARS)

TDHCA Activity ID # ¹	Grantee, Contractor, or Sub-Recipient Name	Grantee, Contractor, or Sub-Recipient City	Total # of Units	CDBG	HOME	HTF	HTC	NSP	Other: Describe	Contract Begin	Contract End	Disclosure ²
NA	GHA	Galveston	6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/2003	05/2004	<input type="checkbox"/>
NA	GHA	Galveston	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/2003	05/2004	<input type="checkbox"/>
NA	GHA	Galveston	47	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/2005	05/2006	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>

¹ TDHCA Activity ID #: Final Development, Contract or Loan Number used by TDHCA to identify the development or activity.

² Disclosure: Check the box if the development or activity has known past non-compliance or defaults, technical or otherwise. If disclosures exist, then provide on separate document a description of the issue and note whether it has been cured. Examples of disclosures include: defaults, mortgage relief, assignments, foreclosures, material/mechanic's liens, legal action, issuance of IRS Form 8823, instances of non-compliance with local building codes or planning regulations, and other program findings of non-compliance.

SECTION 2. EXPERIENCE WITH TDHCA OR OTHER APPLICABLE SERVICE RELATED ACTIVITIES (CDBG, HOME, HTF, CSBG, etc. where the funds were not used for Construction)
LIST ALL IN THE PREVIOUS 10 YEARS

TDHCA Activity ID # ³	Grantee, Contractor, or Sub-Recipient Name	Grantee, Contractor, or Sub-Recipient City	Contract Amount	CDBG	HOME	HTF	CSBG	Other: Describe	Contract Begin mm/yy	Contract End mm/yy	Disclosure ⁴
NA				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	mm/yy	mm/yy	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>

³ TDHCA Activity ID #: Final Development, Contract or Loan Number used to identify the development or activity.

⁴ Disclosure: Check the box if the development or activity has known past non-compliance or defaults, technical or otherwise. If disclosures exist, then provide on separate document a description of the issue and note whether it has been cured. Examples of disclosures include: defaults, mortgage relief, assignments, foreclosures, material/mechanic's liens, legal action, issuance of IRS Form 8823, instances of non-compliance with local building codes or planning regulations, and other program findings of non-compliance.

II. Affirmatively Furthering Fair Housing Threshold

Prior to submitting an application for public housing funds, applicants must review the Partial Analysis of Impediments to fair housing in the service area and describe how this application will address identified fair housing obstacles with these funds under Tab II, Housing Project Detail, in the appropriate narrative section.

Demonstration of compliance with this requirement is done through the applicant's **adoption and submittal of an approved Fair Housing Activity Statement – Texas Form (“FHA Form”) with the application.** The FHA Form is intended to be a process conducted by a locally-appointed FHA Work Group, resulting in a locally-defined Fair Housing Action Plan. Activities proposed in the application must be in accordance with the findings of the adopted FHA form.

Attach a copy of the approved & adopted FHA Form with the application. 

Upon award, each applicant of CDBG Disaster Recovery will be subject to the Disaster Recovery rules under 10 TAC Part 1 Chapter 54 as follows:⁵

Each applicant must document compliance regarding actions taken to affirmatively further fair housing as defined by the Partial Analysis of Impediments and to maintain records reflecting the analysis and any actions in this regard. Within six (6) months of the contract start date the Applicant must:

- (1) Have an affirmative marketing plan in place (the Housing Program Guidelines for Dolly and Ike Round 2 funding further elaborate on affirmative marketing requirements).
- (2) Establish clear policies in regard to serving people as required under the Civil Rights Act of 1964 and subsequent amendments. Applicants must collect and furnish to the Land Office, on forms to be provided by the Land Office, demographic data concerning the race, color, religion, sex, national origin, age, handicap and familial status (children under 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18) of program beneficiaries.
- (3) Identify the impediments to Fair Housing and have processes in place to work with recipients to meet the goals of the Fair Housing Act, as identified in the adopted FHA Form.
- (4) Design activities for income-qualified applicants who live in FEMA-designated “High Risk” areas or areas of high minority and/or poverty concentration, as approved by the Land Office.
- (5) Adopt a formal complaint process.

III. Capacity Threshold

The Land Office will greatly rely on local operation of the Program and will work closely with each applicant to ensure adequate program administration capacity. Each contract will contain provisions requiring adherence to all applicable federal and state rules and regulations. Failure to abide by the regulations may result in monitoring findings by the Land Office or HUD and determinations of the ineligibility of certain expenses. The Applicant will be required to repay the State for any ineligible expenses.

To help prevent findings of ineligibility in the delivery of services, disaster recovery housing funds will only be granted to eligible applicants with the capacity to carry out the public housing activities provided in the Application. Sufficient capacity may be obtained from third-party sources who will work as an agent for the Applicant, by collectively demonstrating capacity through agreements, or through the staff of the Applicant. Applications must demonstrate, to the reasonable satisfaction of the Land Office that the Applicant will have the capacity to administer program funds for each of the elected housing programs in a manner which

⁵ Rulemaking authority outlined in the TAC may be amended in the future.

complies with the Action Plan, Action Plan Amendments, and all applicable local, state, and federal legal and regulatory requirements.

This required demonstration of capacity may be addressed in one or more of the following ways:

- By demonstrating the Applicant’s proven capacity to administer program funds efficiently as a Subrecipient of funding to the satisfaction of the Land Office; or
- By the Applicant partnering with one or more other local governments or other entities with proven capacity to administer program funds efficiently as a Subrecipient of the state.

Applicants must substantiate that one or more of the above criteria are met by providing supporting documentation for each topic below.

1. Background/Program Experience

To demonstrate relevant experience, please describe programs similar in scope of activities and amounts of funding that were successfully completed in the past by the applicant. Describe past programs involving work with vulnerable populations including outreach, case management, and the demographics of the populations served. **Also describe past programs involving Community Development Block Grant (CDBG) or other HUD funds, particularly in the disaster recovery context.**

The Galveston Housing Authority (“GHA”) was founded in 1940 to provide housing to the low income residents of the City of Galveston, Texas. During this time, the GHA has demonstrated the ability to operate complex programs in compliance with HUD guidelines and regulations. Prior to Hurricane Ike, GHA operated 990 units of public housing. However, three (3) of its public housing developments were demolished as a result of the hurricane resulting in a net loss of 569 public housing units. In July 2011, the GHA completed the development of 20 public housing duplexes (40 1-BDR units) on the former Palm Terrace site utilizing replacement housing factor funds. The total development cost of this development was approximately \$3.5 million. GHA has also completed the modernization of 80 units in the Gulf Breeze public housing development which houses elderly and disabled households. The modernization was funded with approximately \$2.7 million in American Recovery Reinvestment Act Funds (“ARRA”). GHA is currently modernizing 39 units in Holland House public housing development through its Capital Fund Program. The project cost is estimated at approximately \$1 million.

The GHA has a great deal of experience in dealing with low income and vulnerable populations and addressing the issues prevalent in the Galveston area and its residents. GHA currently administers three programs: Public Housing, Housing Choice Voucher, and Disaster Housing Assistance Program. Attached is the most recent HUD review of the GHA program, information regarding each program, and statistical data.

GHA has engaged through a competitive procurement an experienced national developer, McCormack Baron Salazar (“MBS”), as its development partner to deliver the public housing replacement units in mixed income developments. It is proposed that these mixed income developments will be funded in part with the CDBG-DR funds requested in this application. MBS has worked with public housing authorities on 26 development projects, totaling over 7,000 apartments and 55 phases of public housing redevelopment. These developments are both mixed-income and mixed-finance, leveraging public resources including public housing capital funds, and other public funds (like HOME and CDBG) with private funds, including equity raised through investments in Low Income Housing Tax Credits (“LIHTC”), and debt financing through private lenders. MBS owns and manages the communities it develops, and will do so in Galveston as well.

Comparable development projects recently completed by MBS include Harmony Oaks, a \$138 million, 460 unit redevelopment of the former CJ Peete public housing site in New Orleans. The financing plan for this development included public and private funds, including HOPE VI, CDBG, and LIHTC equity. The development is mixed-income with

42% of units receiving public housing assistance, 31% affordable (tax credit) units, and 27% market rate. This once disinvested community is now transformed and completely occupied with waiting lists for all of the unit types including market rate. At another MBS development in Miami, the Northpark at Scott Carver community is replacing portions of the public housing developments known as Scott and Carver homes with 354 new mixed-income apartments. Similar to Harmony Oaks, the community is mixed income with a combination of public housing assisted units (50%), affordable (30%) and market rate (20%) units. This development utilized tax exempt bonds paired with 4% LIHTC to attract private investment and equity; public housing funds including HOPE VI, Replacement Housing Factor Funds, ARRA Capital Funds, and local public funds made up the balance of the public-private funding structure.

Working with GHA and MBS is Urban Strategies, Inc. a not-for-profit organization whose mission is to empower residents in distressed urban core neighborhoods to lead healthy, prosperous lives in thriving, self-sustaining communities. Urban Strategies rebuilds the physical and human infrastructure of redeveloping urban communities by partnering with neighborhood organizations, residents, developers, policy makers, institutional stakeholders and funders to transform public and private systems and support strong, self-sustaining people, families and communities. Urban Strategies was formed more than 30 years ago, and works to plan and implement the network of community supports that foster social and economic integration within revitalized communities, most frequently in partnership with MBS. These supportive services often include:

- Adult education, job training, job retention and community-based economic development programs;
- Access to quality education for children, youth and adults;
- Family support programs;
- Initiatives around personal and community safety;
- Senior and intergenerational activities.

In Galveston, Urban Strategies is responsible for developing a human capital plan to help residents achieve their goals for success: i.e., pursuing higher education, employment training, and upward mobility in jobs; and address potential barriers to success, i.e., health issues, child care needs, etc. The human capital plan will use partnerships, programs, and case management to address the top priorities for GHA residents which are currently being identified through in-depth resident assessments, demographic analyses and stakeholder focus groups.

2. Personnel/Staff Capacity

List all key staff of the applicant that will be directly involved in the administration of the program(s); include titles/positions and briefly describe the roles each key staff member will have and their qualifications to conduct the work included in this application. Please indicate whether the Applicant has a personnel policy manual with an affirmative action plan and a grievance procedure. Discuss any plans to expand staffing to accommodate this/these new program(s) along with general qualifications.

Briefly list staff here: ([Attach a copy of the organizational chart with the application.](#))

GALVESTON HOUSING AUTHORITY STAFF

Listed below are the key GHA executive staff that will be participating in the process. Currently, GHA is in the final stages of a search for a new Executive Director and expects to make a hiring decision in early 2012. The GHA has an employee manual that allows for affirmative action and a complaint process.

Interim Executive Director – Mona Purgason

The Executive Director has total responsibility for administering, managing, maintaining, planning and directing the Housing Authority's public housing, Section 8 and DHAP programs. The Executive Director is responsible for safekeeping of all property and records and the safety of Authority residents and is the primary liaison between the Board of Commissioners, HUD, and state and local entities.

Director of Finance – BIL Bruney, CPA

The Finance Director is responsible for accomplishing the Galveston Housing Authority (GHA) financial/accounting

function and performs a variety of tasks involving oversight recording, monitoring and reporting of financial transactions in the GHA's programs.

Director of Real Estate and Development – Deyna Sims-Hobdy, Attorney

The Director of Real Estate and Development plans, directs and coordinates the development, acquisition, and redevelopment activities for the GHA housing development programs following HUD and other applicable requirements in order to ensure compliance with federal, state, and local regulations.

Director of Housing Operations – Yvette Camel-Smith, Attorney

The Housing Operations Director is responsible for formulating, developing, administering and managing the Asset Management Program (Public Housing), DHAP and HCV (Section 8) Programs of the housing authority.

Human Resources Manager - Randi Jensen

The Human Resources Manager is responsible for all functional areas of the Human Resources Department. Her duties include coordination of employment, compensation and benefits programs, safety, training, record keeping system, grievance hearings, policy development and affirmative action planning and career counseling.

Development Manager – Samson Babalola

The Development Manager is responsible for advanced and analytical duties in all aspects of the Real Estate Development department including housing development activities, resident and community initiatives and grant management.

Section 3 Coordinators - Courtney Beck/Odelia Williams

The Section 3 Program Coordinators ensure Section 3 compliance and work with all departments and contractors to provide economic opportunities for those of low and very low income.

EJP CONSULTING GROUP, LLC

EJP Consulting Group, LLC (EJP) will serve as a technical advisor to GHA. EJP provides the expertise and support services needed to revitalize neighborhoods and promote healthy, sustainable communities. The founding partners -- Gayle Epp, Scott Jepsen, and Rhae Parkes -- bring more than 50 years of practical experience and an extensive knowledge of best practices to the planning and implementation of building better, stronger, safer places to call home. Around the country EJP collaborates with government, foundations, private and not-for-profit clients to develop new housing, strengthen human services infrastructure and access, and increase resident self-sufficiency and pride of place.

COATS ROSE, Antoinette M. Jackson

Ms. Jackson is a Director in the Affordable Housing and Governmental Relations sections of the Coats Rose law firm, specializing in the areas of affordable housing financing and community development law. The Coats Rose Affordable Housing Group is one of the largest groups of housing attorneys in the State of Texas. Ms. Jackson, who is a former HUD attorney, has over 17 years of specialized financing experience. She has particular expertise in mixed-finance transactions and other affordable housing financing programs; principally FHA insured transactions, HUD public housing programs, tax credits and bonds.

PURPOSE BUILT COMMUNITIES

Purpose Built will serve as a strategic advisor to the GHA. Purpose Built has expertise in planning and implementing holistic mixed-income developments, and more specifically mixed income development of former public housing sites.

McCORMACK BARON SALAZAR

MBS staff bring significant experience in delivering projects similar to those to be completed with the Galveston Housing Authority. Principal staff will work closely with GHA and include:

Kevin J. McCormack, President

Having engineered the firm's mixed-finance strategy, Kevin has utilized nearly the full spectrum of affordable and mixed-

income financing resources over his decades of housing finance and development work. Kevin will continue this role in the GHA developments, reviewing the financial structure of the deal for initial viability and long-term sustainability.

Vincent R. Bennett, Chief Operating Officer

Vince will provide critical management oversight to the development project, coordinating the various team members and their efforts, and managing the relationship with the Galveston stakeholders. His nearly 20 years of experience working on major mixed income, HOPE VI, and other mixed-finance transactions makes him a keen troubleshooter, and creative identifier of strategies to stretch scarce resources to accomplish the project's objectives.

Julie DeGraaf Velazquez, Vice President, Senior Project Manager

Julie will provide day-to-day management of every aspect of the project, including managing all internal and external team members in all areas of development from design / master planning and human capital planning through construction, lease-up, and implementation of supportive services. Julie has worked in housing development for over ten years, including as the Project Manager on several major, multi-phase public housing revitalization plans (Scott Carver in Miami, and Blumeyer Homes in St. Louis).

Michael Duffy, Senior Vice President, Finance

Responsible for structuring each phase of the project's financing, Mike draws on a decade of financial and management experience to create financially viable and sustainable projects. Between 2005 and 2011, Mike participated in closing dozens of transactions, totaling almost \$800 million in development of thousands of units of mixed-income, mixed-use communities in cities across the country. Mike will work closely with Kevin McCormack, President of MBS, to structure and close the financial transactions for each phase of the redevelopment plan.

Mike Saunders, Vice President – Design Construction

Mike Saunders will be responsible for coordinating architectural and engineering services from the master planning process through construction completion. Mike brings decades of design and construction experience including on comparable large scale, multi-family developments to those planned for Galveston.

Tom Cella, Vice President, Construction Administration

Tom also brings several decades of experience and will be responsible for overseeing construction activities. He will also assist the MBS architects in the development of construction documents.

Bill Carson, LEED-AP, Vice President and Director of Sustainability

As a trained engineer and a LEED Accredited Professional (LEED-AP), Bill will work with the Design and Construction Team and third party architects and contractors to guide the green process and research new ways of cost-effectively incorporating new Green concepts into the Galveston developments wherever feasible. The GHA developments will be designed to achieve certification under LEED for Neighborhood Development (LEED-ND).

URBAN STRATEGIES

In its responsibilities to create and implement a human capital plan that helps residents through case management, programs and partnerships with social service providers, Urban Strategies has assigned an experienced leadership team to oversee and carry out key activities:

Sandra M. Moore – President

As President of Urban Strategies, Sandra Moore leads a team of more than 70 professionals working in communities across the United States where mixed-income housing communities have recently been completed or are in development. Her experience spans decades and has helped leverage resources and partnerships across the country to help families live successfully in revitalized communities. Ms. Moore's responsibilities to the project will include guiding and structuring the overall project vision and strategy; engagement with residents and key stakeholders and leading meetings with funders and prominent leaders to set the broad agenda for revitalization activity.

Tara Buckner, Director, Sustainability

As Director of Sustainability, Tara Buckner is responsible for the coordination of social and economic strategies for revitalizing urban communities, and for technical assistance in comprehensive community development efforts that connect human services, neighborhood school enhancements and economic development support to the physical redevelopment of communities. Ms. Buckner will lead the Urban Strategies team in engaging residents and stakeholders and developing priorities and strategies for human capital development, and will oversee the implementation and tracking of the progress and results in meeting resident goals.

Reinhard Baumgaertel, Assistant Project Manager and Roshanda Ward, Assistant Project Manager

Mr. Reinhard Baumgaertel and Ms. Roshanda Ward will support the Urban Strategies team through the following activities: Coordinating the assessment gathering and evaluation processes; data gathering, analysis, and research; coordinating and developing the community engagement process; grassroots coordination of technical work plan implementation.

3. Financial Capacity

Describe the Applicant’s fiscal management procedures, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. If a third party is to be used, describe the duties necessary to carry out the activities described in the application.

Briefly explain financial capacity here:

The GHA has a sophisticated accounting system that expends and monitors millions of dollars annually in payments of federal funds. GHA’s finances are handled by a team of five headed by a CPA with 29 years of accounting experience including 14 years at the helm of the Finance Department of the Housing Authority. Income Statements and Balance sheets are compiled for each Fund on a monthly basis and presented to the Board of Commissioners at its monthly meetings, usually held the last Monday of every month. Pertinent records are maintained for 5 years, the statutory maximum and sometimes longer, in locked files (if necessary) and storage rooms. Personnel records are maintained by the personnel manager in locked files within the confines of the HR office. Paid invoices and check copies are stored in the A/P file room, however the bulk of information amassed through operations is stored electronically within the GHA computer systems.

GHA’s accounting system is computerized and fully integrated to capture and process transactions from inception to conclusion. GHA employs specialized accounting software designed specifically for housing authorities and their operations. GHA’s system and software are periodically upgraded to meet the changing demands of the unique industry and to accommodate changes in HUD requirements and reports. Invoices are approved by the head of the Department which requested and received the product or service.

1. Invoices together with supporting documentation are forwarded to the Finance Director for approval and coding.
2. Approved and coded invoices are then forwarded to the A/P for check processing.
3. Printed checks and supporting documentation are audited and logged by a member uninvolved with the process thus far.
4. Checks under \$10K are signature stamped by a member of the executive staff and those \$10K and over (requiring at least one original signature) are presented to the ED or the Finance Director for signature.
5. Checks are mailed out. In some cases, e.g. payments to HUD, contributions to pension, IRS tax payments and a few others electronic payments are processed.

GHA is required and does perform an annual audit in compliance with the requirements described in the U.S. Office of management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

The GHA will establish a blended oversight process utilizing the financial expertise it has internally supplemented with

outside expertise as required. GHA's Developer, McCormack Baron Salazar, will also adhere to all required fiscal management procedures. MBS has extensive experience in accounting and financial reporting on projects involving federal, state and local resources.

4. Monitoring Program Goals and Objectives

Attach copies of all data collection tools that will be used to verify achievement of program goals and objectives in accordance with benchmark requirements. If a third party will be used, describe how the Applicant will monitor the third party for programmatic compliance and how the Applicant will monitor their progress.

Briefly describe monitoring program here:

Please see the attached Exhibit C regarding current GHA's monitoring program goals and objectives.

In addition, specific deliverables will be monitored related to the Human Capital Plan and the Residential Construction activities, as described below.

Human Capital Plan:

In order to track progress and achievements under the human capital plan, the following tools will be utilized:

- 1) Annual goals will be established for each priority area under the human capital plan, i.e., employment, education, health, with progress toward goals reported on monthly by program partners in standardized reports.
- 2) Residents will have their own personal development plan (developed with case managers) including baseline information, goals and benchmarks toward those goals.
- 3) Progress will be reported to GHA, community residents, stakeholders, program partners and funders. To the extent priority areas shift, or modifications in the service delivery model are needed, the human capital plan will be adjusted accordingly.

Residential Construction:

Monitoring of progress on the residential construction will occur on several levels. The Developer will be responsible for producing monthly reports documenting progress on development deliverables including construction documents, engineering and environmental work; financing applications and approvals; public approvals and permitting; and bidding and award of the construction contracts. The monthly report will include a narrative of activities completed for the previous month, and planned for the upcoming month, a summary of completed and upcoming critical path events, budget updates, and Section 3 participation. A detailed Gantt project schedule will be included with the monthly report. During construction, the Developer will provide monthly Construction Status Reports detailing construction activities, progress toward completion and any changes to the construction schedule, Section 3 and M/WBE participation. The contractor will also be required to provide an upfront construction schedule by project and monthly schedule updates; a detailed plan for participation by Section 3 firms, minority and women-owned firms (Section 3/M/WBE), and for employment of Section 3 residents, and monthly updates on the Section 3/M/WBE participation plan.

5. Audit Requirements

In accordance with the Office of Management and Budget Circular A-133, the Federal Government requires that organizations expending \$500,000 or more in Federal financial assistance in a fiscal year must secure a Single Audit. If the Applicant already conducts audits of all its funding sources, submit a copy of the most recent audit.

Did applicant expend \$500,000 or more in Federal financial assistance in the last fiscal year? YES NO

If yes, attach a copy of the Single Audit to the application. 

The GHA conducts a single audit in compliance with federal requirements. The latest single audit is attached as Exhibit E.

6. Insurance/Bonding/Worker's Compensation

State whether or not the Applicant has liability insurance coverage, in what amount, and with what insuring agency. State whether or not the Applicant pays all payroll taxes and worker's compensation as required by Federal and State laws. State whether or not the Applicant has fidelity bond coverage for principal staff who handle the Applicant's accounts, in what amount, and with what insuring agency.

Describe insurance coverage here:

Texas Municipal League Intergovernmental Risk Pool is the insurance agency for the Galveston Housing Authority.

GENERAL LIABILITY:

Limits of Liability	\$ 5,000,000	Each Occurrence
Sudden Events	\$ 2,000,000	Each Occurrence
	\$ 10,000,000	Annual Aggregate

ERRORS & OMISSIONS LIABILITY:

Limits of Liability	\$ 1,000,000	Each Wrongful Act
	\$ 2,000,000	Annual Aggregate

GHA pays all payroll taxes and Workers Compensation through the Texas Municipal League ("TML"). GHA also has fidelity bond coverage for the GHA Board of Commissioners and principal staff.

The Developer, Architect and Engineer of Record, and the General Contractor will similarly be required to evidence current insurance coverage at required levels for liability, workmen's compensation, and professional liability.

IV. Benchmark Requirements

The contract term for awards will not exceed thirty-six (36) months for public housing activities under the Contract, which will be evaluated according to benchmark requirements found under 10 TAC §54.2.

Tab II – Housing Project Detail

I. Project Overview

Public housing activities shall be administered by the Land Office in accordance with federal and state laws and regulations and terms of the HUD approved Conciliation Agreement:

Activity Description	Act. Code	Description
<input checked="" type="checkbox"/> Rental Rehabilitation, Reconstruction, New Construction	R - LMI	Rental - Clearance, Demolition, Removal, New/Reconstruction, and Rehabilitation.

II. Project Summary

The Applicant must describe the proposed project by answering the following questions:

1. Describe the extent of the needed improvements for the affected area(s), including a description of damage or destruction to public housing units, and the extent of the need by persons affected by Hurricane Dolly or Ike as determined by the local Needs Assessment.

Describe need here:
Please refer to the attached Housing Needs Assessment and Demographics Analysis in Exhibit F.

As a result of Hurricane Ike, the Housing Authority of the City of Galveston (GHA) had 569 units of public housing damaged or destroyed beyond repair. Once the Conciliation Agreement was negotiated and approved by HUD, the GHA was charged with a one-for-one replacement of these units. Funds were designated in Rounds 1 and 2 to support the rebuilding of the public housing units in Galveston. This application is for the Round 2 funds in the amounts of \$50 million and \$34.6 million.

The destroyed units were of an older public housing, barrack- style and were concentrated in areas generally north of Broadway. As part of the Conciliation Agreement, the State committed to affirmatively further fair housing in the rebuilding process. The GHA is committed to rebuilding all the units and doing so in a manner which will reduce the concentration of the public housing units. To do this, the GHA proposes this Round 2 development plan to replace the public housing units in scattered site and mixed-income communities, while providing community and supportive services that help residents gain upward mobility.

The need for replacement public housing and additional affordable housing is evidenced by the following: 1) the previous occupancy levels of the destroyed GHA public housing sites pre-Ike were 100%; 2) the number of households on the GHA waiting list for public housing and Housing Choice Vouchers is 1,747; 3) the local Needs Assessment identified approximately 2700 households in Galveston that qualify based on income for public housing or housing choice voucher assistance; and 3) 198 households of the former 569 public housing developments are currently participating within the DHAP program. Each of these items evidence the need for the rebuilding of additional units and continued housing assistance.

2. Describe how the Applicant will prioritize the provision of decent, safe and sanitary housing for the elderly and disabled populations with an emphasis on housing choice as well as provide for the provision of independent living options.

Describe here:

The new housing being developed by GHA and its development partners is being designed to accommodate a range of household types and needs, including elderly and disabled populations seeking independent living options. All housing will be designed, constructed and managed to high quality standards. As there will be multiple phases and locations, residents will be able to choose a location and apartment type that best meets their needs. To provide a diversity of apartment types, buildings will include a mix of two-story townhome and single-story garden apartments, as well as apartments in corridor buildings served by elevators, and single family scattered site homes. Buildings have been designed to meet visitability requirements in accordance to State requirements and the Conciliation Agreement. Due to the elevation requirements in the City of Galveston, all units will be served by either a lift or elevator. In addition, five percent (5%) of each unit type will be fully accessible and two percent (2%) will have features to assist residents with visual and hearing impairments. These units will be prioritized for residents with disabilities.

The development phases also include a “universal design” building that includes a number of features designed to help seniors and residents with disabilities live independently. The universal design building will be modeled after a successful development completed by MBS in St. Louis known as 6 North. The building will feature elevators, wider doorways, automatic doors, solid surface floors, raised appliances with front mounted controls, color contrasts between floor, wall, and countertop surface to enhance the independent living experience for the resident. . These features are well-integrated in the design and tend to be regarded simply as conveniences by residents without disabilities.

3. Describe how the Applicant proposes to resolve the identified needs with the activities described in this application. This should include details on the work to be performed, including the public housing activities to be undertaken, the number and types of units to be built, the goals and objectives of the project, and the method of approach.

Describe here:

Identified Needs:

The primary activities achieved through the CDBG-DR Round 2 funds resolve the identified needs in Galveston through the following activities:

- Rebuilding up to 569 public housing units severely damaged and subsequently demolished after Hurricane Ike within sustainable, visitable, and mixed-income communities that also create additional, much-needed affordable apartments serving Galveston’s low and moderate income population (earning less than 60% of area median income). [Note: 40 public housing units toward the 569 to be re-built have been completed in The Oaks).
- Affirmatively furthering fair housing and promoting economic diversity through the revitalization of disinvested areas
- Developing housing that attracts and accommodates residents from across the income spectrum through the incorporation of scattered site public housing in neighborhoods throughout Galveston.
- Creating and implementing a human capital plan including programs, partnerships and case management to help residents achieve their potential and move up the economic ladder.

Work to be Performed Using Round 2.2 Funds

Activities	Description
Rebuild Public Housing in Scattered Site Developments	<ul style="list-style-type: none">• 50+ single family scattered site public housing units constructed on locations around Galveston.• 35 3-Bedroom, 15 4-Bedroom• Constructed by homebuilders and designed to blend in with and complement surrounding architecture.• Designed with sustainable features (following LEED standards).• Includes visitability to meet Conciliation Agreement requirements (through lifts and other design features).• High quality construction and design so that homes are

	<ul style="list-style-type: none"> not distinguishable as “public housing.” Affirmatively furthers fair housing by de-concentrating public housing and locating units in strong neighborhoods (see #4 Location).
Rebuild Public Housing in Mixed Income Communities	<ul style="list-style-type: none"> 282 public housing units constructed in new mixed-income communities; mix of one-, two- and three-bedroom public housing units to meet public housing need. Developments also include 120 affordable rental units (for households earning 60% of area median income and below), and 282 market rate units. Mix of one-, two- and three-bedroom units. Public housing units are integrated throughout the developments. All units have same features and amenities; no unit distinguishable as “public housing”. High quality, contextual architecture and scale that complements surrounding neighborhood. Designed and constructed to achieve LEED sustainability standards Designed and constructed to meet visitability and accessibility requirements (within constraints of flood elevation mitigation, i.e., with lifts, walkways, elevators). Variety of building types to meet diverse housing need and preferences: townhomes, garden apartment buildings, corridor buildings with elevators. Common area amenities include parks, resident parking, playgrounds and tot lots, pool. Affirmatively furthers fair housing by creating mixed-income communities, promoting economic diversity.
Rebuild Public Housing in Small, Scattered Site Developments Acquired and Rehabilitated	<ul style="list-style-type: none"> 197 public housing units developed in small, scattered site buildings acquired and rehabbed in locations around Galveston. Mix of one- through five-bedroom public housing units to meet public housing need. Designed and rehabilitated with sustainable features, with particular focus on energy and water-efficiency, and healthy indoor living environments. Designed and rehabilitated to achieve visitability and accessibility requirements. Variety of building types acquired and rehabbed to meet diverse housing need. Affirmatively furthers fair housing by de-concentrating public housing and locating units in strong neighborhoods.
Develop and Implement a Human Capital Plan to Promote Resident Success	<ul style="list-style-type: none"> Programs, partnerships and case management services that help residents thrive and live successfully in new homes and communities.

Goals, Objectives and Method of Approach

The Galveston Housing Authority (“GHA”) recognized that replacing the public housing developments destroyed in Hurricane Ike – Magnolia, Cedar Terrace, Oleander and Palm Terrace—with 100% public housing developments would simply recycle failed policies that created public housing in the mid-20th century, re-segregating residents in high poverty neighborhoods. Instead, the GHA Board adopted a comprehensive redevelopment plan to include scattered site public housing located throughout Galveston’s neighborhoods, and in mixed-income housing developments, where public housing units would be seamlessly integrated with other affordable and market rate apartments. In order to bring its vision to reality, GHA engaged a team of experienced consultants, and a development team led by national developer,

McCormack Baron Salazar (“MBS”), to implement the redevelopment plan. MBS team member Urban Strategies, Inc. will be responsible for the human capital plan components.

For nearly two decades, the mixed-income, mixed-finance model of building and operating public housing has been proven as a viable and sustainable approach to creating vibrant and economically diverse communities. In many instances these new mixed-income communities replace public housing developments that were isolated and often stigmatized as centers of poverty and crime. Mixed-income communities have proven successful on a number of measures: they de-concentrate poverty by integrating non-subsidized units with subsidized, and residents can move up to a non-subsidized without having to move out of the community. In addition, residents earning higher incomes are attracted back to revitalized communities that offer attractive, high quality housing options, helping promote economic diversity and affirmatively further fair housing.

The mixed-income communities will be developed on a scale of 125 units and up that will catalyze broader community reinvestments including new resources and amenities to support residents. The mixed-income developments will be privately owned and managed (by affiliates of the Developer, McCormack Baron Salazar), and will leverage public funds with private resources including permanent and construction financing (private debt, Federal Home Loan Bank funds, etc.), and equity generated by Low Income Housing Tax Credits. The developments will be constructed to high quality standards, with all unit types (public housing, affordable and market rate) having the same features and amenities; no apartment or development will be distinguishable as public housing. Overall, the mixed-income developments will contain approximately 40% public housing assisted units, 20% affordable units (for households earning up to 60% of area median income), and 40% market rate units.

The scattered sites initiative, including the acquisition/rehabilitation component, will allow public housing residents to live in homes located in stable neighborhoods throughout Galveston. As described further in “#4. Location”, GHA is working with UTMB’s Center to Eliminate Health Disparities to identify locations in strong and healthy neighborhoods, where public housing residents can be supported by good schools, public transportation, and access to jobs and amenities. In addition to providing 197 units in acquired and rehabilitated properties, the scattered sites initiative will create a minimum of 50 new single family homes (some purchase and renovation of existing single family homes is also contemplated). All homes will be designed and constructed to high quality standards and with attractive, contextual designs.

GHA embraces the philosophy that community revitalization needs to involve both people and place, and therefore has included a human capital development component to accompany the physical redevelopment activities. The overarching goal of the human capital plan is to help residents move up the economic ladder, through education, training and employment opportunities, and by addressing potential barriers to success (i.e., child care, health, transportation, etc.). Urban Strategies is responsible for creating the human capital plan that establishes the framework within which programs, partnerships and case management will be structured and implemented so that residents can address barriers to success and achieve their full potential. The plan will be designed and implemented with input and involvement by residents and community stakeholders, including existing community service providers, and will include benchmarks to measure progress and success.

Conclusions: This comprehensive, people and place-centered approach to rebuilding public housing in Galveston will ensure that public housing residents return to strong, healthy communities where they can thrive and live successfully, while helping to catalyze broader reinvestment in Galveston neighborhoods most impacted by Hurricane Ike.

4. Identify the location of proposed activities.

Identify location(s), by address if available: [Attach a map of proposed locations with the application.](#) 

Please see the attached map of low impacted census tracts in Exhibit E.

GHA has placed critical emphasis on developing scattered site and mixed-income developments on sites that achieve the goal of public housing residents living in strong, healthy mixed-income communities. GHA has engaged the University of Texas Medical Branch's ("UTMB") Center to Eliminate Health Disparities to identify locations around the island that will provide healthy living environments, and key amenities (including access to jobs, quality education, public transportation, grocery stores, etc). As GHA identifies properties for scattered site and other off-site development, UTMB provides data on how the properties meet, or fail to meet, the criteria for strong and healthy communities. Some of the factors included in the analysis by UTMB include location, proximity to grocery stores, public transportation, social services and schools, the property values, and density/diversity of the neighborhood.

The 50 scattered site public housing units will be developed on sites located around the island. Sites around the island maybe identified for the 197 public housing units in acquired and rehabilitated properties or other housing options. GHA is working with an area realtor to identify sites, make offers, and enter into purchase negotiations. As the local and HUD acquisition approval processes are not yet complete for the scattered sites, locations are not yet finalized and will be provided to GLO as sites are approved.

The new construction mixed-income developments will be constructed on sites owned by GHA as well as on off-site parcels. The on-site parcels include the Magnolia Homes (located at 1600 The Strand) and Cedar Terrace (located at 29th – 30th Streets, Between Church and Sealy) sites. GHA is also evaluating whether to rebuild on the Oleander Homes site (located at 5228 Broadway) given the surrounding light industrial and commercial uses. To the extent it is determined that Oleander will not be reconstructed, alternate sites will be identified. The master development plan also anticipates the acquisition of approximately one city block (1.8 acres) for the universal design building. The strategy for off-site acquisition includes the following: identify properties that extend the revitalization efforts and allow public housing residents to live in strong, healthy, mixed-income communities; identify properties of at least one city block (1.8 acres) in size to achieve an efficient phase size and scale; target property searches in higher opportunity census tracts (those with lower poverty and minority concentration), and near employment opportunities, good schools and public transportation.

5. Describe how the Applicant will identify clients, the estimated number of clients to be served, and description of population in terms of age, gender, ethnicity, income level, and other defining characteristics. This should include a description of how program outreach and administration will be tailored to meet the needs of the affected population.

Describe client identification and outreach here:

Please refer to the attached Housing Needs Assessment and Demographics Analysis in Exhibit F.

The priority population for the public housing residents is comprised of residents of the Magnolia Homes, Cedar Terrace, Palm Terrace and Oleander Homes who were displaced by Hurricane Ike. An estimated 1,430 residents lost their homes. Approximately 625 of them were children. An overwhelming majority of these households were headed by single, African American women (79.8 percent). The majority of these households were of prime working age (i.e. between 24 and 44), however, more than 75 percent were unemployed. One in five heads of households also are disabled. More than 40 percent of these households earn less than \$10,000, making it difficult to maintain a decent standard of living for their families.

GHA maintains contact with these residents (many of whom remain participants in the DHAP program) through regular mailings, phone calls and periodic events. GHA's development partners, MBS and Urban Strategies, conducted a number of outreach activities shortly after their selection by GHA to engage residents (and stakeholders) in the development and human capital planning process. Through targeted outreach, including mailings, flyers and phone calls, residents were invited to participate in community workshops and meetings to provide input on and receive information about the master development plan and human capital plan. MBS also set up a website, www.workingforgalveston.com to provide key information, address frequently asked questions, and invite individuals to submit questions.

As part of the development of the human capital plan, Urban Strategies analyzed existing demographic information on GHA residents from GHA data sources, and also collected detailed assessments from GHA resident households (over 80 assessments collected to date). The assessments provides critical information on households, including individual household members' needs, obstacles and goals, and reveals common concerns and trends that ultimately shape the priority areas for the human capital plan. The resident meetings and assessments allowed Urban Strategies and GHA staff to interact with residents, many of whom had become disconnected with resources following Ike and subsequent relocation. Targeted outreach and engagement through multiple approaches (mailings, phone calls, meetings, outreach through partner organizations, etc.) will continue to be one of the major priorities under the rebuilding plan to help prepare families to return to new homes and communities, and connect them with the network of service providers, program and supports created through the human capital plan.

6. Describe the process used by the Applicant to gather public input, including participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low to moderate income communities.

Describe the client input process here:

GHA and its development team partners believe that a sound community planning process fully engages all residents and local stakeholders to ensure that the resulting plan addresses the needs and challenges faced by local constituents. As detailed below, a number of public community meetings have been convened in addition to the public hearing specific to the Round 2.2 application held on December 5, 2011.

Community workshops were held September 13th-15th at the Old Central Community Center, and were advertised in advance through several methods to increase participation: on-line (GHA and www.workingforgalveston.com websites), in advertisements in the Galveston Daily News, and through direct mailings and phone calls to GHA residents. The workshops included open house sessions, focus groups with residents and stakeholders in the Galveston community, and evening community meetings. During the day the development team hosted an open house as well as several smaller focus groups centered on various aspects of the physical and human capital plans, including: Residents, Local Business Leaders, the Faith Community, Children and Youth, Social Services & Workforce Organizations, Foundations, Neighborhood Groups, Education and Health. In the evenings the team held open community workshops during which participants were encouraged to join topic-specific tables to discuss various aspects of the plan, including: each of the three GHA sites (Magnolia Homes, Cedar Terrace, Oleander Homes); Mixed-Income/Mixed-Finance; and the Human Capital Plan. Over 150 people participated in the workshops including GHA residents from all three sites (Magnolia Homes, Cedar Terrace and Oleander Homes) and from Gulf Breeze, stakeholders in the community, and other Galveston residents.

A follow-up community workshop was held in mid-October to present updated development plans and additional information on the human capital plan. The workshop was very well-attended and included GHA residents, other Galveston residents, and community stakeholders. GHA also held a public hearing on December 5th pursuant to the Community Participation Plan adopted by GHA and included with this application. GHA and the development team will continue to hold additional public meetings/workshops to seek input and provide information on the development and human capital plans throughout the redevelopment process.

The human capital plan development and implementation processes similarly center on resident and community engagement. Urban Strategies' outreach and engagement activities have included: resident assessments, focus groups, and community workshops to understand the basic demographics, housing and supportive service needs of low and moderate income public housing residents. In addition, Urban Strategies engaged key local agencies, institutions, nonprofits, business associations, and other community-based organizations to identify community resources, needs and strengths. Throughout the planning and implementation process, Urban Strategies places emphasis on leadership training by helping residents learn and assimilate critical information about their community's strengths and needs, and educating the community about potential opportunities and trade-offs presented by the proposed revitalization effort. Residents are involved in decision-making, program implementation and evaluation in order to build their knowledge and skills, and ultimately to prepare them to assume responsibility for sustainable community building and governance.

Throughout the planning and implementation stages, a Community Task Force comprised of community residents and stakeholders will provide input and track progress and results under the physical redevelopment and human capital development plans to provide further accountability and review.

7. Describe any known factors that may present fair housing obstacles and how those obstacles will be addressed with these funds. Be very specific about how those factors were taken into account and how they specifically propose to address Affirmatively Furthering Fair Housing (AFFH) requirements, compliance with the Conciliation Agreement and the Fair Housing Activity Statement – Texas Form (“FHA Form”) adopted by the Applicant. To the extent that such solutions may increase the cost of delivery, the applicant should also describe their assessment of those cost factors and the final recommendations for use of these funds.

Describe fair housing factors here:

GHA is mindful of several key fair housing obstacles and impediments that could present challenges to the implementation of the development plan, as described below:

1. “Not in my backyard” NIMBY

The leading concern is public opposition to public housing, whether in mixed-income communities or in scattered site locations. GHA has announced its plans to redevelop the units destroyed by Hurricane Ike in a number of forums, including community workshops, public hearings, and individual and small group meetings. There are some opponents who believe public housing should not be rebuilt at all, others who believe that some or all of the public housing should be reconstructed off the island, and others who believe that any housing beyond public housing will have a negative impact on Galveston’s rental market. In response to the opposition, GHA and its development partners have worked on a number of levels to dispel myths, and provide accurate information relevant case studies that support the viability, and sustainability of developing public housing in scattered site and mixed-income communities.

2. Lack of accessible and visitable housing options

The lack of accessible and visitable housing options for low and moderate income residents in particular often contributes to fair housing challenges, contributing to fewer housing options for residents with disabilities and seniors. Texas statutes and the Conciliation Agreement require that all units improved with CDBG funds are visitable. While GHA and its development partners support the goals for visitability, there are cost and logistical challenges in Galveston given the need to elevate buildings out of the flood plain. Therefore, the development budgets include the added costs to raise homes above the base flood elevation while providing lifts or elevators (depending on the building type) to get to the first floor living level in each home.

3. Availability of Land Options

The GHA is required to replace 569 public housing units within the city limits of Galveston. GHA is currently in the process of acquiring land in low impacted census tracts. HUD’s Site and Neighborhood Standards (24 CFR 941.202) place restrictions on sites that are available for public housing development. Also according to the United States Census Bureau, the city has a total area of 208.4 square miles, of which 46.2 square miles is land and 162.2 square miles (77.85%) is water, this limits the amount of land available for public housing development.

4. Cost factors to remedy fair housing issues

The scattered sites and mixed-income approaches do bring additional costs which are reflected in the development budgets; however, the benefits are significant and will contribute to public housing becoming, and remaining, an asset to Galveston for years to come. Public housing was long isolated and stigmatized in Galveston, and renowned as centers of poverty and crime. As described in the Location section above, GHA’s plan is to rebuild its own sites into vibrant, mixed income communities; and for the scattered sites initiative is working with UTMB to identify locations in strong, healthy neighborhoods, where residents and children can grow and thrive. The well-designed, high quality scattered site units developed around the island, these public housing units will be indistinguishable from other single family homes, and will be integrated within existing mixed-income communities.

GHA also recognizes the critical importance of redeveloping the original Magnolia Homes and Cedar Terrace sites, and evaluating alternative locations to Oleander Homes. Magnolia Homes and Cedar Terrace are located to the east and west of downtown Galveston respectively, near major anchors including UTMB, the port, The Strand Historic District, public transit and job opportunities. Leaving these sites vacant extends the blighting influence of these properties. Revitalizing them into mixed-income communities positions these sites to be catalysts for additional revitalization. In addition, having a continuum of housing options, from public housing-assisted units, to affordable, to market rate units attracts residents from across the income spectrum. As demonstrated in many cities around the country (and across MBS' development portfolio), what were once high poverty public housing developments can be transformed into vibrant, economically diverse communities. In addition, the primary goals of the human capital plan are to help residents achieve self-sufficiency, and address barriers to success and economic growth. As public housing residents' income grows, they too contribute to the economic stability and diversity of the revitalized community.

8. Describe the process including the setting of goals that will be utilized by the Applicant to meet Section 3 Requirements. Applicants will be required to provide job opportunities to low-income residents and businesses, to the greatest extent possible. The Land Office will develop minimum thresholds and impose quarterly reporting requirements that will include, but not be limited to, the demographics and addresses of hires and local efforts towards stated goals.

Describe Section 3 Plan here:

Please see the attached Section 3 Policy for Mixed Income Initiative in Exhibit G. GHA is in the process of working with a Section 3 Advisory Committee to draft a new Section 3 policy. The existing policy (Exhibit H) is attached, as well as the Section 3 Implementation Handbook (Exhibit I).

9. Describe how the Applicant will ensure that it adheres to the Land Office's expenditure performance requirements. The expenditure performance requirement also requires that the Applicant provide an expenditure rate submittal at least every six months, or as requested by the Land Office, from contract execution date.

Describe planned expenditure process here:

GHA's Construction Coordinator will monitor construction to ensure timely completion of the developments. Expenditures will align with the provisions of the Master Developer Agreement. In addition invoices will only be submitted for reimbursement with proper documentation as an eligible expense. As with all contracts, the Finance Department will require documentation that the deliverable has been completed.

Tab III - National Program Objectives, Low-Moderate Income Calculation, & Project Budget

Benefit to Low-Moderate Income (LMI) is the only National Objective that is approved for the Rental Program under Round 2. LMI activities shall benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used by the applicant to verify the income eligibility of each household applying for assistance at the time assistance is provided. LMI economic subcategories are as follows:

- Very low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size
- Low: Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size
- Moderate: Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size

The Applicant must provide a budget breakout for the entire grant award. Complete the attached Excel Budget Form for the total allocation for the applicant, by LMI category, including all public housing activities. Additional information that is normally included in a CDBG application may be collected during the contract stage to limit the amount of information required in the application. All applicants must keep financial records for the proposed project at an officially designated site **that is accessible to the public**. The funds must be adequately managed on a timely basis using generally accepted accounting principles.

Attach a copy of the Excel Project Budget Form with the application. 

Tab IV – Listing of Properties Currently Owned or Managed

All Public Housing Authority applicants must provide a complete listing with addresses of multifamily properties currently owned or managed.

Attach a listing of all properties with the application. 📄

The GHA currently owns and manages a total of 451 public housing units; specifically, 34 Scattered Site public housing properties, 40 units of public housing at the Oaks IV, 20 units of public housing at Oaks I, 199 units of public housing at Gulf Breeze, and 158 units of public housing at Holland House.

Please see the attached list in Exhibit K.

Tab V – Citizen Participation Plan

A grant to a locality under the Texas General Land Office (the Land Office) Financial Management Disaster Recovery Program (Disaster Recovery) may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the disaster recovery program.

Disaster Recovery applicants and funded entities are required to carry out citizen participation procedures in accordance with the Citizen Participation Plan as described in this application. Each applicant certifies, by signing the Form 424, that it has and will comply with the requirements of the Citizen Participation Plan as stated in this section.

Each applicant must maintain a citizen participation file which includes a copy of the Plan Requirements below; the applicant's complaint procedures; any technical assistance provided by the applicant; and public notices, minutes, and attendance lists for public hearings. Applicants are cautioned that despite the expedited application process, they are still responsible for ensuring that all citizens have equal access to information about project activities. Each applicant is **required** to conduct at least one (1) public hearing prior to submitting an application. In conjunction with the posting of the public hearing the Applicant must post the application on the Applicant's website.

Plan Requirements

The Plan Requirements include the following:

1. Outreach Efforts: Provide for reasonable public notice, appraisal, examination, and comment on the activities proposed for the use of Disaster Recovery funds. These efforts shall include:
 - i. Provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which Disaster Recovery funds are proposed to be used;
 - ii. Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to an entity's proposed and actual use of Disaster Recovery funds;
 - iii. Furnish citizens information, including but not limited to:
 - a. The amount of Disaster Recovery funds expected to be made available;
 - b. The range of activities that may be undertaken with the Disaster Recovery funds;
 - c. The estimated amount of the Disaster Recovery funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons; and
 - d. The proposed Disaster Recovery activities likely to result in displacement and the entity's anti-displacement and relocation plan.
 - iv. Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the entity's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state.
 - v. These outreach efforts may be accomplished through one or more of the following methods:
 - a. Publication of notice in a local newspaper. A published newspaper article may also be used so long as it provides sufficient information regarding program activities and relevant dates;

- b. Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups;
 - c. Posting of notice on the local entity website (if available); or
 - d. Individual notice to eligible cities and other entities as applicable using:
 - i. Certified mail
 - ii. Electronic mail or fax
 - iii. First class (regular) mail
 - iv. Personal delivery (e.g., at a Council of Governments [COG] meeting);
2. Complaint Procedures: The applicant/recipient must have written citizen complaint procedures that provide a timely written response (within 15 working days) to complaints and grievances. Citizens must be made aware of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.
 3. Technical Assistance: When requested, the applicant/recipient shall provide technical assistance to groups representative of persons of low and moderate income in developing proposals for the use of Disaster Recovery funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.
 4. Public Hearing Provisions: Although the Federal Notice [Docket No. FR-5256-N-01] regarding *Disaster Recovery Grantees Under 2008 Supplemental CDBG Appropriations* specifically removes the mandate for public hearings at either the state or local government level for projects proposed under this Fund, the applicant is **required** to conduct at least one (1) public hearing prior to submitting an application. In addition, all notices of any public hearings or requests for public comment that relate to the administration of Disaster Recovery funds must be submitted to the Land Office to post on the Land Office's website. For each public hearing scheduled and conducted by a Disaster Recovery applicant or recipient, the following public hearing provisions shall be observed:
 - i. Public notice of all hearings must be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice MUST include the DATE, TIME, LOCATION and TOPICS to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
 - ii. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and an applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing.
 - iii. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking residents.

The applicant must also comply with the following citizen participation requirements in the event that the applicant receives funding from the Disaster Recovery Program:

1. The funded entity is highly encouraged to hold a public hearing concerning any substantial change, as determined by the Land Office, proposed to be made in the use of Disaster Recovery funds from one eligible activity to another.
2. Upon completion of the community development program activities, the funded entity is encouraged to hold a public hearing and review its program performance, including the actual use of Disaster Recovery funds.
3. If applicable, the funded entity must retain documentation of the hearing notice(s), attendance list(s), minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three years after the project is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.

The applicant must submit to GLO at DRSRound2Postings@GLO.texas.gov all notices of any public hearings or requests for public comment the applicant may have that relates to the administration of Hurricane Recovery funds that are provided to the applicant. GLO will post such notices received on its website. Such postings will not fulfill the applicant's responsibility under Chapter 551 of the Texas Government Code. The applicant certifies compliance with these Citizen Participation Plan requirements by signing the 424 FORM.

Local Certifications

Each applicant for Disaster Recovery funding must certify by signing the 424 Form that Local Certifications included in this Application have been followed in the preparation of any Disaster Recovery Program application and that they will continue to be followed in the event of funding.

Each applicant must comply with the provisions of the National Environmental Policy Act, Council on Environmental Quality regulations, as well as the requirements set forth in Title 24 Code of Federal Regulations Part 58 and applicable Land Office policy directives. All applicable federal and state laws, including environmental, labor (Davis-Bacon), procurement procedures, and civil rights requirements apply to the use of these funds.

With respect to the expenditure of funds provided under a Disaster Recovery contract, each Disaster Recovery grantee is required to certify that:

1. It will minimize displacement of persons as a result of activities assisted with such funds.
2. The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and the Fair Housing Act (42 USC 3601-3619), and that it will affirmatively further fair housing, as specified by the Land Office.
3. It will provide for opportunities for citizen participation and access to information with respect to its disaster recovery programs and it is following the Land Office's Disaster Recovery Program Citizen Participation Plan.
4. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with Disaster Recovery funds by assessing any amount against properties owned and occupied by persons of low to moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (A) disaster recovery grant funds are used to pay the proportion of such fee or assessment related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (A).
5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, with provisions as waived under the Federal Notice [Docket No. FR-5256-N-01] regarding *Disaster Recovery Grantees Under 2008 Supplemental CDBG Appropriations* and will follow a residential anti-displacement and relocation assistance plan, as specified by the Land Office, in the event that displacement of residential dwellings will occur in connection with a project assisted with Disaster Recovery funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the Disaster Recovery grantee's knowledge and belief:
 - (A) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Disaster Recovery grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member

of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Disaster Recovery grantee shall complete and submit Standard Form-LLL, "Disclosure Form To Report Lobbying", in accordance with its instructions.

(C) The Disaster Recovery grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

8. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*) as a result of natural disasters that occurred and were declared in 2008.
9. Disaster Recovery funds will not be used for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR Part 55.

List of Attachments

In addition to this completed application, please submit the following attachments:

- Previous Participation Form (if applicable)
- Fair Housing Activity Statement – Texas Form (“FHAAS Form”)
- Single Audit (if applicable)
- Organizational Chart
- Project Location Map
- Tab III: Excel Project Budget Form
- Grant Administrator Selection Form (if applicable)