

Minutes of Meeting of
The Housing Authority of the City of Galveston, Texas
Island Community Center – Community Room
4700 Broadway, Galveston, TX 77551
February 25, 2019 – 9:00 a.m.

The Board of Commissioners of the Housing Authority of the City of Galveston, Texas (GHA) met as stated above. Chairman Melvin Williams called the meeting to order at 9:00 a.m. and declared a quorum was present. He further clarified that the meeting was duly posted. The following commissioners were noted present: Chairman Melvin Williams; Vice-Chairman J.T. Edwards; and Raymond Turner.

Commissioners Absent: Ansell, Garrison

Others Present: Mona Purgason, Executive Director
Carla Cotropia, Legal Counsel

Approval of Minutes of Previous Meetings

The approval of the minutes of the January 28, 2019 meeting was deferred.

Presentation of GHA FY2018 Audit

Brian Nemeroff of Berman Hopkins Wright & LaHam presented the draft of the Independent Auditor's Report for GHA's Fiscal Year ending June 30, 2018.

He stated the Housing Authority is a government agency for financial reporting standards, and in addition, HUD rules and regulations, which are programmatic, come into play. He further stated GHA is audited on multiple levels: normal audit, yellow book audit (Government standards), and controls and compliance. In addition the specific grants are audited (GLO, HCV, and public housing). The auditor issued an unmodified opinion. During this audit there was a finding related to tenant files. There were some exceptions in the recertification process. This was communicated to GHA at the time of the finding, and GHA wrote a corrective action plan and implemented procedures. Mr. Nemeroff stated caseload and funding comes into play with mistakes such as these, and that they are common among Housing authorities. Ms. Purgason stated that the tenant files will continue to be checked by Quality Control and staff will complete refresher training on the issues.

Mr. Nemeroff stated he has a call into HUD to get clarification on one point: the way the audits are being presented it makes the topside numbers in the net position look distorted, because GHA received the GLO grant and made a loan to the properties (Cedars and Villas), and they want to make sure it is being presented properly.

He further stated there was no difficulty in dealing with GHA management, and there were no disagreements with management.

Mr. Nemeroff explained that there is a payable due to HUD from a previous situation in which certain funding for HCV was in two categories: administrative funding, and Housing Assistance

Payments. The money for HAP is restricted, but the administrative funding is unrestricted by government accounting standards. Administrative funding can go to training, salaries, etc. for the staff. However HUD still limits it for HCV. HAP cannot be used for administration. Prior to 2003, the administrative fees could be used for other things, but HUD came in and reset the equity position and revenue recognition. Therefore there is a payable due back to the HCV program. He stated GHA is not the only Housing Authority with this same issue.

Financial Statements

Arvle Dunn, Finance Director, reported the following for January, 2019:

Total Operating Revenue:	\$ 11,959,454
Total Operating Expense:	\$ 11,620,650
Residual:	\$ 338,804
Total Liabilities & Net Assets:	\$109,235,879

Discussion Items/Resolutions

Development and Scattered Sites Update

Deyna Sims, Development Director, reported that 62 of the GLO-developed scattered sites were complete and occupied, and that according to the GLO, construction of the remaining units was expected to be complete by summer 2019.

Ms. Sims further reported there were two market rate and four subsidized vacancies at The Cedars at Carver Park, and two market rate vacancies at the Villas on the Strand.

Human Capital Update

Alex Stephens of Urban Strategies reported the Opportunity and Enrichment program at The Cedars and The Villas was serving 135 families (364 individuals), and that 73% of residents able to work are employed. He stated average monthly income among working residents is \$1,800, with an average hourly rate of \$10.50. He further stated four residents are currently enrolled in Galveston College.

Secretary's Report

Odelia Williams reported that Resident Services had organized a music program for Black History Month, and that there had been many social service referrals during the beginning of 2019.

Ms. Purgason reported that GHA's Public Housing developments were 99% occupied, and there was a 100% monthly lease-up rate in the Housing Choice Voucher Program. She further stated there was still a high number of ports to Texas City and that there were 242 remaining DV-IKE vouchers being administered by GHA.

The Board meeting was adjourned at 9:59 a.m.