

**Minutes of Special Meeting of The
Housing Authority of the City of Galveston, Texas
Island Community Center – Community Room
4700 Broadway, Galveston, TX 77551
May 23, 2011; 6:00 P.M.**

The Board of Commissioners of the Housing Authority of the City of Galveston, Texas, (GHA) met as stated above. Vice-Chairperson Dennis called the meeting to order at 7:06 p.m. and declared a quorum was present. He further clarified that the meeting was duly posted. The following commissioners were noted present: James Dennis, Vice-Chairperson; Tom LaRue; Betty Massey; and Teresa Banuelos.

Commissioners Absent: Paula Neff, Chair

**Others Present: Robert Bastien
Mona Purgason, Deputy Executive Director**

Public comments with respect to agenda items –

a. Leon Phillips, President of the Galveston County Coalition for Justice, stated that at a recent city council meeting there was a discussion regarding hard money and soft money and GHA. There seems to be this hold-up with the rebuilding of public housing. GHA has \$11.0 million and the City of Galveston has promised \$25 million. The \$25 million cannot be used for soft things, and GHA's money can only be used for brick and mortar. However, the \$11.0 million does not have any stipulations. He then asked as to what is the truth.

Vice-Chair Dennis responded that the \$11.0 million is restricted to the four footprints.

Mr. Phillips stated that was exactly what he was talking about and asked if it does not have a stipulation in GHA hiring an architect in "getting the ball rolling". There seems to be problems with Magnolia Homes; there seems to be indecisions about Oleander Homes; however, no one is talking about Cedar Terrace. He asked as to why they could not start there. The board is talking about dealing with scattered sites, and the most they would be able to put into scattered sites is four complexes. That means the housing authority can bring four families back home. If the board deals with Cedar Terrace, he believes the figure the housing authority had was 120 something units at Cedar Terrace, which means they can bring that many families back home. His point is, is that the board needs proceed with something at Cedar Terrace as people in the community opposed to public housing are definitely saying they do not want the residents back in Galveston. The more and more people talk about this, the more comfortable they will become with the current situation. The majority of the former residents want to come back to their homes in Galveston.

Commissioner LaRue responded that it is true that the city has tied the \$25 million for hard costs only. It is his understanding that in regard to the \$11 million, the board is asking HUD's approval to release that money to allow GHA to acquire sites for both scattered sites housing and to pay soft costs to the scattered sites and the mixed income housing. The mixed income housing involves hiring a master developer, which is in the final stages of being procured. A determination will be made by June 27th, unless the board decides to schedule a special meeting prior to that date. The board has essentially reserved all of the footprints for the master developer to put together a plan for Cedar Terrace, Magnolia Homes and possibly Oleander Homes. Until the master developer is procured and the board sees their concept of how the mixed income should be overlaid on those sites, there is not a great deal that can occur until the background work begins. One of the reasons for the scattered sites is that the construction should commence in this gap of time where the master developer is putting

together plans, approvals, permits, etc. There should be at least some of the first 50 scattered sites units hitting the ground between now and the time that the mixed income units kicks off. On the mixed income, it will be almost a year before infrastructure will be visible. He assured Mr. Phillips that although it may look as though GHA is at a standstill, they have procured contractors, appraisers, both Phase I environmental survey companies and Part 58 Environmental Review, and realtors in order to select sites. There is a tremendous amount of work that has to be done before the first lot can be purchased. The board is looking at every opportunity they can to reduce time.

Mr. Phillips thanked the board and stated he would take the information back to the public. He also asked the board to put some type of article in the newspaper.

b. David Miller, NAACP President, stated he personally spoke with Assistant Secretary of HUD where she stated that the Galveston Housing Authority was one of the few housing programs where the money goes directly to the housing authority. He further stated that the board is trying to get the money for scattered sites, which he believes is not going to happen. He believes it is going to be five to six years from now before they drive any nails in, which is a long time. The situation in Galveston is worse than they all think.

He further asked if the board was going to rescind the Section 3 Policy, since Ms. Beck, Section 3 Coordinator, had just reported some errors during the workshop.

Mr. Miller continued and asked if the housing authority has thought about working with the entity who records all the tax delinquent properties throughout the city, instead of purchasing a property, which could possibly increase the cost of land on the island. He realizes this takes a little bit of thinking. He is not saying the board cannot think, he is just saying they are not thinking.

The board adjourned into executive session at 7:15 and reconvened at 8:14 p.m. Vice-Chair Dennis called for the approval of the minutes for March 16, 2011, April 4, 2011, April 11, 2011, and April 25, 2011. Commissioner Massey moved for approval, and Commissioner Banuelos seconded the motion. The following vote was recorded:

Ayes: Dennis; LaRue; Massey and Banuelos

Nays: None

Abstentions: None

Absences: Neff

The motion carried 4-0.

Financial statements as of March 31, 2011 – Mr. Bruney stated that per Commissioner LaRue’s request, he included a consolidated financial statement with the financial statement, which shows a summary of the operation of the whole agency. The following was reported: The total revenue year-to-date is \$28,402,488, and the total operating expense is \$28,058,299, which leaves a residual of \$344,189. The total assets are \$47,654,430, and the total liabilities and net assets balance is \$47,654,430.

Commissioner LaRue stated he felt this approach was appropriate for the board to go through this information and form any questions they have in regard to line items. He felt that the time is better spent with the question and answer of issues of concern vs. going through the different cost centers one by one.

Of more concern to Commissioner LaRue is the Section 8 program regarding reimbursements for the cost of revenue sharing with the Texas City Housing Authority where they manage some of GHA’s Section 8 tenants. That seems to be responsible for the operating deficit in the Section 8 program; however, he does not know if there is an answer to that issue. He believes that this is something that deserves on-going thought to try to figure out a way to get the Section 8 program where it is supposed to be.

Mr. Bruney stated that the Housing Operations Director is in consultation with the Texas City Housing Authority's CEO.

Resolutions - Approval of

Vice-Chair Dennis asked that the following resolutions be tabled:

#2534 - Amending the Admissions for Continued Occupancy Policy to Include a Record Retention Policy;

#2535 -Amending the Admissions for Continued Occupancy Policy to Include a Repayment Agreement Policy;

#2536 - Amending the Section 8 Administrative Plan to Include a Record Retention Policy; and

#2537 - Amending the Section 8 Administrative Plan to Revise Its Repayment Agreement Policy.

Commissioner Massey moved to table the resolutions until the next board meeting, and Commissioner Banuelos seconded the motion. The following vote was recorded:

Ayes: Lewis; LaRue; Massey and Banuelos

Nays: None

Abstentions: None

Absences: Neff

The motion carried 4-0.

e. **#2538 – Entering Into a Contract With Tolunay Wong Engineers, Inc., to Conduct Environmental Reviews for Developments Under GHA's Rebuilding Plan – Samson Babalola, Assistant Development Coordinator, reported that initially the fees were at \$6,000 for a broad review and \$6,000 for a site specific review. Staff was able to re-negotiate with this firm, and the fees were negotiated to \$6,000 for a broad review for the 12 census tracts that were being targeted and \$500 for a site specific review. Staff was able to negotiate due to a more detailed scope of service. The consultant originally did not clearly understand what GHA's requirements were, but agreed to a reasonable cost for the environmental services after information was given. The board congratulated him and thanked the staff for a good job.**

Commissioner Massey moved for approval, and Commissioner Banuelos seconded the motion. The following vote was recorded:

Ayes: Dennis; LaRue; Massey and Banuelos

Nays: None

Abstentions: None

Absences: Neff

The motion carried 4-0.

f. **#2539 – Entering Into a Contract With Sullivan Land Services and DSW Homes for Scattered Site Development of Up to 247 Units of Public Housing – Commissioner Massey made a motion to table this resolution as there was no contract with the resolution and no dollar amount, and Commissioner LaRue seconded the motion. The following vote was recorded:**

Ayes: Dennis; LaRue; Massey and Banuelos

Nays: None

Abstentions: None

Absences: Neff

The motion carried 4-0.

g. **#2540 – To Settle Payment Dispute With The Jesse Tree for Services Provided to DHAP Tenants – In order to keep community partnerships, Vice-Chair Dennis suggested to settle for one half the amount of the Jesse Tree's invoice and GHA's amount.**

Commissioner Massey made a motion to adopt this resolution as written with the exception that the last paragraph reflects the amount of \$32,953.38, and Commissioner LaRue seconded the motion.

Commissioner LaRue asked Ms. Bentz's opinion if she expected GHA's total rent subsidies that GHA currently pays to be more or less than the small market rents. Ms. Bentz stated that what GHA expects to happen is that it probably will not change all that much at once; however, GHA expects for the high poverty areas to fall and the low poverty areas to increase over time.

Commissioner LaRue moved for approval, and Commissioner Massey seconded the motion. The following vote was recorded:

Ayes: Dennis; LaRue; Massey and Banuelos

Nays: None

Abstentions: None

Absences: Neff

The motion carried 4-0.

Public comments –

a. Joe Compian thanked the board on behalf of The Jesse Tree in facilitating the invoice as it will help to continue their services. He also thanked the staff for all their assistance. In June, the Interfaith group will attend the board meeting of the Texas Department of Housing and Community Affairs in Austin regarding the \$25 million that they additionally supported for the city. He wanted to make sure that GHA's board understands that there is local community support for the allocation and the approval of that particular \$25 million.

Commissioner's comments –

a. Commissioner Massey asked that staff prepare a detailed report as to where GHA is regarding the rebuilding process and submit to Chairperson Paula Neff. After her review, it can be forwarded to city council members.

b. Commissioner LaRue expressed his appreciation for the staff's additional time in this lengthy meeting as well as the community at large.

The board adjourned into executive session; no action was taken. There being no further business, the meeting was adjourned at 8:40 p.m.