

**Minutes of Special Meeting of
The Housing Authority of the City of Galveston, Texas
Island Community Center – Community Room
4700 Broadway, Galveston, TX 77551
January 24, 2011 at 5:00 P.M.**

The Board of Commissioners of the Housing Authority of the City of Galveston, Texas, (GHA) met as stated above. Chairperson Neff called the meeting to order at 5:06 p.m. and declared a quorum was present. She further clarified that the meeting was duly posted. The following commissioners were noted present: Paula Neff, Chairperson; James Dennis, Vice-Chair; Betty Massey; and Tom LaRue.

Commissioners Absent: None

Others Present: Robert Bastien, Legal Counsel; and
Harish Krishnarao, Executive Director/Secretary

Public Comments:

- a. David Miller, NAACP Representative, thanked the board for doing business in a responsible way. He further stated that in the past, things have just been approved readily. The NAACP would like to know why so many people have lost their jobs, as quoted by the director. I have received a number of calls from people who have lost their jobs.

I leave these meetings confused with no explanation. The NAACP needs an organizational chart, job titles, salary ranges, race and gender. We want facts and not rhetoric. As I heard today, the completion date is set for 2012. He asked when and where construction would commence and will they be able to see the blueprints? I have seen contracts with no completion date. I have seen contracts that have no penalty clause. Most money is spent before the job is completed. We need to know this information so that we don't wind up in court. The property on 51st Street was there before Salvation Army was being built. Now, I understand why you said what you said Mr. Dennis, and Chairperson Neff. There are many places around town where people have discussed where public housing needs to go and this kind of stuff, and it was settled on putting the Salvation Army – I happened to be sitting on the board when it was approved as I am on the planning commission. So, let's not look at what's being built there as to what was supposed to be built first. Thank you for your time. I would like the answers to the questions I asked as quickly as possible. Chairperson, you have my phone number.

Resolutions - Approval of

- a. #2493 – The Replacement/Redevelopment of 569 Public Housing Units to be Completed in 24 Months - Vice-Chair Dennis moved for approval, and Commissioner Massey seconded the motion. Deyna Sims, Director of Real Estate and Development, reported that this resolution came about because certain people in the community wanted reassurance that GHA was committed to replacing the 569 units of public housing as well as doing it within a 24-month time frame. As you can see by the reading of the resolution, GHA is committed to replacing 569 public housing units and there have been discussions

as well as a Memo of Understanding (MOU) with Purpose-Built Communities that this will be done according to the Purpose Built Communities model in a mixed-income fashion. GHA is also committed to replacing those units in compliance with the Conciliation Agreement and the Lone Star Legal Aid (LSLA) Agreement. However, that resolution wording may need to be changed in accordance to discussions held in the previous board workshop. GHA's goal is to begin construction by January 2012.

Commissioner Massey stated that deferring this resolution to the January 31, 2011, meeting had been discussed in the board workshop. She stated that she would like the opportunity to read the LSLA Settlement Agreement due to a discussion in the board workshop about some key elements in that agreement. She stated that she would like to read the agreement before a recommitment is made and would also like to review the amended Redevelopment Plan from October 25, 2010. GHA had stated 150 units at Oleander Homes and she cannot recommit to that. She stated that there is more homework to do and more discussion before this resolution could be passed. She made a motion to defer the resolution until the January 31, 2011, meeting. Chairperson Neff seconded the motion.

Commissioner LaRue stated that since Mr. Bastien was present, he wanted to comment on the revised resolution, paragraph 5. He mentioned in workshop that there is no specific disagreement he had with LSLA's agreement with the previous board, but that he was a little reluctant to ratify the agreement because of the possible impact on some of the details that GHA has had to negotiate with LSLA in the past and issues that may be negotiated upon in the future - such as bedroom mixes and number of units in a particular location as opposed to another. He stated that these were minor details, but that ratifying that previous agreement may put GHA at a disadvantage.

Ms. Sims commented that she would like to clarify a point for Commissioner Massey. She stated that the Redevelopment Plan mentioned in the "Whereas" clause is the plan that was approved October 25, 2010; thus this would be the plan that states if there is sufficient land elsewhere, then the board would consider not constructing at Oleander Homes. The board continued with a vote for tabling this resolution.

The following vote was recorded:

Ayes: Neff; Massey and LaRue

Nays: Dennis

Abstentions: None

Absences: None

The motion carried 3-1.

- b. #2494 – Amending the Section 3 Policy – Commissioner Massey moved for approval, and Commissioner LaRue seconded the motion. Courtney Beck, Home Ownership Coordinator, explained that after this resolution had been discussed during the workshop, she had spoken with the consultant assisting GHA with this policy. The consultant suggested that some of the proposed changes would be changing the way the regulation is written and that changes should be discussed with him prior to being made. The consultant also wanted to make sure that the board understands the financial implications of some of these changes. It may be good to table this resolution until further discussion

with the consultant. Commissioner Dennis moved that the resolution be tabled and Commissioner Massey seconded the motion.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 4-0.

- c. #2495 – Awarding a Contract for Oversight Management Assistance for the HCV/DHAP Programs to Nan McKay and Associates, Inc., in an Amount Not to Exceed \$82,000 – Commissioner Dennis moved for approval, and Commissioner Massey seconded the motion. Mr. Krishnarao addressed Chairperson Neff explaining that there would need to be some discussion regarding this resolution and requested that the resolution be tabled until the following month. Commissioner Massey added that during the workshop discussion, it had become clear that this needed to move into Executive Session. She made a motion to defer the resolution until January 31, 2011, and Chairperson Neff seconded.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 4-0.

- d. #2496 – Awarding a Contract to EJP Consulting Group for Technical Assistance and Development Consulting Services Not to Exceed \$250,000 – Commissioner LaRue moved for approval, and Commissioner Dennis seconded the motion. Ms. Sims stated that GHA staff had issued a Request for Proposal (RFP) for technical assistance and development consulting services on June 4, 2010. An evaluation committee evaluated the proposal and it was determined that EJP was the most qualified firm to provide these services. EJP's management experience includes assisting over 30 Public Housing Agencies (PHAs) to develop over 6,000 rental units and 1,200 affordable "for sale" units. They have served as a preferred consultant with HUD for technical assistance with HOPE VI, mixed-finance development and community and supportive services, including the preparation of HUD's mixed-finance guidebook. Each board member has received a copy of the contract, with the total value not to exceed is \$250,000. Individual task orders will be negotiated on an as-needed basis in accordance with the scope of services received for their consulting services, and the staff will provide an ongoing report so that the board can track where we are in the disbursement of funds on this contract.

Commissioner Massey asked if since the board has not yet adopted a Section 3 Policy, would this resolution need to be deferred until that policy was in place. Mr. Krishnarao suggested passing the resolution with a mandatory requirement that a certain percentage of the total contract value must be given to Section 3. He added that this could be done as a separate line item. Chairperson Neff stated that her concern was that GHA needed to speak with Mr. Sweeney to determine what the details would be.

Commissioner LaRue stated that the resolution could be approved with the knowledge that this may have an impact that would have to be dealt with at a later date. There is room for a potential overage, but this resolution just authorizes GHA to proceed without a further delay in activity. Ms. Sims stated that there is a Section 3 Policy that the board had approved and that it was at 1.5 percent. She added that EJP would fall under that particular policy. Commissioner Massey asked if GHA wanted to let EJP be subject to that or if the board should wait a week. If the resolution were to be adopted, it needs to be adopted with the changes to the scope of services that were made in workshop.

Mr. Krishnarao suggested passing the resolution “subject to the Section 3 Policy that will be approved next week.” Mr. Bastien stated that if the board were to do this, it should be interlineated somewhere in this contract. The board members briefly discussed this possibility. Vice-Chair Dennis commented that the numbers would not change and that this same scenario had occurred in another state where EJP has other clients. Commissioner Massey suggested that the statement could be added without the percentage being stated.

Mr. Bastien stated that this resolution does not specify that the attached contract is the one that the Executive Director is being authorized to sign. Therefore, he would be in a position to go ahead and make that modification to the contract before it is signed off by the housing authority and EJP. This resolution could be modified to say that “the executive director is being authorized to execute a contract in compliance with the Section 3 preference policy to be adopted.” He suggested not including an exact date.

Commissioner Massey affirmed that it also needs to be subject to the changes in the scope of services that were made at workshop. Mr. Bastien added an abundance of caution. He stated that the board was not about to vote on a specific contract. He suggested either giving the executive director carte blanche or close to carte blanche entering into a contract or entering into a specific contract. If the board wants to have a resolution that says he is authorized to enter into this contract, with modification to be made in the language at his discretion to comply with the Section 3 policy and the changes that were discussed in the board workshop, then that would be a satisfactory resolution to be passed. He explained that the board is basically instructing the executive director to “keep it close to this” but make the changes that were discussed. If the board wants to be specific on what those changes are supposed to be and wants to be specific that it is tied to a particular version of the Section 3 Policy, there may need to be a new resolution with those things stated.

Commissioner LaRue asked Mr. Bastien if he would concede to “approval subject to the Section 3 Policy in effect on February 1, 2011.” Mr. Bastien agreed, assuming there isn’t any further need for the resolution to be tabled. Chairperson Neff asked if language could be added specifying that they will comply with whatever changes may be made within the next 30 days. Mr. Bastien agreed that this would be acceptable.

The wording discussed at workshop was read by Ms. Toni Jackson. She stated that under Scope of Service, the second sentence of the first paragraph shall be revised to read “the initiative will include, but not necessarily be limited to, developing a strategy for the redevelopment of the authority’s current sites (Magnolia Homes, Cedar Terrace and Oleander Homes) and additional scattered sites development.”

Chairperson Neff questioned whether the wording for the additional “Whereas” needed to be set before taking a vote. Ex-Officio Jaworski stated that at the city, the record is on the tape and you guys can go and clean it up afterwards. I don’t think that there is any rule that everyone must agree on the language as long as the intent is there.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue
Nays: None Abstentions: None Absences: None
The motion carried 4-0.

- e. #2497 – Negotiating and Executing a Contract With the Guess Group, Inc., and Joe Tramonte Realty to Assist in Acquiring Up To 247 Improved/Unimproved Parcels Throughout the City of Galveston For the Scattered Sites Program – Commissioner Dennis moved for approval, and Commissioner Massey seconded the motion. Samson Babalola, Assistant Development Coordinator, reported that GHA would like to acquire lots for their scattered sites program. The stated firms were the top two qualified to offer these services. GHA initially created a scattered sites subcommittee, headed by our Chair and including Commissioner Tom LaRue. GHA is recommending that this resolution be approved.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue
Nays: None Abstentions: None Absences: None
The motion carried 4-0.

- f. #2498 – Negotiating and Executing a Contract With Bay Environmental and ERC Environmental Consultants, Inc., to Provide Phase I and Limited Phase II Environmental Assessments for Up to 247 Improved/Unimproved Parcels Throughout the City of Galveston for the GHA Scattered Sites Program – Commissioner Tom LaRue moved for approval, and Vice-Chair Dennis seconded the motion. Mr. Babalola explained that GHA must conduct these environmental sustenance reports for the scattered site property acquisitions.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue
Nays: None Abstentions: None Absences: None
The motion carried 4-0.

- g. #2499 – Negotiating and Executing a Contract With Charles Rencher Investments to Provide Appraisal Services for Up to 247 Improved/Unimproved Parcels Throughout the City of Galveston, Texas for GHA Scattered Sites Program – Vice-Chair Dennis moved for approval, and Commissioner Massey seconded the motion. Mr. Babalola introduced the resolution and explained that the firm would provide appraisal services in order to obtain the best land values on the parcels that GHA acquires.

Commissioner Massey questioned Commissioner LaRue as to why the board was only approving one here and have multiples in other areas. Commissioner LaRue explained that there was a process of approving building contractors, realty firms, appraisal firms and environmental firms. The key factor common to all is that GHA did not want to concentrate the risk on selecting just one contractor and finding out later that the contractor did not deliver. The board selected three contractors because that was the pool of contractors, and they all scored closely. When it came to appraisal services, GHA wanted consistency in that area, so only one was selected. With environmental and realty firms, two were selected and the scores were closely examined in order to differentiate between the firms.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 4-0.

- h. #2500 – Negotiating a Contract With Sullivan Land Services, Hettig/Khan Holdings, Inc., and DSW Homes for Scattered Site Development of Up to 200 Units of Public Housing – Vice-Chair Dennis moved for approval, and Commissioner Massey seconded the motion. Mr. Babalola explained that this resolution was for the initial phase of construction for 50 units. These were the three most qualified firms for these services. The actual contract will be presented to the board at a later date.

Ex-Officio Jaworski congratulated the board for moving this along. He stated that he is familiar with Sullivan Land Services and DSW Homes and that they are locally based and currently doing work for Galveston County and the city. Chairperson Neff questioned whether this would be 50 units total, or 50 units per developer. Commissioner LaRue stated that in the subcommittee discussions it was determined that GHA would allow ten homes per developer initially, and dependent upon their progress, they would then pick up the next ten homes and there would be 50 more in the pipeline.

The following vote was recorded:

Ayes: Neff; Dennis; Massey and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 4-0.

Secretary's Report – Mr. Krishnarao reported the following:

- a. Modernization – John Manuel, Modernization Coordinator, reported that GHA had been modernizing 80 units at Gulf Breeze and 60 units have been completed. By next week, four floors will be completed. GHA has already moved about nine residents to Floor 5 from the waiting list and will move 39 people from Holland House to Gulf Breeze in order for the Holland House modernization to begin. At the Oaks IV, the structural work is completed on all 40 units. He briefly described the following developments:
 - Oaks I - 20 duplexes which were completed two years ago and are completely occupied
 - Oaks II - 34 single family homes that have already been built and occupied
 - Oaks III - 7 homes currently under construction, belonging to G.R.A.C.E., and
 - Oaks IV - 20 duplexes for elderly housing – 40 units that are currently being constructed to be completed by May 2011.

Chairperson Neff asked whether Oaks IV included elderly and disabled. Mr. Manuel replied that it was elderly and disabled, with all units being handicap accessible.

Mr. Manuel reported that GHA was in the environmental process for the Holland House modernization, which is according to HUD regulations. This must be complete before modernization can begin. This process should be completed by the end of February 2011.

Mr. Krishnarao replied that GHA recently hosted the Galveston Leadership training course, in which some of the GHA staff made the presentation and also had some members participating. Deyna Sims was one of the guest speakers. Ms. Sims reported that Galveston Leadership came to the ICC to visit with GHA and learn about what the agency was currently doing here. Purpose Built Communities was discussed in depth, as well as Section 3. Participants then took a tour of GHA properties and scattered sites.

Public Comments –

- a. Mr. Ray Lewis questioned when there was going to be a plan submitted to the state and/or the city. He stated that he had completed reading 196 pages of the analysis of impediments and it was interesting reading. Galveston is only a small piece of that. Everyone acts like Galveston is a major part, but in reality we are a tiny portion of the analysis of impediments. They accused many of our residents of suffering from the infliction of NIMBYism – “Not In My Back Yard”. At least one of our citizens has written a complaint due to this label.

The other thing, and I am addressing this to Mayor Jaworski, is that we have to have an appointment for the fifth commissioner position. There is too much important stuff going on here for a resident not to be sitting on this board, with a voice and a vote. I would encourage you to hurry up and get this done as quickly as you can possibly get it done. It has been way too long that there is no resident's voice on this board.

The last thing I would like to say is that if I walked in here from Mars today and questioned why the units were not being built, I would say that it is your fault. It is not GOGP, it is not lawsuits – you have plenty of money at your disposal. Yes, you have to do some things to get it. But, if I just walked in here today I would say it is GHA's fault that none of these units have been built. So, I encourage you and impress upon you to get these things going. The resolution that you have here today says that you are going to do it in 24 months. That is 48 months from the time that they were destroyed. Let's get clicking please. I am here to do whatever I can. All of these folks that are raising their voices and complaining – that's nothing. The way to silence it is to put a stake in the ground.

- b. Mr. David Miller stated that it is a low-down, dirty shame the way housing is being treated in Galveston. I am pleased at the actions of this board. I have been waiting for this to have a board that is not saying yes to everything that is passed before you. I am glad that you are looking into things before stamping them with a yes.
- c. Patricia Toliver stated that she would like to see a resident sitting on the board as Mr. Lewis had previously stated. She said that everyone that goes to the Salvation Army is not bad or trash. If you are really concerned about Oleander Homes, then make it a gated community. To me, though, this would be a waste of funds. It will be a real problem. She also discussed discrimination in rental property income requirements on the island. She complained about the amount of time GHA is taking to rebuild.

Commissioners adjourned into Executive Session at 5:49 p.m., and reconvened at 6:30 p.m. There being no further discussion, the meeting was adjourned.

(d:minutes012411)