

**Galveston Housing  
Authority (GHA)**

**REBUILDING PLAN  
FOR PUBLIC HOUSING**

Approved and Adopted by GHA  
June 21, 2011

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# REBUILDING PLAN FOR PUBLIC HOUSING

## PART I – GENERAL BACKGROUND INFORMATION

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### 1.1 Introduction

When Hurricane Ike struck Galveston Island (“Island”) in September 2008, close to 88% of the residential units on the island were damaged; the majority sustained minor damage while approximately 1,000 were substantially damaged. At that time, GHA owned and operated 990 units of public housing including 356 units in two high rises for the elderly, 34 scattered sites, 20 new duplexes for the elderly, and 569 family units. More than half of GHA’s public housing stock was damaged beyond repair by the hurricane.

The City of Galveston declared the 569 previously occupied units at Magnolia Homes, Oleander Homes, Palm Terrace and Cedar Terrace unfit for human occupancy and GHA subsequently moved to demolish the units in 2009. But prior to demolition, Lone Star Legal Aid (LSLA), on behalf of its clients who are displaced tenants of GHA public housing, filed an Administrative Complaint on March 2, 2009 opposing plans to demolish Oleander Homes and Palm Terrace Addition. As a result of that complaint, GHA and LSLA entered into a Settlement Agreement on March 13, 2009. That Settlement Agreement specifically requires one-for-one replacement of the 569 multifamily public housing units to be demolished by GHA.

Immediately after Hurricane Ike struck the Island, GHA offered to administer more than 7,000 vouchers through the Disaster Housing Assistance Program (DHAP). This HUD/FEMA initiative provides monthly rental assistance and case management services for families displaced from their homes – in this case by Hurricanes Ike and Gustav. Over time many of these families have been able to find replacement housing and now GHA is providing DHAP assistance to 1,167 households, with the program scheduled to end September 30, 2011. Approximately 1,142 of these 1,167 households will be eligible for continued rental assistance because of their vulnerability. Of the public housing households previously living in the demolished units, 217 are participants in the DHAP-Ike program.

The intent of this document is to describe the current GHA Rebuilding Plan based on all the planning efforts GHA has undertaken to date. The Rebuilding Plan specifies the use and spending strategy of funds readily available to the GHA; \$25 million in CDBG Round 1 Funds allocated by the City of Galveston and \$14.5 million in indemnifications from HUD. The plan also addresses how the 569 demolished public housing units will be replaced so that displaced residents can return to their communities and others in need of affordable housing can find high quality units in neighborhoods of choice and opportunity.

The Rebuilding Plan includes three Initiatives:

1. *Oaks IV* - 20 duplex structures for a total of 40 1-BR replacement public housing units;
2. *Scattered Sites* - A minimum of 50 and a maximum of 247 replacement public housing units scattered throughout Galveston in non-impacted neighborhoods; and
3. *Mixed-Income Communities* - A minimum of 282 and a maximum of 479 replacement public housing units in mixed-income communities on the former public housing sites at Magnolia Homes and Cedar Terrace and any other parcels of land or buildings owned currently or acquired by GHA or the Master Developer in the future.

It should be noted that the mixed income development addressed in this plan is “conceptual” and included for the purposes of providing an example of how Round 1 funding will be utilized across the Scattered Sites and Mixed Income initiatives.

Substantial planning progress has been made since Hurricane Ike devastated the island. The challenge now is to move from a planning effort and into predevelopment and development activities based on the following key objectives:

- Rebuild much needed public and affordable housing
- Deconcentrate poverty and develop new public housing units in mixed income communities
- Use GHA’s rebuilding efforts to revitalize Galveston’s neighborhoods and stimulate private investment
- Provide more choice through a variety of geographic locations and housing types
- Maximize opportunities for low income residents to access the many jobs that will result from the redevelopment activities

## **1.2 Replacement Public Housing Progress to Date**

GHA has actively engaged the broader Galveston community in creating a vision for how to rebuild public housing that is well designed and of high quality, stimulates neighborhood reinvestment, and provides opportunities for low-income residents to move towards self-sufficiency through a comprehensive and coordinated array of services for all ages. In the spring and summer of 2009, GHA sponsored a series of design workshops open to the Galveston community to explore design options for the former public housing family sites. Based on this input, GHA prepared a Redevelopment Plan in December 2009 that was approved by the GHA Board and formed the basis for the City’s Resolution to provide \$25 million in CDBG Round 1 Disaster funding for the redevelopment of public housing.

Key Galveston stakeholders, including the GHA, have participated in numerous planning efforts directed at how the city should rebuild in the aftermath of Hurricane Ike. There is growing consensus that any redevelopment needs to spur economic development and private investment to enhance the City’s long-term financial viability; support the city’s rich historic character in new construction and rehab activities; integrate public housing into healthy mixed-income communities; and address the vacant lots and abandoned houses that are a blight on neighborhoods in the urban core. Key planning documents that have guided the city’s recovery efforts include the Long-Term Community Recovery Plan, which the City Council unanimously accepted on April 9, 2009; the Urban Land Institute (ULI) National Panel report (June 2009); ULI’s Technical Assistance Panel Report (January 2010); and the Comprehensive Housing

Market Study (June 2009). A downtown redevelopment plan is also underway. The key message throughout is that recovery plans must be comprehensive – there must be quality housing for residents of all income levels, who have access to good jobs, to essential services and businesses, and to quality education for their children. Without these quality of life components, Galveston will not thrive in the long run.

GHA plays a critical role in the city's recovery as it is the primary provider of affordable housing for low income families and the island's more vulnerable populations including the elderly and disabled. With the rebuilding of 569 of GHA's original 990 public housing units, GHA has a unique opportunity to reposition public housing as a catalytic community asset that stimulates neighborhood reinvestment and long-term viability.

With this in mind, during 2010, GHA's redevelopment plan continued to evolve under a newly elected Mayor, City Council, and a new Board. In looking for successful public housing redevelopment models in other parts of the country, and after site visits to New Orleans and Atlanta, the GHA Board became intrigued with the robust mixed-income model advocated by Purpose Built Communities. Purpose Built is a not-for-profit organization that consults with local leaders to implement a holistic neighborhood redevelopment initiative. Purpose Built's model includes three strategic pillars: quality mixed-income housing, excellent cradle through college educational opportunities, and an array of community programs and services appropriate to the specific neighborhood. The GHA Board saw the unique opportunity for Galveston to rebuild its public housing in a way to enhance Galveston's neighborhoods as well as provide a service-rich environment within which residents of all ages could thrive.

Some highlights of GHA's planning process include:

- On March 6-7, 2009, GHA hosted a public Community Design Workshop to examine options for rebuilding the four housing sites demolished as a result of the hurricane.
- On March 13, 2009, GHA entered into a Settlement Agreement with Lone Star Legal Aid requiring one-for-one replacement of the multi-family public housing units demolished by GHA.
- Starting on July 25, 2009, a design firm procured by GHA facilitated a series of public design workshops and open studios to assist with creating preliminary designs for Oleander, Cedar Terrace and Magnolia Homes. Preliminary design recommendations were presented to the community on August 4, 2009. Under a separate procurement, an architect was hired to prepare the construction documents for Palm Terrace.
- On December 14, 2009, GHA's board approved a redevelopment strategy that called for the rebuilding of 390 public housing units on GHA's four existing sites and the development of 179 scattered-site public housing units on the island.
- On February 25, 2010, the Galveston City Council approved GHA's site plan for the Oaks IV.
- On February 25, 2010, the Galveston City Council approved an award of \$25 million in CDBG Round 1 funds to support the redevelopment of 569 public housing units.
- On April 14, 2010, GHA held its first Advisory Committee meeting to kick-off a planning process for a HOPE VI Implementation grant for Magnolia Homes.
- On July 1, 2010, GHA's Executive Director, the newly elected Galveston Mayor, and a newly appointed GHA Commissioner met with HUD senior staff, including Secretary Donovan and

Assistant Secretary Marquez (CPD), to discuss plans for replacing 569 public housing units with CDBG Disaster funding.

- On September 14, 2010, GHA's HOPE VI consultants recommended against pursuing a HOPE VI grant for Magnolia Homes due to lack of consensus on design and density, leveraged financing, commitments from partners, and a low self-score based on the HUD NOFA.
- On October 25, 2010, the GHA Board adopted Resolution 2649 describing GHA's Replacement Plan to include a scattered sites component as well as mixed-income development at Magnolia Homes and Cedar Terrace.
- On October 28, 2010, the Galveston City Council requested that GHA submit detailed site plans for one-for-one public housing replacement outlined in the Conciliation Agreement within 180 days.
- Starting in November 2010 GHA began to procure realtors, appraisers, environmental consultants and developers for the Scattered Sites Initiative.
- On November 29, 2010, GHA and Purpose Built Communities (PBC) entered into a Memorandum of Understanding (MOU) to work collaboratively on the planning and implementation of holistic mixed-income communities to replace the demolished public housing units.
- On February 2, 2011, the GHA Board adopted Resolution 2503 revising the October 25, 2010 Replacement Plan to be as follows: 40 units at The Oaks IV, a minimum of 50 scattered units of public housing and up to 479 public housing units in mixed-income developments at the sites of Magnolia Homes, Cedar Terrace and possibly Oleander Homes, or other sites that may be acquired.
- On March 4, 2011, GHA issued a Request for Qualifications for Master Developer for the Mixed-Income Communities Initiative with responses due May 3, 2011.
- On March 16, 2011, the GHA Board adopted the Site Selection Criteria for Scattered Sites.
- On May 23, 2011, the GHA Board approved a contract for a Part 58 Environmental consultant.
- On May 26, 2011, GHA updated the Galveston City Council on the status of the Rebuilding Plan.
- GHA anticipates approving contracts for two homebuilders in June 2011.
- GHA anticipates selecting a Master Developer for the Mixed-Income Communities in June 2011.
- GHA will hold a Grand Opening celebration for Oaks IV, the first 40 replacement public housing units to open after Ike, in July 2011.

### **1.3 Displaced GHA Residents**

A total of 578 households were displaced by Hurricane Ike in 2008 between the four demolished properties and Holland House. Today, 217 of those households are active in the DHAP program (144 reside on the Island; 73 live off the Island). All original displaced households, regardless of whether or not they were in the DHAP program (with the exception of those who have been or will be removed due to a program violation), have priority for returning to the newly developed public housing units.

Households with current addresses will receive direct mailings of the availability of new replacement units. GHA will also place advertisements in area newspapers announcing the availability of these replacement units in an effort to reach those households with no known address. Additionally, GHA will develop a Human Capital Plan and Implementation Plan in coordination with the selected Master Developer to address needs of residents, and develop services and programs to ensure successful integration into the newly developed public housing.

For the 217 former public housing households currently in the DHAP program, GHA provides case management services and is in regular contact with them to monitor their housing conditions and supportive service needs.

The following information is being used to guide the preparation of a unit mix for the new public housing units. GHA's Scattered Sites Initiative is focusing on larger bedroom sizes (3- and 4-bedroom units) and while the mixed-income communities will provide housing for a full range of household sizes, it will primarily address the needs of the smaller households.

| Unit Size    | Unit Mix of GHA Sites Prior to Demolition | Displaced GHA HHS Who Wish to Return | Public Housing Wait List | Section 8 Waitlist |
|--------------|---|--------------------------------------|--------------------------|--------------------|
| 1 bedroom    | 74 (13%)                                  | 41 (22%)                             | 501 (44%)                | 90 (25%)           |
| 2 bedrooms   | 252 (44%)                                 | 76 (41%)                             | 434 (38%)                | 167 (46%)          |
| 3 bedrooms   | 189 (33%)                                 | 51 (27%)                             | 140 (12%)                | 95 (26%)           |
| 4 bedrooms   | 48 (8%)                                   | 14 (8%)                              | 49 (4%)                  | 8 (2%)             |
| 5 bedrooms   | 6 (1%)                                    | 4 (2%)                               | 14 (1%)                  | 3 (1%)             |
| <b>Total</b> | <b>569 (100%)</b>                         | <b>186 (100%)</b>                    | <b>1,138 (100%)</b>      | <b>363 (100%)</b>  |

#### 1.4 GHA's Redevelopment Initiatives

GHA has identified three redevelopment initiatives for the replacement of the 569 public housing units demolished. These initiatives focus on GHA public housing sites that were destroyed as a result of Hurricane Ike as well as sites in the process of being acquired or to be acquired in the future by GHA or the selected Master Developer of the Mixed-Income Communities.

##### *Oaks IV Initiative*

This initiative of 20 duplex structures, for a total of 40 1-BR public housing units, is under construction on the former Palm Terrace site. The units are targeted for occupancy in Summer 2011. No additional land is available at this site for more development.

##### *Scattered Sites Initiative*

The Scattered Sites Initiative consists of up to 247 public housing replacement units scattered throughout Galveston Island in non-impacted neighborhoods. The initiative will include a combination of the acquisition of vacant lots, dilapidated structures that will be demolished, and existing structures that will be rehabilitated. These units will be constructed in the island vernacular, meet or exceed LEED standards, and be designed to mitigate flood hazards. The goals of the Scattered Sites program are to give residents an opportunity to live in healthy and diverse neighborhoods; provide high quality, energy efficient housing; provide access to social, recreational, and commercial facilities; and revitalize neighborhoods in the City of Galveston, particularly those most impacted by Hurricane Ike.

GHA is in the process of working with homebuilders to construct the first fifty (50) Scattered Sites public housing units. GHA will strategically identify lots in low minority/poverty census tracts and has procured real estate brokers, appraisers, and environmental consultants to assist with the acquisition process. The homebuilders will prepare designs, based on GHA's Design and Construction Guidelines, and will commence with local approval processes and construction once sites have been acquired, subject to HUD approval.

Based on the anticipated challenges associated with the development of the initial 50 Scattered Sites public housing units, GHA may reduce the number of public housing units developed through this initiative and increase the number developed as part of the Mixed-Income Communities Initiative described below (up to 479).

#### *Mixed-Income Communities Initiative*

GHA is in the process of procuring an experienced Master Developer to utilize GHA's former public housing sites at Magnolia Homes and Cedar Terrace (and any other parcels of land or buildings owned currently or acquired by GHA or the Master Developer in the future) to create vibrant, mixed-income, mixed-use, mixed-tenure communities serving households with a wide range of incomes.

The Master Developer will be responsible for recommending the appropriate redevelopment programs for each of GHA's sites and acquired parcels in their immediate neighborhoods. These sites are north of Broadway in an area that suffered serious flood damage. GHA views its investment at both of these sites as an opportunity to serve as a catalyst for the reclamation of these neighborhoods. For that goal to be realized, the developments proposed for these sites must be of the highest quality and must address the specific opportunities presented in these two neighborhoods.

### **1.5 Affirmatively Furthering Fair Housing**

HUD requires that any recipient of federal funding must affirmatively further fair housing. How that is accomplished has not been statutorily defined but guidance has been provided to assist recipients of the funding to identify impediments and create opportunities to promote fair housing. HUD recently provided some guidance on how to achieve the goal of affirmatively furthering fair housing when demolition and new construction of public housing is contemplated. This guidance can be found in the HOPE VI Notice of Funding Availability (NOFA):

“(b) For programs, such as HOPE VI Revitalization, that focus on new construction/rehabilitation of housing and social services, examples of activities that affirmatively further fair housing include, but are not limited to, those that:

- (i) Integrate housing development with access to effective schools, job training, child care, financial services, health care services, social services or public transportation;
- (ii) Increase economic and racial and ethnic diversity within the neighborhood;
- (iii) Provide existing residents with the choice to remain in their current neighborhood or pursue housing choices in areas of greater racial, ethnic and income or diversity and in areas that provide improved housing opportunities;
- (iv) Ensure that housing is sited in a manner to enhance racial or ethnic diversity;



- (v) Ensure that housing units are affordable to persons of low, very-low-and moderate-income;
- (vi) Ensure that buildings and housing units are accessible and visitable by persons with disabilities; and
- (vii) Ensure that existing residents relocated to facilitate construction are afforded preference or first right of refusal for the new units.” (2010 HOPE VI NOFA, p. 17)

GHA, in its rebuilding efforts, will also be guided by the State of Texas Analysis of Impediments to Fair Housing (AI) approved by HUD on May 13, 2011 as well as the City of Galveston’s FY 2011 Fair Housing Plan, including Analysis of Impediments to Fair Housing Choice, draft dated April 2011. GHA recognizes that simply rebuilding the public housing units that have been demolished does not adequately affirmatively further fair housing. Through its planning process, GHA has begun to identify impediments and has committed to create opportunities that improve the lives of returning and future residents.

The State’s AI cites 16 impediments with recommended actions for each. The State’s AI also indicates that the Conciliation Agreement signed by the State incorporates the commitment and agreement between the Galveston Housing Authority and its tenants who were represented by Lone Star Legal Aid. GHA is committed to affirmatively further fair housing and addressing the impediments that have been identified in the State AI and the concerns raised by the low income Galvestonians in the Conciliation Agreement.

**Section 3. Evaluation of Large Urban Centers and Surrounding Areas – Houston and Galveston** of the State AI identifies some impediments that are specific to Galveston. These impediments include the following:

- The need for more affordable housing is an impediment.<sup>1</sup>
- Currently the City of Galveston is undergoing a strong resident reaction to rebuilding public housing in the community. However, the Galveston City Council has voted to move forward and restore public housing twice – by allocating \$25 million in funding during Round 1 and by passing a resolution requiring the rebuilding of 569 public housing units and instructing the Galveston Public Housing Authority to prepare a redevelopment plan for City Council approval. Thanks to strong leadership from the Galveston Mayor locally and the State requiring the units to be built as part of the Conciliation Agreement, this effort to stop public housing does not look like it will be successful.<sup>2</sup>

**Section 8. Compendium of Impediments and Possible Actions** of the State AI address additional information on impediments and provides recommended actions. Highlights of impediments and actions pertinent to GHA include:

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<sup>1</sup> Analysis of Impediments to Fair Housing, Phase I, Hurricane Impacted Communities, State of Texas, March 2011, pg. 48.

<sup>2</sup> Ibid., pg. 63.

**A. Impediment 2. There is inadequate information available to the real estate community, governments and the public about fair housing requirements and enforcement procedures.<sup>3</sup>**

In response, GHA actions include:

- GHA will request that TDHCA and TDRA provide Fair Housing training for its Board and primary staff involved in implementing GHA's Rebuilding Plan.
- GHA will create new rules that require third party consultants to complete an affirmatively furthering fair housing training seminar and demonstrate competency in the area.
- GHA will continue to maintain information on its Public Housing and Section 8 waiting lists setting forth whether the applicant is a member of a protected class.
- GHA will maintain an affirmative fair housing marketing plan in its public housing Annual Plan and will require its Master Developer to establish an affirmative fair housing marketing plan for its mixed-income communities.
- GHA staff will participate in a TDHCA and/or TDRA training session that includes requirements to affirmatively further fair housing.

**B. Impediment 4. "Not in my Backyard" (NIMBY) may be an impediment to fair housing in Texas communities.<sup>4</sup>** In response, GHA actions include:

- GHA has, and will continue, to involve the community in its efforts to rebuild public housing in Galveston. *See Section 1.2 of this Rebuilding Plan for a summary of past actions.*
- GHA will conduct a public master planning process during the Summer/Fall of 2011 for the Mixed-Income Communities initiative.
- GHA will: (i) continue to work with local officials, editorial boards, religious and civic organizations and other community partners to initiate education programs; (ii) seek opportunities to present information to community organizations by requesting to be placed on their meeting agendas; (iii) work to answer all questions; (iv) talk with local neighborhood leaders, including elected representatives, and set up neighborhood meetings; and, (v) establish a liaison committee consisting of advocates, GHA residents, and neighborhood residents to discuss rebuilding issues (such as was done for the Magnolia Homes HOPE VI planning effort in Summer/Fall 2010).

**C. Impediment 5. Certain governmental policies and practices may not meet current HUD policy concerning affirmatively furthering fair housing. Jurisdictions should act to ensure that their policies affirmatively further fair housing, address mal-distribution of resources, and that they do not unnecessarily impact housing choice.<sup>5</sup>** In response, GHA actions include:

- GHA will work with the City of Galveston to construct new units that meet or exceed the BFE standards for flood plain areas the City adopts and for visitability/special needs

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<sup>3</sup> Ibid., pg. 168.

<sup>4</sup> Ibid., pg. 174.

<sup>5</sup> Ibid., pg. 176.

considerations consistent with state and federal laws. GHA also maintains an Evacuation Plan for all of the units under its control.

- GHA has approved and adopted a Rebuilding Plan that satisfies the Conciliation Agreement and will present the Rebuilding Plan to TDHCA and the City of Galveston
- GHA will construct new units as quickly as possible.

**D. Impediment 7. Many local jurisdictions have zoning codes, land use controls, and administrative practices that may impede free housing choice and fail to affirmatively further fair housing.** <sup>6</sup> In response, GHA actions include:

- GHA has committed to eliminate the concentration of public housing units. The three initiatives in the Plan – Oaks IV, Scattered Sites, and Mixed-Income Communities – exemplify three different approaches to achieving this goal.
- GHA will work with the City of Galveston to pursue expedited permitting for construction of the remaining 529 public housing units.
- GHA will work closely with HUD and other appropriate agencies to expedite environmental and other federal reviews and approval.

**E. Impediment 12. Lack of financial resources for both individuals and housing providers limits Fair Housing choice. Using an effective program under Section 3 of the Housing and Urban Development Act of 1968 may help members of protected classes gain economic opportunities necessary and allow them to exercise fair housing choice.** <sup>7</sup> In response, GHA actions include:

- GHA has adopted a Section 3 program to meet HUD requirements regarding notification to LMI eligible persons of potential job creation at the impacted neighborhood level as a result of the rebuilding of the public housing units.
- The GHA Master Developer is a committed partner in working to meet the GHA Section 3 goals for new hires and contracting opportunities.

**F. Impediment 13. Location and lack of housing accessibility and visitability standards within political jurisdictions limits fair housing choice for persons with disabilities.** <sup>8</sup> In response, GHA actions include:

- GHA will ensure that all federally funded housing construction be built to accessibility standards as required by Texas Government Code 2306.514.

In addition to responding to those impediments raised by the State AI, GHA is also committed to respond to those impediments raised by the City of Galveston's AI. In response to the City AI, GHA is committed to: (1) work to increase residents' economic self-sufficiency by creating and implementing a Human Capital Plan that links residents to needed services and educational, training and job

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<sup>6</sup> Ibid., pg. 182.

<sup>7</sup> Ibid., pg. 191.

<sup>8</sup> Ibid., pg. 192.

opportunities; and (2) develop mixed-income communities that serve a broad range of incomes; and develop affordable homeownership opportunities for eligible residents.<sup>9</sup>

Using guidance from the State AI, the City's Fair Housing Plan, and HUD's HOPE VI NOFA, GHA has committed to rebuild not just housing but healthy, sustainable communities. These communities, whether newly developed (mixed-income initiative) or existing (scattered sites) will be available to all persons regardless of race, color, national origin, gender, handicap or familial status. GHA anticipates that persons returning to neighborhoods previously abandoned will find vibrant communities that provide housing as well as opportunities for economic growth and stability. In each of these communities, GHA will overcome the impediments of fair housing by working to remedy systemic discrimination and promoting the rights of its tenants and opportunities for fair housing choices.

## **1.6 Discussion of PIH Rules and Regulations**

HUD rules require that GHA follow 24 CFR Part 85.36 for all procurement with the intention of creating full and open competition. In addition, as a result of HUD's mixed-finance regulations, 24 CFR 941 Subpart F allows housing authorities to procure "partners", in this case developers, using a Request for Qualifications (RFQ) process. Once procured under Subpart F, a partner is no longer subject to Part 85.36 when hiring third parties as long as the housing authority does not exercise significant functions within the owner entity with respect to managing the development of the proposed units. Finally, local procurement regulations that are more stringent than HUD regulations must also be adhered to. As a housing authority, GHA is following these HUD procurement regulations in its rebuilding initiatives to be financed with CDBG-D funds.

In addition to procurement rules, HUD provides guidance for mixed-finance development in the form of its Cost Control and Safe Harbor Standards. These standards establish limits for predevelopment cost sharing, developer fee, GC fees, identity of interest issues, management fees, etc. These items are typically described in a Rental Term Sheet submitted to HUD for review. As long as the proposed structure and fees fall at or below Safe Harbor, HUD review is limited. If the project exceeds Safe Harbor, a HUD Review Panel evaluates the structure and provides guidance on what will/will not be allowed. GHA intends to follow the HUD Cost Control and Safe Harbor Standards for its rebuilding initiatives.

Finally, HUD's HOPE VI and Choice Neighborhoods Initiative programs allow up to 15% of grant funds to be set aside to fund social services. GHA is pursuing a similar approach to fund a Human Capital Plan using Insurance Proceeds and/or CDBG-D funds.

## **1.7 GHA Resources for Rebuilding**

In addition to the \$25 million in Round 1 Phase 1 CDBG funds allocated by the City to GHA for rebuilding, GHA received \$17,873,705.33 in Insurance Proceeds directly related to hurricane damage to its public housing units. Of that amount, \$16,795,791.27, or \$29,518.09 per unit, is tied to the 569 units

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<sup>9</sup> City of Galveston, TX PY 2011 Fair Housing Plan Including Analysis of Impediments to Fair Housing Choice, DRAFT, April 2011, pp. 68-76.

demolished at Oleander Homes, Magnolia Homes, Cedar Terrace and Palm Terrace as a result of the hurricane. The remaining amount (\$1,077,914.33) is for public housing units damaged but not demolished as a result of the hurricane.

GHA has expended \$2,207,723 of the \$16,795,791.27 through May 2011 leaving \$14,588,068 for rebuilding efforts related to the 569 units. GHA intends to use those funds as well as others identified below for predevelopment, acquisition, construction and administrative costs related to the Scattered Sites and Mixed-Income Communities Initiatives.

In summary, GHA has the following resources available (or potentially available) for rebuilding the 569 units:

- \$25 million in CDBG Round 1 Phase 1 Disaster Funds (City of Galveston)
- \$14.588 million in Insurance Proceeds
- \$3.57 million in RHF Funds used for Oaks IV for 40 replacement units
- \$50 million in CDBG Round 2 Phase 1 Disaster Funds (State of Texas - noncompetitive)
- \$20 million in CDBG Round 2 Phase 1 Disaster Funds (State of Texas - noncompetitive)
- \$25 million in CDBG Round 2 Phase 1 Disaster Funds (State of Texas - competitive)
- \$50 million in CDBG Round 2 Phase 1 Disaster Funds (State of Texas - competitive)

Per HUD’s 2010 Total Development Cost (TDC) Limits for Texas City, TX, and using the unit mix at the original public housing sites, total development costs are estimated at well over \$110 million.

**2010 HUD HCC/TDC Limits for Texas City, Texas**

|              |          | Original<br>Bedroom<br>Mix | 2010 TDC Limits |         | Estimated TDC Replacement<br>Costs |
|--------------|----------|----------------------------|-----------------|---------|------------------------------------|
|              |          |                            | HCC             | TDC     |                                    |
| 1BR          | Elevator | 74                         | 77,859          | 124,574 | 9,218,476                          |
| 1BR          | Det/Semi | 0                          | 93,309          | 163,290 | -                                  |
| 2BR          | Det/Semi | 252                        | 106,118         | 185,706 | 46,797,912                         |
| 3BR          | Det/Semi | 189                        | 125,577         | 219,760 | 41,534,640                         |
| 4BR          | Det/Semi | 48                         | 147,585         | 258,273 | 12,397,104                         |
| 5BR          | Det/Semi | 6                          | 161,654         | 282,894 | 1,697,364                          |
| <b>Total</b> |          | <b>569</b>                 |                 |         | <b>\$111,645,496</b>               |

Additional costs will be associated with the need to raise units above Base Flood Elevation (BFE) which is estimated to be around 13 feet (in many instances, a full story above grade); replacement of infrastructure and utilities damaged by the storm; ‘greening’ the buildings to current HUD standards; and acquiring buildable sites in appropriate neighborhoods. These building requirements are estimated to increase construction costs by an additional 10-20%, or \$11-\$22 million for the public housing units alone, for a total public housing unit construction cost preliminarily estimated at approximately \$134 million. Therefore additional funding sources will be required to develop non-public housing rental and for-sale housing to create the mixed-income communities that are desired by GHA and the City.

## 1.8 Predevelopment Funding Need

To accomplish these Rebuilding Initiatives, GHA will need access to Insurance Proceeds and Round 1 CDBG-D funds for predevelopment activities related to the Scattered Sites and Mixed-Income Initiatives. Predevelopment costs for both Initiatives will include acquisition and general real estate related soft costs (appraisals, environmental, closing costs, legal fees, etc.) Additional predevelopment costs will pay for master planning under the Mixed-Income Initiative to be led this summer/fall by GHA and the Master Developer. Once the master plan is finalized, GHA and the Master Developer will pursue additional leveraged financing, as needed.

In June, GHA requested that the City of Galveston consider approving and releasing \$5MM (20%) of the \$25MM Round 1 CDBG-D previously allocated to GHA to be used, in conjunction with the Insurance Proceeds, to cover the Scattered Sites and master planning predevelopment costs. Below is a preliminary budget.

***NOTE: Each component of the cost estimate is a work in progress and will continually be refined as new information is available. The 150 Unit New Multifamily Rental is only an example of a potential first phase of the Mixed-Income Initiative. The selected Master Developer, along with GHA, will determine what is appropriate after completion of the master planning.***

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**NOTE: Each component of the cost estimate is a work in progress and will continually be refined as new information is available. The 150 Unit New Multifamily Rental is only an example of a potential first phase of the Mixed-Income Initiative. The selected Master Developer, along with GHA, will determine what is appropriate after completion of the master planning.**

| Sources  |               | Insurance            | Predevelopment<br>CDBG Round 1 | Hard Costs           |                      | Other Sources        |                      |
|--|---------------|----------------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|
|  |               |                      |                                | CDBG Round 1         | Private Investmt     | Round 2/GAP          |                      |
| <b>Total Sources</b>   |               | <b>\$ 14,648,877</b> | <b>\$ 5,000,000</b>            | <b>\$ 20,000,000</b> | <b>\$ 12,315,017</b> | <b>\$ 10,446,829</b> |                      |
| <b>Uses</b>  |               |                      |                                |                      |                      |                      |                      |
| <b>50 Unit Scattered Site (100% PHA)</b>                             |               |                      |                                |                      |                      |                      |                      |
| Soft Costs   | \$ 1,071,720  | \$ 535,860           | \$ 535,860                     |                      |                      | \$ -                 |                      |
| Acquisition Costs  | \$ 1,462,000  |                      | \$ 1,462,000                   |                      |                      | \$ -                 |                      |
| Hard Costs   | \$ 9,552,875  | \$ 682,490           |                                | \$ 8,870,385         |                      | \$ -                 |                      |
| GHA Admin  | \$ 166,250    | \$ 166,250           |                                |                      |                      | \$ -                 |                      |
| Total New Scattered Site   | \$ 12,252,845 | \$ 1,384,600         | \$ 1,997,860                   | \$ 8,870,385         | \$ -                 | \$ -                 |                      |
| <b>Multifamily Master Planning</b>                                   |               |                      |                                |                      |                      |                      |                      |
| Master Plan  | \$ 1,000,000  |                      | \$ 1,000,000                   |                      |                      | \$ -                 |                      |
| General Acquisition  | \$ 4,000,000  |                      | \$ 320,030                     | \$ 3,679,970         |                      | \$ -                 |                      |
| Soft Costs   | \$ 165,000    | \$ 82,500            | \$ 82,500                      |                      |                      | \$ -                 |                      |
| GHA Admin  | \$ 240,000    | \$ 240,000           |                                |                      |                      | \$ -                 |                      |
| GHA Fees & Costs   | \$ 575,000    | \$ 575,000           |                                |                      |                      | \$ -                 |                      |
| Total Master Planning  | \$ 5,980,000  | \$ 897,500           | \$ 1,402,530                   | \$ 3,679,970         | \$ -                 | \$ -                 |                      |
| <b>150 Unit New Multifamily Rental (35% PHA, 35% TC, 30% Market)</b> |               |                      |                                |                      |                      |                      |                      |
| Soft Costs   | \$ 7,179,598  |                      | \$ 1,599,610                   | \$ 359,142           | \$ 5,220,846         | \$ 0                 |                      |
| Acquisition Costs  | \$ 1,000,000  |                      |                                | \$ 1,000,000         |                      | \$ -                 |                      |
| Hard Costs   | \$ 23,562,094 |                      |                                | \$ 6,021,094         | \$ 7,094,172         | \$ 10,446,829        |                      |
| GHA Admin  | \$ 768,542    | \$ 768,542           |                                |                      |                      | \$ -                 |                      |
| GHA Fees & Costs   | \$ 768,542    | \$ 699,133           |                                | \$ 69,409            |                      | \$ -                 |                      |
| Total Phase IA Mixed Income  | \$ 33,278,777 | \$ 1,467,676         | \$ 1,599,610                   | \$ 7,449,645         | \$ 12,315,017        | \$ 10,446,829        |                      |
| <b>Future Phases (466 PHA)</b>                                       |               |                      |                                |                      |                      |                      |                      |
| General Costs  | \$ 10,899,102 | \$ 10,899,102        | \$ -                           | \$ -                 | \$ -                 | TBD                  |                      |
| <b>Total Uses</b>  |               | <b>\$ 62,410,724</b> | <b>\$ 14,648,877</b>           | <b>\$ 5,000,000</b>  | <b>\$ 20,000,000</b> | <b>\$ 12,315,017</b> | <b>\$ 10,446,829</b> |

## PART II – OAKS IV INITIATIVE

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### 2.1 Program Description

GHA's Oaks IV development consists of 40 new construction units for low-income families (<80% AMI). All of the units will be public housing (rental) with federal operating subsidy attached. The units will be located in 20 single-story duplex structures constructed on the former 4.25 acre public housing site known as Palm Terrace Annex bordered by Ball Street on the north, Sealy Street on the south, 41<sup>st</sup> Street on the east and 43<sup>rd</sup> Street on the west. GHA is developing these units under the HUD traditional public housing development method and will retain ownership of the land and improvements.

The buildings are stick framed on top of pilings and are raised to 2' 6" above BFE. The units average 639 sq ft and all units are wheelchair accessible. Unit amenities include covered entries, R-15 walls and R-30 ceilings, porches, solid surface countertops and all wood cabinets. Energy Star rated appliances such as refrigerators with ice makers, microwave ovens, stoves and HVAC units will be used in all units. Units will be individually metered and tenants will pay for their utilities except for water and sewer service. A utility allowance will cover the tenant's utility costs. New streets and parking areas will be constructed inside the development. Common area amenities include barbeque grills, benches and green space.

All units will be leased in accordance with Public Housing Requirements and GHA will manage the property. All residents will be able to participate in programs offered by the GHA Resident Services Department, which includes computer classes and connections to services in the community.

### 2.2 Unit Mix

| <b>Public Housing Units</b>       |            |            |            |            |              |
|-----------------------------------|------------|------------|------------|------------|--------------|
| <b>Unit Type</b>                  | <b>1BR</b> | <b>2BR</b> | <b>3BR</b> | <b>4BR</b> | <b>Total</b> |
| Detached/Semi-Detached            | 40         |            |            |            | 40           |
| Elevator                          |            |            |            |            |              |
| Row House                         |            |            |            |            |              |
| Walk-up                           |            |            |            |            |              |
| <b>Total Public Housing Units</b> | <b>40</b>  |            |            |            | <b>40</b>    |

### 2.3 Development Schedule

| <b>Activity</b>          | <b>Start Date</b> | <b>Completion Date</b> |
|--------------------------|-------------------|------------------------|
| Design                   | May 2009          | August 2009            |
| Environmental Review     | November 2009     | January 2010           |
| Bidding                  | August 2009       | September 2009         |
| Building Permit          | September 2009    | December 2009          |
| HUD Development Proposal | October 2009      | May 2010               |
| Construction             | May 2010          | May 2011               |
| Lease Up                 | July 2011         | August 2011            |



## 2.4 Sources and Uses

### Oaks IV Sources & Uses

| Uses                       |                  | Sources                 |                  |
|----------------------------|------------------|-------------------------|------------------|
| Administration             | 357,035          | RHF Funds (2005 – 2009) | 2,817,000        |
| A/E Fees & Testing         | 219,400          | RHF Funds (2010 & 2011) | 743,000          |
| Contingency                | <u>294,374</u>   | Insurance Proceeds      | <u>60,809</u>    |
| Total Soft Costs           | <b>870,809</b>   |                         |                  |
| GC Gen Cond/Bond/Insurance | 181,625          |                         |                  |
| Site Work                  | 903,740          |                         |                  |
| Buildings                  | <u>1,664,635</u> |                         |                  |
| Total Hard Costs           | <b>2,750,000</b> |                         |                  |
| <b>Grand Total</b>         | <b>3,620,809</b> |                         | <b>3,620,809</b> |

## 2.5 Admissions and Continued Occupancy

Previous public housing residents who were forced to move due to Hurricane Ike will have first right of return to the units at Oaks IV based on current occupancy standards for 1-BR units. If not enough Ike affected residents choose to return, GHA will turn to its public housing wait list for potential residents. GHA's Admissions and Continued Occupancy Policy (ACOP) outlines the standards for admission into public housing operated by GHA. The ACOP is applied to all interested households that apply for public housing and for all applicants selected from the GHA wait list.

## **PART III – SCATTERED SITES INITIATIVE**

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### **3.1 Program Description**

The Scattered Sites Initiative includes a minimum of 50 and a maximum of 247 scattered site public housing replacement units in 3- and 4-BR unit configurations ranging from single family homes to fourplexes. GHA has started the HUD approval process to acquire lots for replacement units in neighborhoods throughout Galveston Island. GHA acknowledges that the acquisition process may be both time consuming and expensive as it includes contacting owners, obtaining appraisals, negotiating prices, closing, and preparing/clearing the parcel (some may have structures that need to be moved per historic requirements and/or demolished; all sites will need to pass an environmental review and some may need remediation). Based on that, GHA will start this Initiative with the goal to develop 50 scattered site units and then make a determination about whether to pursue the maximum of 247 scattered site public housing units.

GHA has recently procured experienced real estate brokers as well as appraisers, environmental firms and homebuilders. The goal is to identify properties in both racially and economically non-impacted areas (HUD Site & Neighborhood Standards) to broaden geographic opportunity, as well as properties surrounding existing GHA footprints. The GHA Board has formalized the criteria for Scattered Sites acquisition by adopting Resolution 2514, Scattered Sites Selection Criteria. This criteria will be used to identify the census tracts in which GHA can develop public housing. A Part 58 Environmental Assessment will be conducted for these areas and then as lots are identified, an update will be done specific to the lot.

GHA will also create a Site Selection Technical Review Committee (“TRC”) which will be tasked with reviewing all properties the realtors bring forward for acquisition consideration. The TRC will consider price, location, construction costs based on characteristics of the lot, etc. to determine whether to proceed. If the property is deemed suitable by the TRC and approved by the GHA Board, the realtor will enter into a purchase option, probably for 180 days, to allow GHA to conduct the necessary due diligence such as environmental review, appraisal and title report. This information will then be assembled for submission to HUD to receive approval to purchase the property, preferably in groups of 10 lots at a time.

Once HUD approval to purchase a specific lot is received, GHA will execute the purchase and sale at the agreed upon price. At that point, GHA will assign the lot to one of the procured homebuilders. GHA is currently in the process of working out details of preselected 3- and 4-bedroom unit plans and costs with the homebuilders so that once a lot is assigned, a unit plan and construction contract can be assigned as well. The homebuilder will be responsible for obtaining a building permit, acquiring financing for and constructing the unit, and receiving a Certificate of Occupancy. Once completed to the satisfaction of GHA, GHA will purchase the unit from the homebuilder and will lease the unit based on the priorities described in Section 3.4 below.

### 3.2 Proposed Unit Mix – 50 units

| <b>Public Housing Units</b>       |            |            |            |            |              |
|-----------------------------------|------------|------------|------------|------------|--------------|
| <b>Unit Type</b>                  | <b>1BR</b> | <b>2BR</b> | <b>3BR</b> | <b>4BR</b> | <b>Total</b> |
| Detached/Semi-Detached            |            |            | 35         | 15         | 50           |
| Elevator                          |            |            |            |            |              |
| Row House                         |            |            |            |            |              |
| Walk-up                           |            |            |            |            |              |
| <b>Total Public Housing Units</b> |            |            | <b>35</b>  | <b>15</b>  | <b>50</b>    |

### 3.3 Estimated Development Schedule – 50 units

| <b>Activity</b>                       | <b>Start Date (Estimated)</b> | <b>Completion Date (Estimated)</b> |
|---------------------------------------|-------------------------------|------------------------------------|
| Procure Third Parties                 | January 2011                  | May 2011                           |
| Site Selection Criteria               | February 2011                 | March 2011                         |
| Part 58 Environmental Review          | July 2011                     | August 2011                        |
| Lot Options                           | August 2011                   |                                    |
| Environmental Review of Lots          | August 2011                   |                                    |
| Appraisal of Lots                     | August 2011                   |                                    |
| Title Report on Lots                  | August 2011                   |                                    |
| Site Specific Acquisition Plan to HUD | September 2011                |                                    |
| HUD Approval of Lot Acquisition       | September 2011                |                                    |
| First Lot Acquisition                 |                               | October 2011                       |
| First Scattered Site Construction     | November 2011                 | January 2012                       |
| First Scattered Site Lease Up         |                               | January 2012                       |

### 3.4 Admissions and Continued Occupancy

Previous public housing residents who were forced to move due to Hurricane Ike will have first right of return to the scattered site units based on current occupancy standards for 3- and 4-BR units. If not enough Ike affected residents choose to return, GHA will turn to its public housing wait list for potential residents. GHA's Admissions and Continued Occupancy Policy (ACOP) outlines the standards for admission into public housing operated by GHA. The ACOP is applied to all interested households that apply for public housing and for all applicants selected from the GHA wait list.

## PART IV – MIXED-INCOME COMMUNITIES INITIATIVE

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### 4.1 Program Description

The Mixed-Income Communities Initiative includes a minimum of 282 and a maximum of 479 replacement public housing units in mixed-income communities on the former public housing sites at Magnolia Gardens and Cedar Terrace and any other parcels of land or buildings owned currently or acquired by GHA or the Master Developer in the future. GHA is in the process of procuring a Master Developer who will own and operate these units and who will oversee and implement the redevelopment efforts in partnership with GHA and the community. The Request for Qualifications for Master Developer for the Development of Mixed-Income Communities (RFQ), allowed by HUD procurement regulations at 24 CFR 941 Subpart F, can be found on GHA's website.

### 4.2 Creating Mixed-Income Communities

Prior to Hurricane Ike, GHA primarily served very low income households at its public housing sites: 82% were extremely low income (below 30% Area Median Income) and only 3% had incomes between 50-80% AMI. GHA's current public housing wait list indicates an even greater demand by extremely low income households, likely the result of the storm's damage to inexpensive housing which has not been replaced. It is important to note that very low and low income households are typically employed and that extremely low income households include the elderly, disabled, or employed households with low paying part- or full-time jobs.

#### Income of GHA Residents and Applicants

| <i>HUD Definitions</i> | <i>Area Median Income For Family of 4*</i> | <i>Income Range</i> | <i>GHA Residents Pre-Ike (Oct 2008)</i> | <i>Current GHA PH Wait List</i> |
|------------------------|--|---------------------|---|---------------------------------|
| Extremely Low Income   | < 30% AMI                                  | <\$19,800           | 82%                                     | 90%                             |
| Very Low Income        | 30-50% AMI                                 | \$19,801 - \$33,000 | 15%                                     | 8%                              |
| Low Income             | 51-80% AMI                                 | \$33,001 - \$52,800 | 3%                                      | 2%                              |

\* FY2011 MFI (4 person family) is \$66,000

National research and experience has shown that large concentrations of extremely low income households in large housing developments are difficult to manage, evidence higher crime rates, and have a negative impact on the surrounding neighborhood. Recognizing this, GHA's goal is to not only develop quality affordable housing but to also create healthy and sustainable mixed-income, mixed use communities that have a rich array of assets from housing and retail facilities to parks and quality schools. As part of the proposed mixed-income communities on GHA's former public housing sites, the plan must include non-public housing units to serve a range of incomes, offering both rental and homeownership opportunities. The following chart highlights funding sources typically used to develop units targeted to different income levels.

**2010 HUD Income Limits: Houston-Baytown-Sugar Land, TX HMFA**

| <i>Income Level</i> | <i>AMI</i> | <i>Family Income</i> | <i>Funding/Unit Types</i>  |
|---------------------|------------|----------------------|--|
| Extremely Very Low  | 0-30%      | <\$19,800            | Public housing (PH) and/or Project Based Vouchers (PBV) units, leveraged with Low Income Housing Tax Credits (LIHTC); CDBG-D funds |
| Very Low            | 30-50%     | \$19,801 - \$33,000  | PH, PBVs, Sec8 Homeownership, LIHTC (40-60% AMI); CDBG-D funds; HOME; private debt   |
| Low                 | 50-80%     | \$33,001 - \$52,800  | LIHTC (40-60% AMI), CapFunds (for-sale), CDBG-D funds (rental + for-sale); HOME; private debt                                      |
| Moderate/Market     | 80-120%    | \$52,801 - \$78,100  | Private debt; possibly CDBG-D (rental + for-sale)  |

FY2011 MFI (4 person family) is \$66,000

To ensure that the rental units, regardless of what income level they serve, are intermingled throughout the new community, funding from a variety of sources must be available at closing and under a single ownership structure. This is to avoid developing identifiable units or buildings that are associated with public housing, tax credit, or market-rate families. It is important to note that the CDBG-D Round 1 funds will be used primarily to fund rebuilding of the 569 replacement public housing units (along with additional leveraged funds) and that additional CDBG Disaster funds will be critical to supporting the other non-public housing units in the new mixed-income communities.

**4.3 Master Planning GHA Sites**

GHA and the Master Developer will be responsible for securing funds to leverage the public housing units and to pay for the non-public housing units. Typical sources include tax credit equity, private debt, bonds, and, in Galveston, CDBG Disaster funds allocated by the City and the State. Unit mix programs have not yet been finalized for the GHA sites and will be dependent on market studies to quantify the demand for different unit types and price points. Preliminary market studies suggest that the ‘market-rate’ units may need to be subsidized by CDBG Disaster funds which can be utilized for families with incomes up to 80% AMI, and possibly up to 120% AMI. The Round 2 CDBG Disaster funds require income-eligible use restrictions for ten (10) years, at which time the rents/sales prices can respond to improved market demand as the city recovers and rebuilds. Income mixing strategies that have been successful in other parts of the country include 1/3 public housing, generally serving residents below 30% AMI; 1/3 tax credit units serving households between 40-60% AMI; and 1/3 market-rate (unsubsidized) – either rental and/or for-sale, depending on market conditions. Given the current weak housing market in Galveston, the CDBG Disaster funds will play an essential role in providing housing for households above 60% AMI.

Initially the Master Developer will enter into a Predevelopment Agreement (PDA) with GHA and be tasked with preparing a Master Plan for the development of mixed-income communities in and around GHA owned property. Subject to the satisfactory completion of an approved Mixed-Income Communities Master Plan, a Master Development Agreement (MDA) will be negotiated for implementation services. The Agreement will, among other things, delineate the roles and responsibilities of GHA and the Master Developer and the fee structure. The Master Developer will be

tasked with completing the Master Plan, completing the environmental review in compliance with all local, state and federal guidelines and completing other pre-development tasks. The Master Developer will also be responsible for securing funding for the development program, financial closing, construction, lease up and property management.

Throughout the redevelopment of the public housing units in mixed-income communities, the Master Developer will work closely with GHA staff, residents, GHA's consultants, and the City of Galveston and its consultants. The Master Developer will be responsible for ensuring that the final Master Plan is approved, financed, and implemented. The final Master Plan must create the pathway for successful, stable, diverse, safe, attractive and sustainable mixed-income communities. In general, the goal of the Master Plan should be to ensure that all units are produced in a manner that renders the public housing units indistinguishable from those targeted to other income groups.

#### 4.4 Master Developer

GHA is currently in the process of procuring a Master Developer that can provide the necessary expertise to implement the comprehensive redevelopment of between 282 to 479 public housing units in vibrant mixed-income communities on multiple sites. GHA has stipulated that the successful respondent must demonstrate the ability and experience to implement a comprehensive mixed-finance and mixed-income redevelopment plan that may also include mixed-uses, including commercial facilities, and both rental and homeownership units. The successful respondent will be required to be creative in its approach to the redevelopment plan, including households with a range of incomes in viable communities that holistically address the needs of low-income residents by providing supportive services, educational, and economic development opportunities for all ages, health and wellness programs, transportation access, recreational opportunities and commercial investment.

The timeline for procurement of the Master Developer and predevelopment activities includes:

|   |   |
|---|---|
| Master Developer RFQ Available  | March 4, 2011   |
| Pre-proposal Conference   | April 1, 2011 at 10:00 am CST   |
| Proposal Due Date   | May 3, 2011 by 4:00 pm CST  |
| Conduct interviews, reference checks, due diligence (including site visits, if necessary), and selection of Highest Ranked Respondent | By June 22, 2011  |
| GHA Board Approval to Enter into Negotiations with Highest Ranked Master Developer  | By June 27, 2011  |
| Begin Negotiations of Predevelopment Agreement and finalize budget for Master Planning Phase  | July 1, 2011  |
| Master Developer works with GHA and Galveston community to prepare a detailed Master Plan and Human Capital Plan                      | August – October 2011 (est)   |
| GHA Board and City approval of Mixed-Income Master Plan   | November – December 2011 (est)  |
| Finalize Master Developer Agreement   | December 2011 (est)   |
| Master Developer undertakes predevelopment activities for Phase 1 development and finalizes funding                                   | November – December 2011 (est)  |
| Prepare designs, negotiate construction contract, finalize all closing documents  | Phase 1 closing by April 2012 (est)<br>Construction start by May 2012 (est) |

## **ATTACHMENTS**

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- Scattered Sites Selection Criteria
- Scattered Sites Flow Chart
- HUD Cost Containment and Safe Harbor Guidelines
- Request for Qualifications for Master Developer for the Development of Mixed-Income Communities