

Minutes of Meeting of
The Housing Authority of the City of Galveston, Texas
(Closed to Public – Electronic/Telephonic Meeting)
4700 Broadway, Galveston, TX 77551
October 26, 2020 – 8:30 a.m.

The Board of Commissioners of the Housing Authority of the City of Galveston, Texas (GHA) met as stated above. Vice-Chair Betty Massey called the meeting to order at 8:31 a.m. and declared a quorum was present. She further clarified that the meeting was duly posted. The following commissioners were noted present: Chairman William Ansell; Vice-Chair Massey; Raymond Turner; Greg Garrison; and Angela Brown.

Commissioners Absent: None

Others Present: Mona Purgason, Executive Director
Robert Booth, Legal Counsel
Toni Jackson, Development Legal Counsel

Approval of Minutes of Previous Meetings

Commissioner Turner moved approval of the minutes of the September 28, 2020 meeting. Commissioner Brown seconded. The motion was approved unanimously.

Financial Statements

Arvle Dunn, Finance Director, reported the following for September, 2020:

Total Operating Revenue:	\$ 6,148,607
Total Operating Expense:	\$ 5,359,157
Net Income:	\$ 789,450
Total Liabilities & Net Assets:	\$ 96,537,019

Discussion/Action Items - Resolutions

Development Update

Lou Bernardy with MBS stated the project architects and engineers were continuing work on construction documents which would be submitted for review by the end of the week and would be at a 75% completion level. He stated the tax credit application was under review by TDHCA. He further stated environmental review work was underway.

Discussion/Explanation of Rental Assistance Demonstration (RAD) Program – Vice-Chair Massey stated this was about converting the public housing units at Villas, Cedars, and ultimately Oleander into Rental Assistance Demonstration (RAD) program units. She stated the bottom line is it is no different for the tenants; they do not have to change units

and their rent will not change, but they will have to sign a different type of lease. She further stated the funding source is more stable and there is a dedicated capital, maintenance, and repair component.

Scott Jepsen, Development Technical Consultant, stated HUD created the RAD program in order to provide more stable funding revenue rather than the public housing subsidy program. It was created around 2012, and it is revenue neutral from the Federal appropriations perspective, as it takes the public housing subsidy and converts it to a Section 8 subsidy, which is based on the existing subsidy and capital funds that go to that development. It is not a Section 8 voucher that pays at fair market rent like the rest of the Section 8 program, but it pays subsidy directly to the project based on what it is currently receiving. Currently the public housing subsidy appropriation is at a very high amount. In the past, public housing subsidy has been as low as 75 cents on the dollar, so that if it cost \$1.00 to operate, only 75 cents was being appropriated. That is one of the reasons public housing is in the shape it is in today, because Congress has traditionally underfunded it. In addition to receiving subsidies at the current higher levels, the subsidies will be automatically adjusted for an inflationary increase each year. RAD subsidy goes directly to the project, so there is no pass-through the Housing Authority. There are already a number of Project Based units at Cedars and Villas, so the RAD lease would be similar to those leases. The reason for Cedars and Villas to convert to RAD is so that Oleander can be converted to RAD one to two years after it is complete, as HUD wants to see the developments are part of a portfolio on the application.

There will be two resident meetings for residents of the Cedars and Villas to inform about the conversion on November 17 and 19, 2020.

Resolution 2892 – Approval to Negotiate a Contract with a CDBG-DR Grant

Administrator Subject to HUD Approval – Deyna Sims, Director of Development, stated the Resolution was to approve negotiating a contract with GrantWorks, a well-respected grant management firm with experience under the CDBG-DR program, that had worked with GHA on the Villas, Cedars, and the GLO scattered sites program. HUD's approval of the procurement was sought as only one proposal was received on the RFP. Grant managers ensure that a grant recipient is expending and documenting expenses appropriately, that construction contractors and employees are being paid correctly, and that entities are prepared for HUD and GLO audits.

Commissioner Turner moved approval of the Resolution and Chairman Ansell seconded. The Resolution was approved unanimously.

November and December Board Meeting Schedule – Ms. Purgason stated the November Board meeting falls directly after the Thanksgiving Holiday, and Board members considered dates the week of November 30, but later in the week. Wednesday December 2 at 9:00 a.m. was decided upon as the November Board meeting date. Ms. Purgason stated there may need to be a mid-December Board meeting as well.

The Board adjourned into Executive Session at 9:04 a.m. and reconvened the Open Meeting at 10:05 a.m. Commissioners Garrison and Brown did not return for the remainder of the open meeting due to scheduling conflicts.

Secretary's Report

Ms. Purgason stated public housing was leased up at 97% and HCV at 100% Year to Date. She stated there were 153 port outs, primarily to Texas City. She further stated there had been additional issues with the front elevator at Holland House that were being addressed. She stated Holiday parties/gatherings would be re-imagined to serve residents while meeting CDC requirements. She stated the Island Community Center building was still closed to the public though each organization was meeting the needs of their clients by appointment only.

Alex Stephens of Urban Strategies reported there were 132 families being served through GHA's Human Capital Program at the Cedars and Villas. He reported 95% of the families completed the census with the help of two residents who received employment through the program. He stated several classes for children and adults were taking place at the developments.

Ms. Sims stated there were two vacancies in PBV Scattered Sites, the Cedars was 92% occupied (100% in affordable units) and the Villas was 100% occupied in affordable units, 93% overall.

Resolution 2893 – Approval of Selected Investor for The Oleanders at Broadway – Commissioner Turner moved approval of the Resolution and Chairman Ansell seconded. Vice-Chair Massey stated the terms of the deal that would be negotiated with the tax credit investor and construction lender needed to reflect that MBS and GHA are in a partnership, and that the Board would look for a mutually beneficial final document. The Resolution was approved by the three Commissioners present: Ansell, Massey, and Turner.

The Board meeting was adjourned at 10:15 a.m.