

Notice of Meeting

Galveston Island Redevelopment Authority (RDA)

Galveston Housing Finance Corporation (GHFC)

Galveston Property Finance Authority (GPFA)

Tuesday - November 8, 2022 - 10:00 a.m.

City Hall - Room 204

823 Rosenberg, Galveston, Tx

409.797.3510

Agenda

1. Declaration Of A Quorum And Call Meeting To Order
2. Roll Call
3. Conflicts Of Interest
4. Public Comments (Limited To Three Minutes Each)
5. Consider For Approval Minutes Of The September 13, 2022 And October 11, 2022 Meetings

Documents:

[DRAFT MINUTES - SEPT 13 2022.PDF](#)

[RDA-GHFC-GPFA - DRAFT MINUTES - OCT 11 2022.PDF](#)

6. Discussion, Consideration And Possible Action Regarding Revisions To The RDA Certificate Of Formation

Documents:

[RDA COF.TPFREVISIONS.DOCX](#)

7. Discussion, Consideration And Possible Action Regarding Revisions To The GHFC Certificate Of Formation

Documents:

[GHFC RESTATED COF.DOCX](#)

8. Discuss And Consider Treasurer's Report (C. Robb)
9. Discuss And Consider Approval Of Invoices

- a. TIRZ 13
- b. RDA
- c. GHFC/GPFA

Documents:

[CGFA-GHCF. SEPTEMBER 2022.BILLING STATEMENTS.PDF](#)

10. Real Estate Committee (J. Lightfoot/M. McCutcheon)

- a. Receive an update and discuss available properties
- b. Appoint Additional Members To The Real Estate Committee

11. Discuss And Receive Update Regarding Program Development And Procedures For Property Acquisition (R. Bastein)

- a. Discuss and Consider Adopting Procedures for Property Acquisition and authorize officers to bid on property being foreclosed upon for taxes if Program is approved by Council.

Documents:

[PROPOSED PURCHASE PROGRAM.DOCX](#)

12. Future Agenda Items

13. Adjourn

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on November 4, 2022 at 3:30 P.M.

Janelle Williams

Janelle Williams, City Secretary

*City Council Members may be attending and participating in the discussions

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).

Galveston Island Redevelopment Authority (RDA)
Galveston Housing Finance Corporation (GHFC)
Galveston Property Finance Authority (GPFA)
Regular Meeting - September 13, 2022

9/13/2022 - Minutes

1. Declaration Of A Quorum And Call Meeting To Order

Chairperson Patricia Bolton-Legg declared a quorum and called the meeting to order at 10:01 a.m.

2. Roll Call

Present: Patricia Bolton-Legg, Maureen McCutchen, Mark McKenna, Chris Robb, and John Lightfoot.

Absent: Leon Phillips and Sam Dell'Olio.

3. Conflicts Of Interest

None.

4. Public Comments (Limited To Three Minutes Each)

None.

5. Consider For Approval Minutes Of The June 7, 2022 Meeting

Patricia Bolton-Legg made a motion to defer, with Chris Robb seconding the motion. Unanimously approved by those present.

6. Discuss And Consider Hiring A Bookkeeper For Galveston Housing Finance Corp/Galveston Property Finance Authority (P. Bolton-Legg)

Patricia Bolton made a motion to hire Edward Walsh and Associates, with Chris Robb seconding the motion. Unanimously approved by those present.

7. Discussion Items To Determine Plan Of Work

a. Draft Property Inquiry Letters (R. Bastien) - **Mr. Bastien provided some sample letters that went out under his signature in the past.**

Housekeeping matters - Mr. Bastien sent a letter to Doug Rogers of the Sealy Smith Foundation regarding the property on Central City Boulevard. Their board will meet on the 21st of September and he will bring up the letter at that time to find out if they are now considering that property surplus and might be willing to work with us on developing the property. He will also ask Mr. Rogers about other surplus properties held by the Sealy Smith Foundation.

Mr. Bastien needs to file a periodic report with the Secretary of State's Office for both entities GHFC and GPFA which is due every four years. He also needs to file the annual report for the

GHFC.

Patricia Bolton-Legg requested the status of the property in the 1900 block of 27th Street.

8. Discuss And Consider Approval Of Invoices

- a. TIRZ 13
- b. RDA
- c. GHFC/GPFA

GHFC/GPFA - Chris Robb made a motion to approve GHFC invoices from Robert Bastien in the amount of \$940.000, and GPFA invoices from Robert Bastien in the amount of \$940.000, with John Lightfoot seconding the motion. Unanimously approved by those present.

9. Discuss And Consider Treasurer's Report/Bank Statements (C. Robb)

Chris Robb reported that the GPFA has the same amount of money as last month. The board discussed moving to set up a line of credit in order to be ready for quick closings.

10. Real Estate Committee (J. Lightfoot/M. McCutcheon)

John Lightfoot provided an active report of properties currently on the market which includes three new viable properties. He would like the board to consider going after five properties on the list. Patricia Bolton-Legg reported that a gentleman that owns two properties across from Sandpiper Cove contacted him about wanting to sell the properties. She will get his contact information to Mr. Lightfoot for review.

11. Future Agenda Items

Patricia Bolton-Legg - city owned properties (next meeting), and request GISD to come to a future meeting to discuss surplus properties.

Chris Robb - expansion of Beachside Village expansion for the RDA.

12. Adjournment

The meeting was adjourned at 10:40 a.m.

DRAFT
GALVESTON ISLAND REDEVELOPMENT AUTHORITY
GALVESTON HOUSING FINANCE CORPORATION
GALVESTON PROPERTY FINANCE AUTHORITY
MINUTES – OCTOBER 11, 2022

1. Declaration of Quorum and Call Meeting to Order
Chairperson Patricia Bolton-Legg declared a quorum and called the meeting to order at 10:03 a.m.
2. Roll Call
Present: Patricia Bolton-Legg, John Lightfoot, Mark McKenna, Maureen McCutchen, Chris Robb, and Sam Dell'Olio.

Absent: Leon Phillips.
3. Conflicts of Interest
None.
4. Public Comments (limited to three minutes each)
None.
5. Consider for Approval Minutes of the June 7, 2022 Meeting
Chris Robb made a motion to approve minutes of the June 7, 2022 meeting, with John Lightfoot seconding the motion. Unanimously approved by those present.
6. Discuss and consider Treasurer's Report (C. Robb)
Chris Robb reported that the GPFA has the same amount of money as last month. He brought financial documents that will be delivered to the board's new accountant Eddie Walsh.
7. Discuss and consider payment of Invoices
 - a) TIRZ 13
 - b) RDA – **Chris Robb made a motion to approve payments to HAM for the RDA, with Patricia Bolton-Legg seconding the motion. Unanimously approved by those present.**
 - c) GHFC/GPFA – **Chris Robb made a motion to approve \$130.00 to Robert Bastien, with John Lightfoot seconding the motion. Unanimously approved by those present.**
Chris Robb reported that there are some checks that need to be signed for previously approved items, and the statutory payments for the TIRZ and PID's will be coming up for payment.
8. Real Estate Committee (J. Lightfoot/M. McCutchen)
 - a) Receive an update and discuss available properties – **Michele Hay provided information on the median household income.**

John Lightfoot discussed with the board the current foreclosed property list from Linebarger. He reported that the online process is very competitive and he is not sure how the board could be ready to purchase properties. Robert Bastien provided information on how the process

worked previously, and there is no competitive advantage with the new online process. Patricia Bolton-Legg suggested contacting Mark Ciavaglia to get a better understanding of the process. The board discussed the possibility of purchasing properties on 32nd and 35th Streets, two lots in Bay Bridge Estates, 3011 Avenue M, and a lot on 40th Street. Robert Bastien suggested that two people could be given prior authorization to purchase properties but would need prior authorization from Council. The board directed Robert Bastien to work on the document for City Council approval.

Robert Bastien provided an update on the Central City Boulevard property. Per Sealy Smith, UTMB is going to hold onto the property at this time. Maureen McCutchen will reach out to her contact at UTMB directly.

Robert Bastien reported that he filed the annual and periodic reports.

9. Future Agenda Items

Michele Hay reported that GISD will be here next month. Chris Robb will talk to the Sullivans to see if they are interested in providing information on what the current cost would be for houses they previously built. Patricia Bolton-Legg requested information on the median income level. John Lightfoot requested that Pastor Josh Dorrell come back to a future meeting. Robert Bastien will continue to flush out the document for Council. Trevor Fanning will provide an update on the restated certificate of formation.

10. Adjourn

The meeting was adjourned at 11:00 a.m.

**RESTATED CERTIFICATE OF FORMATION
OF
GALVESTON ISLAND REDEVELOPMENT AUTHORITY**

The Articles of Incorporation (the “Articles”) of the Galveston Island Development Authority (the Authority) were initially adopted and filed with the Texas Secretary of State on October 7, 2002 by the incorporators, all qualified electors of the City of Galveston, acting as incorporators of a corporation under Subchapter D of Chapter 431, Texas Transportation Code and Chapter 394, Texas Local Government Code, (the “Act”), with the approval of the City Council of the City of Galveston, Texas (the “City Council”).

With approval of the City Council by ordinance, the Articles, now referred to as the Certificate of Formation, were restated with amendments; each new amendment conforms to the requirements of the Act. The following Restated Certificate of Formation, accurately states the text of the Certificate of Formation being restated and each amendment to the Certificate of Formation being restated that is in effect, and as further amended by the Restated Certificate of Formation. The Restated Certificate of Formation does not contain any other change in the Certificate of Formation being restated except for the information permitted to be omitted by the provisions of the Act. This Restated Certificate of Formation becomes effective when the document is filed with the Texas Secretary of State.

ARTICLE I

The name of the corporation is GALVESTON ISLAND REDEVELOPMENT AUTHORITY (the “Authority”).

ARTICLE II

The Authority is a public non-profit corporation.

ARTICLE III

The period of duration of the Authority shall be perpetual.

ARTICLE IV

The Authority is organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). The Authority is organized for the purpose: of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the following areas: (i) Reinvestment Zone Number Thirteen, City of Galveston, Texas (“TIRZ 13”), (ii) any other tax increment reinvestment zones created in the future by the City pursuant to Chapter 311 of the Texas Tax Code (collectively, the “Zones”) and neighboring areas, and as the boundaries of the Zones may be amended from time to time (the “TIRZ Area”), (iii) any area where a project is to be wholly or partially funded by federal grant funds, (iv) any areas designated as a state or federal enterprise or empowerment zone, (v) any areas designated as special district or economic development district created by or consented to by the City pursuant to Texas law, and (vi) any area so designated by the City

Council of the City and the Authority that is determined to be consistent with this Article IV (collectively, items (iii)-(vi), (“Economic Development Areas”); to promote, develop, encourage and maintain housing, employment, commerce, transportation and economic development in the City; to administer, manage and supervise economic development vehicles and tools, including land banks and City approved 380 agreements, implemented by or on behalf of the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Zones:

(a) in the implementation of the Project Plans and the Reinvestment Zone Financing Plans for the Zones and the preparation and implementation of amendments thereto;

(b) in the development of policies to finance development of residential, commercial, transportation and public properties in the TIRZ Area and Economic Development Areas;

(c) in the development and implementation of development policies for the TIRZ Area and Economic Development Areas, including the acquisition of land for development purposes; and

(d) in the development, construction, acquisition, maintenance and administration of any other project in the TIRZ Area or Economic Development Area.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions or other entities the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Texas Business Organizations Code Ch. 22 Non-Profit Corporations.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE V

The Authority shall have no members and shall have no stock.

ARTICLE VI

All powers of the Authority shall be vested in a Board consisting of seven (7) persons that shall serve two (2) year terms. Additional persons may be added to the Board in accordance with the provisions of the Bylaws. The current directors of the Authority (“Director” or “Directors”) are persons named in Article VIII. Subsequent Directors shall be appointed by position to the Board by the City Council. Any Director may be removed from office at any time, with or without cause, by the Mayor and City Council. At least one Director shall have experience in finance, and at least one Director shall have experience in construction.

The City Council shall designate each President of the Board.

If any of the following persons is not serving as a member of the Board, he or she shall serve as ex-officio, non-voting member of the Board:

- (1) City Manager;
- (2) Director of the City Department of Public Works and Municipal Utilities;
- (3) City Attorney;
- (4) Director of the City Planning and Development Department;
- (5) Director of Galveston Economic Development Partnership;
- (6) City Finance Director;
- (7) The Chairpersons of the Boards of Directors of the Zones; and
- (8) A member from the City Finance and Fiscal Affairs Committee.

In addition, the Board of Directors of the Authority may designate one or more representatives of Galveston County, Galveston College, Galveston County Navigation District No. 1, or other political subdivisions as ex officio, non-voting members of the Board of Directors.

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas.

ARTICLE VII

The Authority’s registered agent is Donald Glywasky, City Attorney, City of Galveston, Texas. The registered address of the Authority is 823 Rosenberg, Galveston, Texas 77554. The registered agent has consented to the appointment in writing pursuant to Section 5.201(b) of the

Texas Business Organizations Code. The written consent shall be maintained in the Authority's records.

ARTICLE VIII

The names and addresses of the seven (7) current Directors, each of whom resides within the City, are:

<u>POS. NO</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Maureen McCutchen	2925 Beluche Dr., Galveston, Texas
2	Mark McKenna	22109 Matagorda Dr., Galveston, Texas
3	Sam Dell'Olio	5 Gentry Lane, Galveston, Texas
4	Leon Phillips	1212 38 th Street, Galveston, Texas
5	Patricia Bolton-Legg	1927 Broadway, Galveston, Texas
6	Christopher Robb	47 Pirates Beach W, Galveston, Texas
7	John Lightfoot	4103 Courageous Ln, Galveston, Texas

ARTICLE IX

Ordinance No. 02071 approving the original Articles of Incorporation was adopted by the City Council of the City on August 22, 2002; Ordinance No. 06-055 approving the form of this Restated Certificate of Formation was adopted on June 26, 2006. Ordinance No. _____ approving this Restated Certificate of Formation was passed by City Council on _____, 2022.

ARTICLE X

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

ARTICLE XI

In accordance with the provisions of Section 501(c)(3) of the Code, and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority: (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes); (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. No part of the Authority's income shall inure to the benefit of any private interests.

If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394.026 of Texas Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Authority, all assets will be turned over to the City for deposit, as appropriate, in the Tax Increment Funds for the Zones, unless the City Council shall otherwise direct.

If required by the City, any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the Director of the Department of Public Works and Municipal Utilities of the City or his designee.

ARTICLE XII

If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE XIII

The City Council may at any time consider and approve an ordinance directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law. The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

ARTICLE XIV

(1) This Restated Certificate of Formation (“Restatement”) is submitted for filing pursuant to Sections 3.057-3.063 and 22.107-22.109 of the Texas Business Organizations Code. This Restatement accurately copies the Restated and Amended Articles of Incorporation of the Galveston Island Redevelopment Authority (the “Authority”) that was filed with the Texas Secretary of State on July 25, 2008, under file number 800133231, as further amended by this Restatement. The Restated and Amended Articles of Incorporation is amended by the Restatement in accordance with the provisions of the Texas Business Organizations Code. These Articles may not be changed or amended unless approved by the City Council of the City.

(2) Each of the amendments contained in this Restated Certificate of Formation has been affected in accordance with the requirements of the Texas Business Organizations Code and the Authority’s governing documents.

The amendments specifically contained in this Restated Certificate of Formation are:

- a) Article IV is amended to provide that the Authority may include land banks and city approved agreements authorized under Tex. Loc. Gov’t Code Ch. 380 (“380 agreements”).
- b) Article VI is amended to expand the Board from five members to seven members with a two (2) year term;
- c) Article VII has been changed to designate a new registered agent;
- d) Article VIII has been changed to list the current Board of Directors;
- e) Article IX, which listed the names of the original incorporators of the Authority, has been deleted and subsequently the Articles renumbered;
- f) Renumbered Article IX has been changed to include a reference to the approval of the City Council of the City of Galveston, Texas, to these changes; and
- g) References to the position of “Chairman” in Articles VI and VIII has been changed to the title of “President” in conformity with Tex. Loc. Gov’t Code 394.016(d).
- h) In accordance with Tex. Bus. Org. Code 3.059(d) the restated certificate of formation accurately states the text of the certificate of formation being restated

and each amendment to the certificate of formation being restated; such amendments are set forth in Art. XIV (2)(a-g).

(3) This Restated Certificate of Formation becomes effective upon filing with the Texas Secretary of State.

ARTICLE XV

On _____, the Board of Directors met in open session and adopted this Restated Certificate of Formation by majority vote.

IN VERIFICATION WHEREOF, I have hereunto set my hand this ____ day of _____, 2022.

VERIFIED:

Presiding Officer (President)
Galveston Housing Finance Corporation
Patricia Bolton-Legg

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____day of _____, 2022.

Notary Public in and for
The State of Texas

ARTICLE XVI

On _____, the City Council duly adopted a resolution approving the form of this Restated Certificate of Formation and authorizing the Corporation to act in its behalf to further the public purpose stated herein.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of _____, 2022.

VERIFIED:

Presiding Officer (Mayor)
City Council of the City of Galveston
Mayor Craig Brown

ATTEST:

City Secretary
Janelle Williams

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2022.

Notary Public in and for
The State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of
_____, 2022.

Notary Public in and for
The State of Texas

RESTATED CERTIFICATE OF FORMATION
OF
GALVESTON HOUSING FINANCE CORPORATION

The Articles of Incorporation (the “Articles”) of the Galveston Housing Finance Corporation (the Corporation) were initially adopted and filed with the Texas Secretary of State on December 27, 1979 by the incorporators, all qualified electors of the City of Galveston, acting as incorporators of a corporation under the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, (the “Act”), with the approval of the City Council of the City of Galveston, Texas (the “City Council”).

With approval of the City Council by resolution, the Articles, now referred to as the Certificate of Formation, were restated with amendments; each new amendment conforms to the requirements of the Act. The following Restated Certificate of Formation, accurately states the text of the Certificate of Formation being restated and each amendment to the Certificate of Formation being restated that is in effect, and as further amended by the Restated Certificate of Formation. The Restated Certificate of Formation does not contain any other change in the Certificate of Formation being restated except for the information permitted to be omitted by the provisions of the Act. This Restated Certificate of Formation becomes effective when the document is filed with the Texas Secretary of State.

ARTICLE I

The name of the corporation is GALVESTON HOUSING FINANCE CORPORATION.

ARTICLE II

The Corporation is a public nonprofit corporation.

ARTICLE III

The duration of the Corporation shall be perpetual.

ARTICLE IV

The Corporation is organized solely to carry out the purposes of the Texas Housing Finance Corporations Act.

ARTICLE V

The Corporation shall have no members and shall have no stock.

ARTICLE VI

A. The Corporation shall have and possess all powers enumerated in the Texas Housing Finance Corporations Act, including the powers specified in subsections 394.31 through 394.42 relating to the making and acquiring of home mortgages and the making of loans to lending institutions for the purpose of making home mortgages.

B. All powers of the Corporation shall be vested in a Board of Directors, consisting of seven (7) persons, each of whom shall be appointed by written resolution of the City Council, and each of whom shall be a resident of the City of Galveston, Texas. A change in the number of directors shall be made only by amendment to this Certificate of Formation. Each director named shall hold office for a term of two (2) years or until his or her successor shall have been appointed and shall have qualified. Notwithstanding the foregoing, any director may be removed from office at any time, with or without cause, by written resolution of the City Council. The City Council shall appoint the President of the Board. All other officers of the Board shall be appointed by the Board. All officers, including the President shall serve one-year terms as officers.

C. The Certificate of Formation may be amended at any time and from time to time by the Board of Directors with the approval of the City Council, or by written resolution of the City Council, in its sole discretion, subject, however, to limitations on the impairment of contracts entered into by the Corporation, all under and in accordance with the Texas Housing Finance Corporations Act.

D. All other matters pertaining to the internal affairs of the Corporation shall be governed by the bylaws of the Corporation so long as such bylaws are not inconsistent with the Certification of Formation, or any other law of the State of Texas. The bylaws of the Corporation and any amendments thereto shall be subject to approval by written resolution of the City Council.

ARTICLE VII

The street address of the registered office of the Corporation, which is identical to the business office address of the registered agent in Texas, is 823 Rosenberg, Galveston, Texas 77550, and the name of its registered agent at such address is Brian Maxwell. The registered agent has consented to the appointment in writing pursuant to Section 5.201(b) of the Texas Business Organizations Code. The written consent shall be maintained in the Corporation's records.

ARTICLE VIII

The number of directors constituting the initial Board of Directors of the Corporation is seven (7). The names and addresses of the current members of the Board of Directors, each of whom resides within the City of Galveston, Texas, are:

<u>NAME</u>	<u>TERM</u>	<u>ADDRESS</u>
Patricia Bolton-Legg	Two (2) Years	1927 Broadway, Galveston, TX
John Manlove	Two (2) Years	1904 Avenue M, Galveston, TX
Kyle Albright	Two (2) Years	1428 Ball Street, Galveston, TX
Lisa Blair TX	Two (2) Years	3107 Cove View Blvd Galveston, TX
Leon Phillips	Two (2) Years	1212 38 th Street, Galveston, TX
Christopher Robb	Two (2) Years	47 Pirates Beach W Galveston, TX
John Lightfoot	Two (2) Years	4103 Courageous Ln, Galveston, TX

ARTICLE IX

On _____, the Board of Directors met in open session and adopted this Restated Certificate of Formation by majority vote.

IN VERIFICATION WHEREOF, I have hereunto set my hand this ____ day of _____, 2022.

VERIFIED:

 Presiding Officer (President)
 Galveston Housing Finance Corporation
 Patricia Bolton-Legg

THE STATE OF TEXAS §
 §
 COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2022.

Notary Public in and for
The State of Texas

ARTICLE X

On _____, the City Council duly adopted a resolution approving the form of this Restated Certificate of Formation and authorizing the Corporation to act in its behalf to further the public purpose stated herein.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of _____, 2022.

VERIFIED:

Presiding Officer (Mayor)
City Council of the City of Galveston
Mayor Craig Brown

ATTEST:

City Secretary
Janelle Williams

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2022.

Notary Public in and for
The State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2022.

Notary Public in and for
The State of Texas

Robert E. Bastien
Tramonte, Tramonte & Bastien, P. C.
1605 23rd Street
Galveston, TX 77550

October 28, 2022

Invoice submitted to:

City of Galveston Property Finance Authority, Inc.
c/o Michele Hay
Economic Development Coordinator
3015 Market St
Galveston, TX 77550

2022-09

Period ending 9/30/2022

In Reference To: General:2022

Invoice #15151

Professional Services

			<u>Hours</u>
9/9/2022	REB	Requested assistant to check status of Restated Certificate of Formation for purpose of updating Periodic Report; Received report and print-outs	0.10
	REB	Received e-mail with 9/14 Agenda from M. Hays; Printed and reviewed attachment	0.10
	REB	Called Doug Rogers of Sealy-Smith Foundation	0.05
	REB	Composed and sent e-mail to P. Bolton-Legg	0.15
	REB	General preparation for meeting	0.10
9/13/2022	REB	Telephone conference with Board	0.05
	REB	Prepared draft of Periodic Report; Reviewed drafts	0.15
9/14/2022	REB	Sent e-mail to P. Bolton-Legg regarding Periodic Report	0.05
			<u>Amount</u>
For professional services rendered			0.75 \$150.00
Additional Charges :			
9/9/2022	Web Inquiry Fee		\$1.00
9/19/2022	Filing Fee: Periodic Report of a Nonprofit Corporation		\$5.00
Total additional charges			\$6.00
Total amount of this bill			\$156.00

409-763-2454

	<u>Amount</u>
Previous balance	\$940.00
Balance due	<u>\$1,096.00</u>

Robert E. Bastien
Tramonte, Tramonte & Bastien, P. C.
1605 23rd Street
Galveston, TX 77550

October 26, 2022

Invoice submitted to:

GHFC

2022-14

c/o Michele Hay
Economic Development Coordinator
3015 Market St
Galveston, TX 77550

Period ending 9/30/2022

In Reference To: General: 2022

Invoice #15155

Professional Services

	<u>Hours</u>
9/8/2022 REB Located and reviewed file on 1516 - 36th Street property	0.35
9/9/2022 REB Received e-mail with 9/14 Agenda from M. Hays; Printed and reviewed attachment	0.10
REB Called Doug Rogers of Sealy-Smith Foundation	0.05
REB Checked Status on 2022 Annual Report; conferred with assistant	0.10
REB Composed and sent e-mail to P. Bolton-Legg	0.25
REB General preparation for meeting	0.10
REB Requested assistant to check status of Restated Certificate of Formation for purpose of updating Periodic Report; Received report and print-outs	0.10
9/13/2022 REB Telephone conference with Board	0.05
REB Prepared draft of HFC Annual Report; Reviewed, directed assistant to e-file with TDHCA	0.05
REB Prepared draft of Periodic Report; Reviewed drafts	0.15
9/14/2022 REB Sent e-mail to P. Bolton-Legg regarding Periodic Report	0.05
9/19/2022 REB Conferred with assistant regarding mailing of Non-Profit Periodic Reports	0.05
9/22/2022 REB Attempted to return call from Doug Rogers of Sealy-Smith Foundation and left message	0.05
9/23/2022 REB Conferred by phone with Doug Rogers of Sealy-Smith Foundation	0.05
REB 1516 - 36th St.; Sent e-mail to N. Redden of Stewart Title; Received reply e-mail with Survey and Elevation Certificate and reviewed	0.30

	<u>Hours</u>	
9/28/2022 REB Received & replied to e-mail from J. Lightfoot regarding Magnolia Holding property	0.05	
		<u>Amount</u>
For professional services rendered	1.85	\$370.00
Additional Charges :		
9/9/2022 Web Inquiry Fee		\$1.00
9/19/2022 Filing Fee: Periodic Report of a Nonprofit Corporation		\$5.00
Total additional charges		<u>\$6.00</u>
Total amount of this bill		<u>\$376.00</u>
Previous balance		\$1,070.00
Balance due		<u><u>\$1,446.00</u></u>

Robert E. Bastien

Tramonte, Tramonte & Bastien, P. C.
1605 23rd Street
Galveston, TX 77550

October 26, 2022

Invoice submitted to:

GHFC

2020-10

c/o Michele Hay
Economic Development Coordinator
3015 Market St
Galveston, TX 77550

Period ending 9/30/2022

In Reference To: General - 2020

	<u>Amount</u>
Previous balance	\$450.00
Balance due	<u>\$450.00</u>

Pursuant to Article IV of the Articles of Incorporation or Restated Certificate of Formation of the City of Galveston Property Finance Authority, Inc. and under Chapter 394 of the Texas Local Government Code, the Board of Directors of the City of Galveston Property Finance Authority, Inc. and Galveston Housing Finance Corporation request approval by the Galveston City Council of the following proposed program:

**GALVESTON HOUSING FINANCE CORPORATION AND CITY OF GALVESTON
PROPERTY FINANCE AUTHORITY, INC. PROPOSED EXPERIMENTAL PROGRAM
FOR PROPERTY ACQUISITION AND DEVELOPMENT**

Galveston Housing Finance Corporation (“GHFC”) and The City of Galveston Property Finance Authority, Inc. (“GPFA”) propose to conduct an experimental program for the acquisition, by purchase or donation, of vacant properties or properties in need of rehabilitation, in the City of Galveston for the purpose of holding such properties for the development of new construction of single-family homes or rehabilitation of existing single-family homes by GPFA, GHFC, other community-based non-profit organizations, or private developers. The Program will have the following features:

a) Properties will be located or solicited through the efforts of GHFC/GPFA’s Board members. The services of licensed real estate brokers may be obtained to assist in this process. Consideration will be given to the purchase of properties at tax foreclosure sales, and to the purchase of properties owned by local governmental entities and deemed by them to be surplus to their needs.

b) The identity of properties to be purchased and the purchase price thereof will be at the discretion of GHFC/GPFA’s Board.

c) In view of the perceived need for immediate action in regard to submitting online bids for the purchase of properties being foreclosed upon for ad valorem taxes, the GHFC/GPFA Board proposes to vest two Board members with the authority to submit bids up to a specific

dollar figure without the convening of a Board meeting for approval of the bid. This amount will be set by Board resolution from time-to-time.

d) Title to acquired properties will be initially vested in GHFC or GPFA, at the discretion of GHFC/GPHA's Board.

e) Acquired properties may be developed by GHFC, GPFA, other community-based non-profit organizations, or private developers, to be sold after development as housing for current residents of the City of Galveston or for families in which at least one member works in the City of Galveston.

f) Properties on which GHFC itself constructs or rehabilitates homes shall be sold to persons or heads of household meeting the requirement of subparagraph (e). In addition, consistent with the statutory purposes of Texas housing finance corporations, persons living in households in which the household income exceeds 140% of _____ median household income (which at present would equal \$_____) shall not be eligible for the purchase of such homes.

g) GHFC/GPFA's Board shall establish any other terms and conditions for the sale of housing built or rehabilitated on GHFC or GPFA property as the Board shall determine to be reasonable and consistent with the goals of GHFC and GPFA.

h) Properties acquired during the program which are deemed by GHFC/GPFA's Board (at its sole discretion) to be unsuitable for development as housing or surplus to GHFC/GPFA's own efforts to develop housing (due to changing markets, unexpected increases in the costs of construction, or other conditions arising subsequent to the original acquisition of a property), may be sold by GHFC or GPFA, or retained for possible later use or disposition.

i) The Program shall expire on December 31, 2023, unless extended by action of the GHFC/GPFA Board, provided that the development or resale of properties acquired during the Program's initial term may continue until all such properties have been disposed of, and provided further that undeveloped or unsold properties may be retained by GHFC or GPFA for subsequent use by GHFC or CGPFA, or disposition to third-parties.