

**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 22, 2010 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 Mabasa called the meeting to order at 5:00 p.m. and declared a quorum was present. He further clarified that the meeting was duly posted. The following commissioners were noted present: Arthur Mabasa, Chairperson; Sharon Strain; Suzanne Choate; Raymond Lewis and Juan Gonzalez.

Commissioners Absent: None

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

Chairperson Mabasa announced that Resolution #2419 would be deferred and stated that the Board would not go into Executive Session.

Chairperson Mabasa noted that the previous Vice-Chair was term limited out of the Commissioner's office and that he was opening nominations for the Vice-Chair. Commissioner Gonzalez nominated Commissioner Strain, and Commissioner Choate seconded the motion. There were no other nominations and the following vote was recorded:

Ayes: Mabasa; Choate; Lewis; Gonzalez
Nays: None Abstentions: 1 Absences: None
The motion carried 4-0.

The Board congratulated Vice-Chair Strain for her new appointment.

Approval of minutes for previous meeting of January 25, 2010 – Commissioner Lewis moved for approval, and Commissioner Choate seconded the motion. The following vote was recorded:

Ayes: Mabasa; Choate; Lewis; Gonzalez; and Strain
Nays: None Abstentions: None Absences: None
The motion carried 5-0.

Financial statements as of January 31, 2010 – Mr. Bruney, Finance Director, reported the following:

- a. Central Office Cost Center (COCC) - The total revenue year-to-date is \$1,524,385 and total operating expense is \$1,166,581. This leaves a residual from operations of \$357,804. Statement of Net Assets is: Total Assets of \$2,350,552 and Total Liabilities and Net Assets of \$2,350,553.
- b. AMP #1 – Oleander Homes/Palm Terrace – The total revenue year-to-date is \$775,380 and total operating expense is \$129,777. This leaves a residual of \$645,603. Statement of Net Assets is: Total Assets of \$9,474,475 and Total Liabilities and Net Assets of \$9,474,475.
- c. AMP #2 – Gulf Breeze/Holland House - The total revenue year-to-date is \$1,019,919 and total operating expense is \$912,088. This leaves a residual of \$107,832 minus the Asset Management Fee of \$24,990 with Cash Flow from Operations \$82,842. Statement of Net Assets is: Total Assets of \$9,011,951 and Total Liabilities and Net Assets of \$9,011,951.
- d. AMP #3 – Magnolia Homes/Cedar Terrace/Scattered Sites - The total revenue year-to-date is \$673,619 and total operating expense is \$345,451. This leaves a residual of \$328,168 minus the Asset Management Fee of \$2,450 with Cash Flow from Operations \$325,718. Statement of Net Assets is: Total Assets of \$12,971,655 and Total Liabilities and Net Assets of \$12,971,655.
- e. Section 8 – The total operating revenue year-to-date is \$6,909,546 and the total operating expense year-to-date is \$7,047,977, leaving a deficit of \$138,430. Statement of Net Assets is: Total Assets of \$2,585,525 and Total Liabilities and Net Assets of \$2,585,525.
- f. ICC - The total operating revenue year-to-date is \$512,436 and the total operating expense year-to-date is \$339,664. This leaves a residual of \$172,772. Statement of Net Assets is: Total Assets of \$2,239,019 and Total Liabilities and Net Assets of \$2,239,019.
- g. DHAP – Katrina/Rita - The total revenue year-to-date is \$11,636 and total operating expense is \$28,385, leaving a deficit of \$16,749. Statement of Net Assets is: Total Assets of \$210,125 and Total Liabilities and Net Assets of \$210,125.
- h. DHAP – Ike - The total revenue year-to-date is \$18,005,054 and total operating expense is \$16,846,078. This leaves a residual of \$1,158,976. Statement of Net Assets is: Total Assets of \$13,467,042 and Total Liabilities and Net Assets of \$13,467,042.

Vice-Chair Strain asked if finance would work through some kind of a projection to restrict some of the cash which is currently available. She stated that it is necessary to know how much needs to be held back for the building and how much is to be used for administrative expenses. Mr. Krishnarao stated that this request would be handled.

Mr. Bruney added that he also included the Investment Register and the Collateralization Statement. Vice-Chair Strain expressed her appreciation for this addition. She affirmed that every dollar past a certain amount must be secured with another organization to insure the amount. Mr. Bruney stated that every dollar is covered. Harish Krishnarao affirmed that there is an actual statement documenting that every dollar retained at Moody Bank is backed up at the Federal Reserve Bank in New York.

Vice-Chair Strain inquired if we were still represented by someone from the Resident Services Department at the elections held at the elderly hi-rises. Mr. Hollman responded affirmatively. Vice-Chair Strain stated that although a representative was present, there were still some alleged election problems. Mr. Hollman concurred and added that the issue was investigated with JoAnn Cavazos, Resident Services Coordinator, as well as Gwen Rougely, AMP Supervisor. Vice-Chair Strain stated that the elections held at the elderly hi-rises are very serious. Mr. Krishnarao also added that GHA cannot hold meetings at either Gulf Breeze or Holland House on specific days at certain times because the Community Centers there are reserved for particular activities.

Councilman Woods questioned Mr. Hollman about the complaint process and if there is a neutral party, outside the scope of GHA, which hears complaints. Mona Purgason, Deputy Executive Director, responded that there is a formal grievance procedure and an outside person is contracted to handle such complaints. Ms. Purgason explained that the process is generally started internally and a neutral person within the agency hears the complaint to further investigate. If the complaint warrants further examination, the formal grievance procedure and complaint process is utilized. Councilman Woods then inquired as to whether all complainants know about the complaint process. Ms. Purgason assured him that all parties are made aware of the policies and procedures as well as their rights.

- c. Planning Commission - Mr. Krishnarao declared that things were happening so quickly that he was having difficulty tracking dates, times, and issues in a chronological order. GHA and some of the commissioners made a presentation to the city's planning commission regarding the development process at the Oleander Homes, Cedar Terrace and Magnolia Homes, which was unanimously approved. He shared that this week, GHA would be going in front of the City Council on Thursday, February 25, 2010, with a workshop and then with an action item on the City Council agenda for these three sites. There is also a request to release the conditions attached to the Community Development Block Grant (CDBG) funding and to authorize the City Manager to execute the sublease agreement with GHA.
- d. DHAP - Mr. Krishnarao reported that last week there was a DHAP meeting in which some HUD headquarters staff came to Galveston from Washington, D.C. There were approximately four (4) people from the Disaster Housing Assistance Program and they conducted the DHAP briefing. There was high participation and it was a successful event. The following day, GHA conducted the Fair Housing Conference, which was also very well attended and Mayor Thomas participated in this conference. It was declared that this was a critical event and that the Regional Director for Fair Housing, Gary Sweeney, was in attendance and made a presentation. Several HUD staff members were present as well as the City of Galveston's Housing Director.
- e. CDBG - Mr. Krishnarao declared that by this Thursday, February 25, 2010, GHA should know about the CDBG funding. There are several meetings scheduled between now and Thursday and the results will be reported back to this Board.

Vice-Chair Strain added that she would like to give personal thanks to Mayor Thomas for having enough interest in what is happening to spend an entire day at the Fair Housing Conference in order to understand what GHA is facing.

Councilman Woods asked if, up to this point, Mr. Krishnarao had any type of concern from the Fair Housing Regional Director, Gary Sweeney. Mr. Krishnarao replied that he did not believe so. He stated again that GHA would be going before the City Council on Thursday, February 25, 2010, for an action item. He stated that because Hurricane Ike put the fair housing needs of the community in the forefront, GHA thought it appropriate to bring in HUD staff members to discuss those fair housing needs. He stated that due to the complexity of the situation, GHA brought in the experts.

Councilman Woods questioned the details of the Thursday meeting. He asked if GHA would be directly asking for the release of the \$25,000,000. Mr. Krishnarao reiterated that Thursday there would be a workshop at 12:00 p.m. at the City Council and then there would be a regular City Council meeting at 4:00 p.m. Mr. Krishnarao stated that GHA representation would attend, including himself.

Commissioners' comments –

- a. Vice-Chair Strain followed up on the fair housing issue by stating that the main thing that Mr. Sweeney tried to convey was that if federal money is received, it is our responsibility to affirmatively further fair housing. That is not a passive role; that is an active role. She believes that there are some important decisions to be made in the community and that Councilman Woods and Mayor Thomas, being on the City Council, have some difficult decisions to make. She addressed them, stating that they are appreciated and that however this turns out, GHA will not give up their struggle to help provide housing for low-to-moderate income people. There are 2,000 people in DHAP, the majority of which used to live in Galveston. They need a place to go and the money will eventually run out. There are 1,000 people on the waiting list that were previously Galveston residents and who now need a place to live. This is the struggle with which we will continue.
- b. Commissioner Choate congratulated Vice-Chair Strain on her new appointment.
- c. Commissioner Gonzalez also congratulated Vice-Chair Strain on her new appointment. He then thanked Commissioner Lewis and Vice-Chair Strain for their consistent meeting attendance for the housing subcommittee. He stated that even though it has been a long road, they were always present with accurate information and it was appreciated. He briefly discussed a book on Galveston about living in alleys that addressed the many families living in alleys. He acknowledged how wonderful it is that GHA is doing some really good things for the City of Galveston and its residents.
- d. Commissioner Lewis referred back to Commissioner Gonzalez's comments and agreed that it has been a long road. He commented on how much the Board and staff have gone through merely since December, 2009. He commended the Board and staff and encouraged them to ignore the naysayers. He believes that GHA is doing the best thing, not only for the residents, but for the City of Galveston. Otherwise, all of the "bullet holes" would be in vain. He affirmed that we are arriving at the culmination of this hard work this Thursday, February 25, 2010 and that our goals will be accomplished.
- e. Councilman Woods invited everyone to attend the City Council Meeting on Thursday. He congratulated Mr. Krishnarao and his staff for the excellent work they have done over the last months and offered his unconditional support.

- f. Vice-Chair Strain applauded some staff members (Mona Purgason, Deyna Sims, and Hilda Sifuentes-Garcia) for their efforts, good attitudes and hard work. Mr. Krishnarao also asked that the rest of the staff be recognized and commended the entire GHA staff for their hard work and dedication.
- g. Chairperson Mabasa thanked Vice-Chair Strain and Commissioner Lewis for all of their efforts and for keeping him constantly informed. He stated a belief that even though there are difficult roads ahead, GHA will accomplish its goals. He thanked the Mayor for her support and attendance at the Board meetings. He thanked all of the citizens for their support and interest in GHA's activities. He then stated that we must always remember our residents. He confirmed that they are GHA's primary obligation and how vital it is for them to know they are not forgotten and will return to this island.

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

(d:minutes022210)