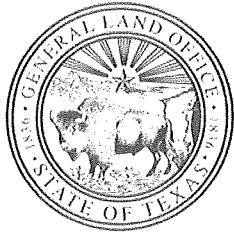


TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

January 6, 2012

Mayor Joe Jaworski  
City of Galveston  
P.O. Box 779  
Galveston, Texas 77553

RE: CDBG Round 1 Disaster Recovery Contract

Dear Mayor Jaworski:

The Land Office has ongoing concerns about the City's disaster recovery housing program, and would like to work with you to reach an efficient and effective resolution. On September 30, 2011, the City of Galveston needed to achieve certain benchmarks to show progress in the administration of the Community Development Block Grant (CDBG) Disaster Recovery program within the community. The City failed to meet some of those benchmark requirements for their housing program. Only 8% of project dollars had been expended, failing to meet the 10% required minimum. Also, only 47% of the applications for homes were approved; a 50% approval rate was required by the benchmark date.

In March 2012, the City will reach another benchmark requiring all 1,021 homes be approved by the State. Currently, there are only 572 active setups, leaving 449 to be completed before the March 2012 deadline. Based on our conversations with you and other city staff, we have developed some options to assist you in successfully meeting the upcoming deadline. We propose the two following options:

- The City of Galveston and the State will work together to create an action plan, to include allowing the State to assign a new grant administrator; or
- The GLO will follow guidelines to return Round 1 CDBG disaster recovery funds to the Houston-Galveston Area Council to administer.

Please let us know how the City chooses to move forward as soon as possible. The Land Office wants to assure you that we are all striving to meet the same goal of assisting applicants in the fastest and most efficient way possible.

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

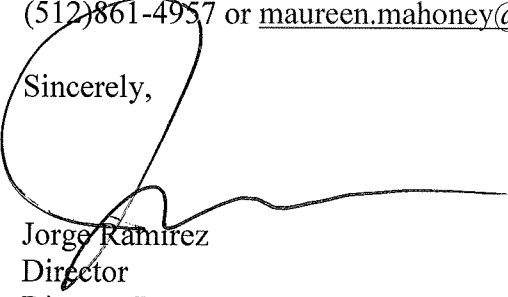
[www.glo.state.tx.us](http://www.glo.state.tx.us)

January 4, 2012

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We appreciate your continued dedication and hard work with the CDBG Disaster Recovery Program. If you have any questions pertaining to this issue please contact your grant manager, Maureen Mahoney at (512)861-4957 or [maureen.mahoney@glo.texas.gov](mailto:maureen.mahoney@glo.texas.gov).

Sincerely,



Jorge Ramirez  
Director  
Disaster Recovery Program  
Texas General Land Office

cc: Gary Hagood, GLO Deputy Commissioner, Financial Management