

**Minutes of the Special Meeting of The
Housing Authority of the City of Galveston, Texas
Island Community Center – Community Room
4700 Broadway, Galveston, TX 77551
August 9, 2010; 5:00 P.M.**

The Board of Commissioners of the Housing Authority of the City of Galveston, Texas, (GHA) met as stated above. Chairperson Strain called the meeting to order at 5:00 p.m. and declared a quorum was present. The following commissioners were noted present: Sharon Strain, Chairperson; Paula Neff, Vice-Chair; Suzanne Choate; Tom LaRue, and James Dennis.

Commissioners Absent: None

Others Present: Rusty Legg, Councilman
 Pete Urbani, Jr., Legal Counsel;
 Harish Krishnarao, Executive Director/Secretary

Chairperson Strain asked Commissioner, Suzanne Choate; former Commissioners, Arthur Mabasa and Raymond Lewis; as well as GHA employees, Marla Boyd, Homeownership Coordinator, to present keys to Velma Collins, GHA Receptionist; and Margarita Hernandez, new homeowners, via GHA's Homeownership Program. Ms. Hernandez commented that the house was beautiful and that she was very happy. Mr. Krishnarao added that Ms. Collins had lived in Galveston for over 30 years and paid an incredible amount in rent over the years. He also stated that both homeowners received a 12-month Home Warranty.

Resolutions - Approval of

- a. #2455 – The FY10 Management Assessment Sub-System (MASS) Certification of the Public Housing Assessment System (PHAS) for Submission to HUD – Chairperson Strain stated that this resolution set out how GHA staff is managing the public housing program according to HUD requirements and standards.

Mr. Krishnarao explained that HUD usually evaluates four separate subsystems: management, financial, resident assessment, and housing, which gives a total of 30 points. In the past, GHA has scored close to 30. This year, GHA expects to score 30 out of 30, due to the lower number of units. After submission is processed, HUD will perform an audit during the year and will recertify at that time.

Chairperson Strain explained that the types of things that go into a management recertification are the number of turnaround days and how the money is spent on capital expenditures. GHA gets a capital fund amount for housing annually that must be spent in a timely manner. Budget controls are also considered as well as how fast routine work orders are turned around, which is currently at about 2.41 days. The inspections of the units, the security provided, and the economic self-sufficiency program provided by GHA are also taken into account. GHA expects to receive the highest number of points in

all of these areas. Commissioner Choate moved for approval, and Commissioner Dennis seconded the motion.

The following vote was recorded:

Ayes: Strain; Choate; Dennis; Neff; and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 5-0.

- b. #2456– The FY10 Housing Choice Vouchers Section Eight Management Assessment Program (SEMAP) Certification for Submission to HUD – Mr. Krishnarao requested that this resolution be tabled at this time. He stated that he would be meeting with HUD within the next week to discuss a waiver due to some of the issues resulting from Hurricane Ike. He explained that this is normal procedure in a hurricane community, as it is usually difficult to implement these items post-disaster. He added that he would report back to this board to possibly request a waiver. Chairperson Strain asked for a motion to table the resolution. Commissioner Choate moved for approval, and Commissioner Neff seconded the motion.

The following vote was recorded:

Ayes: Strain; Choate; Dennis; Neff; and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 5-0.

- c. #2457 – Awarding a Contract to Revelation Architectural and Consulting Services, LLC, for Technical Assistance and Developmental Consulting Services Not to Exceed \$100,000 – Deyna Sims, Development Coordinator, reported that the term of the contract would be until June 30, 2011. She explained that Horace Allison is the head of this firm and that he is the former Senior Vice President of Development for the Houston Housing Authority. She stated that in 2009, the Commissioners had approved a resolution authorizing the Executive Director, Harish Krishnarao, to enter into a Memorandum of Understanding (MOU) with Horace Allison to provide post-disaster consulting services; GHA would like to continue working with Mr. Allison on a consultant basis.

Chairperson Strain commented on how fortunate GHA was to have the opportunity to retain a consultant with such a vast knowledgeable background in the area of HUD's development programs. Mr. Krishnarao added that Mr. Allison has completed approximately 34 mixed-income developments in Houston and that GHA is likely to do four mixed-income developments here on the island. He stated that Mr. Allison has over 30 years of experience and that GHA has several new staff members who will need this technical expertise going into these new developments.

Commissioner LaRue moved for approval, and Commissioner Dennis seconded the motion.

The following vote was recorded:

Ayes: Strain; Choate; Dennis; Neff; and LaRue

Nays: None

Abstentions: None

Absences: None

The motion carried 5-0.

Secretary's Comments –

- a. NAHRO Conference – Mr. Krishnarao requested that Commissioners Neff and Dennis share briefly about the NAHRO Conference. Commissioner Neff reported that the trip was valuable in that she met many other people who do the same job from all over the world, some of which have been commissioners for over 30 years. She stated that it was a good experience and that it oftentimes feels overwhelming coming in and trying to pick up where the former commissioners have left off with so much going on at GHA. She further stated that to be able to sit down with these experienced commissioners was invaluable.

Commissioner Dennis reported that it was always best to have a roomful of likeminded people. He explained that they had all shared the goal of creating communities that are self-sufficient. Also, the atmosphere in Boston was perfect and everyone had great ideas. Mr. Krishnarao's presentation was incredible and he should be listened to because he is highly admired by others in this field. He closed by saying that there is a lot of work to do and a lot to learn.

Mr. Krishnarao added that both commissioners would probably agree that there are so many others in this country that are trying to champion and want to make sure that the City of Galveston succeeds. They want Galveston to stand out as one of the best small communities in the country. He stated that every HUD official with whom they met was interested in providing the assistance needed to create that community. He added that there are a lot of issues in terms of affordable housing at the national level. The HUD secretary has been in the limelight recently and is determined to address the long-term housing needs of this nation and is proposing several new programs, including one called PETRA.

Public Comments –

Chairperson Strain explained that this was the time period allowed for the public to speak about items that are not on the agenda. She stated that potential speakers need to fill out a comment sheet and keep their comments to less than three minutes.

Jim Seigler spoke on the expansion or rebuilding of high density units on the old Magnolia Homes site. He thanked the board for the handout regarding recent rumors about GHA and stated that it needed wider circulation. He asked the board to consider whatever they were going to build and to please make sure that it was good for the island and its working class people. He asked that they not repeat the nightmare that existed before with squalor and poverty. He agreed

that everyone needs an opportunity and shelter for their family, but the future of the island must be considered. He stated that there is a need for jobs on the island and people that are willing to contribute to the economy of the island and not just be a drag on the economy, the neighborhoods, police and fire departments. He said that due to what he has read, in regard to mixed use development, co-ownership, and things like that, he has hope that things could be going in the right direction. He further stated that we do not have to go back to the way it was before, but that we should look forward to what the future brings and do it right. Chairperson Strain thanked him and stated that his comments were music to GHA's ears.

Mr. Bill Broussard introduced himself as a resident of Galveston, an officer of GAIN and a member of the Chamber of Commerce. Although he felt that he is not qualified to speak about HUD rules, the 569 residents who will return, architectural renderings, there are three areas which he would like the board to consider:

1. *Being a neighbor* - He stated that in working with the neighborhoods, after living here all his life, he had learned that the neighborhood is a very resilient group of people. They can accommodate, support and roll up their sleeves on anything if they know the facts. He stated his belief that in the past, the facts had been less than clear to the neighborhoods and to the residents in Galveston. He asked the board to make sure that good news or bad news – the people are given the facts.
2. *Municipal duties and rights* - He shared that he had been told by a prominent Galvestonian when GAIN presented to the Chamber that GHA reports to a higher power, which is HUD, and that anything that the City might prefer or ask for is really only secondary to its HUD responsibility. He stated that this was not true. He further explained that Galveston has a Planning Commission, city ordinances and a comprehensive plan and that he would really like the board to work closely with the city council and demonstrate respectfulness for the ordinances and comprehensive plan. He closed this point by stating that in the end, everyone would come out much better for it.
3. *Magnolia Homes* - Whatever is done here, he would like the board to please think about the plan six, seven, eight or ten different times before decisions are made. This is a vital economic corridor between UTMB and downtown and whatever is decided should underwrite the economic development of Galveston as well as the neighborhoods. He stated that he was asking for thought.

Ms. Pam Burge stated that she and her husband have a home on the east end of the island as well as a home in Houston. She said that they are more than weekenders and that they have really fallen in love with Galveston and call themselves islanders by choice. She discussed an article called "Purpose Built Communities", which is a fabulous idea. She explained that Leonard Pitts, Jr., of the Miami Herald, had an article in the Houston Chronicle called "Public Housing that Uplifts Residents", which is a non-profit organization; she distributed copies for the board. She shared her belief that GHA is headed in a great direction and that she agreed with the previous comments. Also, her husband, Billy Burge, is Chairman of the Houston Housing Authority and knows Mr. Allison very well.

Chairperson Strain thanked Ms. Burge and said that she appreciated all of the comments thus far. She stated that she was sure that the new commissioners have felt like they were hit with a ton of bricks with all of the training in Boston, in-house training that was given by Dr. Leo Dauwer,

and a half day each with her personally this week. She shared that Mr. Krishnarao also has some orientation planned for them on technical issues. The ideas of development for the new commissioners are still a few weeks down the road. She said that it is only fair to them that they know the legal background before they embark upon some of that decision making.

Mr. Ralph McMorris stated that he would be passing out a summation of what he would be unable to cover in three minutes. He introduced himself as the president of the GAIN organization in Galveston. He explained that GAIN had spent over a year now working hard to gather input from the neighborhoods to pass on to GHA; they have had quite a few meetings and have worked well with GHA's administration. However, recently GAIN has been concerned with the direction GHA is going. He welcomed the new board members and asked that they take a fresh look at where we are and really consider the input that has been given and will continue to be given. He continued by listing his recommendations:

- Public housing, in general, and the Magnolia project specifically should follow and comply with the Galveston Master plan. The master plan is not yet finalized as it is a comprehensive plan. You can't look at one without looking at the other. He stated that he would like to see that incorporated and was challenging the board to take leadership in this and see if a plan could be agreed upon by all. He suggest hiring the Urban Land Institute, who has been to the island and made recommendations about the corridor between UTMB and downtown, or any other qualified master planner to help develop a plan from which all of these great ideas should flow and not vice versa.
- Develop scattered sites by utilizing abandoned and underutilized single family residences, apartment stock and lots. This would allow us to move much faster than the HOPE VI project, which is projected to take at least 2 ½ years. He commented that it has already been two years since the storm so we are not moving real fast on this. He requested that the board consider moving the HOPE VI grant request to Cedar Terrace because it is more of a suburban site, which is what we have designed so far. This is opposed to Magnolia Homes, which is an urban site. Magnolia is bordered on the north by the port; on the east by the UTMB Hospital complex; on the west by downtown - Chairperson Strain informed Mr. McMorris that his time was expended.

Ms. Donna Leibbert stated that she lived on Ball Street in Galveston. She said that she was going to follow Bill Broussard's comments, which she thought to be very appropriate for the new commissioners. Life is about choices and consequences. Life should be about logical, thoughtful choices and the anticipated, thought-out, planned-out consequences. This board has the ability and the responsibility to make decisions that will affect the entire island, not just GHA. They can decide to do what was done in the past, give lip service to the plan, tell the public that things will be different, and hope that the results they want will magically happen. Or they can make difficult decisions, based on what is fair and logical to all of the residents of Galveston Island and to the rest of the citizens of Galveston County. The need for low-income and/or subsidized housing is not unique to the island. She stated that she realized that this was the Galveston Housing Authority and that they could not make policy or plans for the entire county; however, they could strive to decide what is fair for the island, and they can consistently and firmly enforce the rules and regulations that are already in place. They can oversee programs that give

people a hand up, not a handout. Sometimes when a parent has to make tough decisions like this, it's called tough love. Maybe it's time to love all the residents of Galveston and if some of them need a little tough love, then so be it. She asked they keep these two things in mind when they make these decisions. The best predictor of future behavior is past behavior. One of the definitions of insanity is to repeat the same behavior and expect to get different results. She thanked them for their time and consideration as they work with the entire population of the island to help everyone grow into the wonderful and unique community that we should be.

Chairperson Strain thanked everyone for coming. She stated that we have all been through a tumultuous time over the past two years. She explained that Mr. Krishnarao had recently brought in a clinical psychologist as a mediator who had also settled the Watts Riots in California. He was a very brilliant man and had made the comment that the people of Galveston had a form of post-traumatic storm disorder, and she had agreed. She reported that tempers had been short and we have all been frustrated over what seems to be the slowness of the way that things occur. HUD, however, thinks that we are very far ahead of the other disaster communities as far as getting a lot of our issues settled. She stated that there are still a few sticky issues that are legal kind of issues, but that GHA would hit the ground running.

She further stated that in situations like this, no one ever gets everything that they want. What we want is to make things right in our community. GHA wants to care for the people who lost their homes in public housing, but also wants to make a neighborhood in which we can all live together. We want things to be different than they were before. Those of us who have worked in the industry have long lamented some of the things that we could not change. Now there has been enough experience in the industry for HUD to realize that maybe the approach to public housing in the beginning was not the right way. They thought they were doing the right thing, but time has proven that some things need to be different. She stated her hope that people would look at the things that GHA has done during the past few years. We've done some scattered sites; we've done some home ownership at Cornerstone and The Oaks. We are currently building some more elderly units. There are many people in public housing who work. She shared that when she was Executive Director, GHA had 60% that were handicapped and elderly and another 30% of the people worked. She asked for consideration in remembering that there is a percentage of the population who cannot work. We have a responsibility there. We all want the best thing to happen for our community. Let's all understand that compromise will have to be a part of that. She thanked them all very much for coming this evening.

Commissioner's Comments –

Commissioner Choate stated that she enjoyed the meeting.

Commissioner LaRue commented that he and his family live here on the island. His wife was born here in Galveston. He is very excited about what lies ahead for GHA and the City of Galveston. He believes that there is a changing face to public housing, but the speakers that came up to the podium disappointed him a little with their comments because they stole GHA's thunder. We are on the same page with you on many of those comments. No one will ever get everything they want but they will do their best to address the issues at hand.

Commissioner Dennis stated that anyone who has any questions is free to call him and he will research the issue and get back to them.

Councilman Rusty Legg stated that he has worked in the past with Ms. Strain and Mr. Krishnarao and had never met any finer people. He has worked with them through the Galveston County Apartment Association (GCAA), an organization for which he serves on the board of directors. He has a deep understanding of GHA and the GCAA and holds the utmost respect for these individuals. He is a Galvestonian and we will ensure that the line is towed. We all have the same idea and vision, which is “we want a better Galveston”. He shared that with the input he had heard this evening, there is no question that we can assure the public that this will happen; he was pleased to hear the positive comments.

There being no further business, the meeting was adjourned at 5:40 p.m.