

**Minutes of Regular Meeting of
The Housing Authority of the City of Galveston, Texas
Island Community Center – Community Room
4700 Broadway, Galveston, TX 77551
February 2, 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 5:08 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; and Betty Massey.

Commissioners Absent: Tom LaRue

Others Present: Joe Jaworski, Ex-Officio
Pete Urbani, Jr., Legal Counsel;
Robert Bastien, Legal Counsel; and
Harish Krishnarao, Executive Director/Secretary

Approval of minutes for previous meeting of December 20, 2010 – Vice-Chair Dennis moved for approval, and Commissioner Massey seconded the motion.

The following vote was recorded:

Ayes: Neff; Dennis; and Massey

Nays: None

Abstentions: None

Absences: LaRue

The motion carried 3-0.

Financial statements as of December 31, 2010 – BIL Bruney, Finance Director, handed out flash drives to the board and reported the following:

- a. Central Office Cost Center (COCC) - The total revenue year-to-date is \$707,991 and total operating expense is \$1,382,661. This leaves a residual deficit from operations of \$674,670. Statement of Net Assets is: Total Assets of \$1,137,737 and Total Liabilities and Net Assets of \$1,137,737.
- b. AMP #1 – Oleander Homes/Palm Terrace – The total revenue year-to-date is \$921,967 and total operating expense is \$152,903. This leaves a residual of \$769,063 and cash flow from operations of \$769,063. Statement of Net Assets is: Total Assets of \$9,312,130 and Total Liabilities and Net Assets of \$9,312,130.
- c. AMP #2 – Gulf Breeze/Holland House - The total revenue year-to-date is \$1,136,297 and total operating expense is \$809,940. This leaves a residual of \$326,357 minus the Asset Management Fee of \$23,820 with Cash Flow from Operations \$302,537. Statement of Net Assets is: Total Assets of \$12,122,091 and Total Liabilities and Net Assets of \$12,122,091.
- d. AMP #3 – Magnolia Homes/Cedar Terrace/Scattered Sites - The total revenue year-to-date is \$971,550 and total operating expense is \$218,152. This leaves a residual of \$753,398 minus the Asset Management Fee of \$2,100 with Cash Flow from Operations \$751,298. Statement of Net Assets is: Total Assets of \$14,504,567 and Total Liabilities and Net Assets of \$14,504,567.

Ex-officio Jaworski thanked Ms. Sims for her efforts in this area. He stated that the City of Galveston had submitted an application to the State of Texas for \$17 million in non-housing infrastructure needs, such as street paving and underground infrastructure items. Under the conciliation agreement for all Round 2 funding, the Fair Housing advocates sued the State of Texas and administered a complaint at HUD so that more money would be available here. They actually have dominion over housing and non-housing issues until the Analysis of Impediments (AI) becomes law, in addition to veto power over the Phase I, Round 2 application. This is why it was broken into two phases – one for before AI is approved – and one after.

The following vote was recorded:

Ayes: Neff; Dennis; and Massey

Nays: None

Abstentions: None

Absences: LaRue

The motion carried 3-0.

- d. #2504 – Authorizing the Formation of a Texas Public Facility Corporation and an Instrumentality of the Authority – Commissioner Massey moved for approval, and Vice-Chair Dennis seconded the motion. Toni Jackson, Special Counsel for Real Estate, stated that the public facility corporation is being recommended to create an instrumentality for GHA for the purpose of acquiring land and other affordable housing efforts within the redevelopment plan. The public facility corporation is a unique structure to housing authorities. The state statute allows these entities through sponsorship of a housing authority, who is allowed to create an entity that can do things on its behalf that a housing authority is unable to do. Some of these things are borrowing money, issuing a bond and providing guarantees, which allow more flexibility to the housing authority. She discussed several name ideas for the public facility corporation, one of which was not available.

Ms. Jackson also recommended that the board be set up with all of the GHA commissioners, along with the executive director, with those persons serving by virtue of their positions with the housing authority, or the board can be a combination of commissioners and the executive staff. Mr. Krishnarao stated that this is the current arrangement for the board of commissioners for G.R.A.C.E. Ms. Jackson added that this is a common occurrence and does not look out of order to HUD.

Ms. Jackson continued that this is needed because the way G.R.A.C.E. is structured, with certain restrictions in place, make it a less desirable option for the upcoming development. There are also certain legal issues that are pending with G.R.A.C.E. Pete Urbani, Legal Counsel, questioned why specific wording was included in the resolution – “attached hereto.” Ms. Jackson answered that local government code required this.

Vice-Chair Dennis brought up the issue of the name of the public facility corporation that was available. Ms. Jackson stated that she was willing to research other possibilities.

Commissioner Massey stated that she had three suggestions:

- The name “Galveston Public Facilities Corporation”
- The Board of Commissioners and Executive Director comprise the board as the authority
- Everyone should hold the same position as current board

Vice-Chair Dennis stated that he was not opposed to anything he has read thus far. Ms. Jackson said that she would bring it back before the board at a later date. Mr. Krishnarao stated that because it is an instrumentality, the executive director would usually stay on the execution. Ms. Jackson stated that this entity would actually be much more involved in new development work and the actual closings and would need to require a board member’s availability to sign and move documents forward. Due to the voluminous documents, it has been found that it is more effective in redevelopment work when a staff member was involved. Chairperson Neff suggested that the resolution be tabled at this time until these details could be discussed further in the next workshop.

The following vote was recorded:

Ayes: Neff; Dennis; and Massey

Nays: None

Abstentions: None

Absences: LaRue

The motion carried 3-0.

Public Comments –

- a. Laura Murrel from the audience shared her concerns that the public does not have an image of what the redevelopment is going to look like.

Chairperson Neff answered that the commissioners are actively starting to speak and formulate a citizen awareness campaign so that people will be made aware of the details of the redevelopment. Ex-officio Jaworski added that he had recently spoken briefly to a group of community leaders on this matter. Vice-Chair Dennis stated that he is the Chairman of the committee for Galveston North Side Task Force and that they had recently discussed Purpose Built Communities as well as Section 3 policy, and made it known that the board is readily available to discuss redevelopment issues.

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

- a. Justin Herter, Public Information Officer, reported that he is in the process of upgrading GHA’s website/internet presence which is moving to the next level. GHA is including human interest stories on how the 569 families were affected by Hurricane Ike.
- b. Nayeli Yurcisin, Inspections Supervisor, reported that all DHAP and Section 8 properties are currently in an ongoing inspection process via windshield inspections, which are exterior inspections. Letters are sent regarding visible violations in order to maintain compliance.

Ex-officio Jaworski stated that he wanted to put her in touch with the person responsible for doing this with the city. Ms. Yurcisin continued that landlords were being educated about keeping their properties up to standard.

- c. Frank Garcia, Section 8 Supervisor, reported that Section 8 is currently serving 1,530 families. Of these, 622 are actually on-island, with the remaining 908 families being off island.

Ex-officio Jaworski questioned that with the recent policy that had been passed allowing voucher holders to take a step up and deconcentrate poverty, is this most likely to occur on-island or off-island. Mr. Krishnarao stated that the 622 that were mentioned were likely to be redistributed. Some will go into a better location and others may move outward. We will closely monitor these results and report back to the board.

Ex-officio Jaworski stated that the United States Congress closely allocates these vouchers and that the number is limited. Mr. Krishnarao stated that he is constantly approached by landlords that have units available and ready for occupancy and that the availability of vouchers is extremely limited compared to the availability of units across the county. These vouchers would be considered a premium item.

Ex-officio Jaworski questioned whether GHA was the only authority administering vouchers on the island. Mr. Krishnarao replied TDHC administered state vouchers and the Galveston Community Action Agency is an entity administering in Galveston with approximately 186 vouchers. They generally operate off-island. Ex-officio Jaworski stated that he just wanted to have a clear picture of Section 8 properties. Mr. Krishnarao stated that GHA is responsible for all tenant-based vouchers on Galveston Island, but not all project-based vouchers. Chairperson Neff stated that Section 8 would be covered thoroughly at the next board workshop.

- d. Larry Owens, G.R.A.C.E. Coordinator, reported that G.R.A.C.E. was nearing completion of the final seven homes in the Oaks subdivision, bringing the total to 34 single family homes. They are all under contract at this time.
- e. John Paque, Construction Coordinator, reported that he assures that the contractors are fulfilling their contracts and that GHA is in compliance with all HUD regulations regarding construction. There are currently three projects underway at Gulf Breeze and Holland House. Gulf Breeze is near completion on its modernization.
- f. Helen Smith, Inspections Clerk, stated that GHA is doing a very good job. We respect our positions and what we are working toward. We need your support.
- g. Courtney Beck, Home Ownership Coordinator, reported that Bridges Out of Poverty is scheduled to visit on February 18, 2011. She added that Section 3 policy revisions are underway, as well as Habitat for Humanity. She stated that the Agency Plan project is proceeding and that GHA has received some very helpful feedback.

- h. Mary Bentz, Quality Control Coordinator, reported that the Small Market Rates changes are very innovative and have received the HUD approval to go ahead with this plan.

Commissioner's Comments –

- a. Vice-Chair Dennis thanked the staff for being so helpful and accommodating to the board.
- b. Commissioner Massey echoed the previous statement and stated that the board finds it important to getting out a unified message from GHA. We have discussed talking points and are also working on a variety of partnerships with Galveston entities. We feel it important that GHA's scattered sites set some high standards. The City of Galveston and the Long Term Recovery Committee have done a great job of architectural/historical zoning within the city. This could be something that we look at for our scattered sites.
- c. Chairperson Neff stated that GHA is beginning the first 50 scattered sites and we want to make sure that we are efficient, green and hold a high level of responsibility. We had a really good board retreat and much was accomplished. The staff has been compelled to revise GHA's mission statement that was decades old. We are altering the way the housing authority is run in some capacity and re-evaluating what our mission and vision is in this community. This is a partnership to make sure that all is done in excellence and the public will be very happy to see that. She reminded Mayor Jaworski that the resident council seat needed to be filled. It was mentioned that a there may be another workshop before the next regular board meeting scheduled for 2/28/11.

There being no further business, the meeting was adjourned at 6:10 p.m.

(d:minutes020210)