

23 February 2010

Sent via email to: [justin.r.ormsby@hud.gov](mailto:justin.r.ormsby@hud.gov)

Office of Public Housing: Texas  
U.S. Department of Housing and Urban Development  
Justin Ormsby  
Director  
801 Cherry Street, Unit #45  
Suite 2500  
Ft. Worth, Texas 76102  
Phone: 817-978-5700  
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Cc: See below

Dear Mr. Ormsby:

Re: [Administrative Complaint](#)

The Galveston Housing Authority has created a redevelopment plan that appears to violate many sections of HUD's "[Site and Neighborhood Standards](#)" as defined in [CFR 941.202](#). Incredibly, the GHA has responded to our concerns by stating that "Part 202 which you referenced, applies to HUD itself, and not to local housing agencies." [Exhibit 1](#) Both the Galveston Planning Commission and the Galveston City Council have been informed of these violations, and have taken no action to force the GHA to abide by this federal regulation. For this reason, the Galveston Open Government Project is filing this formal complaint in the hope that your office will take appropriate action to make the GHA abide by all HUD regulations.

**§ 941.202 Site and neighborhood standards.**

[http://edocket.access.gpo.gov/cfr\\_2009/aprqtr/pdf/24cfr941.202.pdf](http://edocket.access.gpo.gov/cfr_2009/aprqtr/pdf/24cfr941.202.pdf)

**Proposed sites for public housing projects to be newly constructed or rehabilitated must be approved by the field office as meeting the following standards:**

(a) The site must be adequate in size, exposure and contour to accommodate the number and type of units proposed, and adequate utilities (e.g., water, sewer, gas and electricity) and streets must be available to service the site.

The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes does seem to meet the basic criteria in part (a).

(b) The site and neighborhood must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, E.O. 11063, and HUD regulations issued pursuant thereto.

The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes does NOT seem to meet the criteria in part (b), because these sites will continue to create hyper-segregated conditions in these neighborhoods.

(c)

(1) **The site for new construction projects must NOT be located in:**

(i) **An area of minority concentration** unless (A) sufficient, comparable opportunities exist for housing for minority families, in the income range to be served by the proposed project, outside areas of minority concentration, or (B) the project is necessary to meet overriding housing needs which cannot otherwise feasibly be met in that housing market area. An “overriding need” may not serve as the basis for determining that a site is acceptable if the only reason the need cannot otherwise feasibly be met is that discrimination on the basis of race, color, religion, creed, sex, or national origin renders sites outside areas of minority concentration unavailable; or (ii) A racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes ARE in an area of minority concentration, AND comparable opportunities do NOT exist in areas outside of areas of minority concentration, and there are no overriding needs that cannot be met in other areas.

(2) Notwithstanding any other provision of this paragraph (c), **public housing units constructed after demolition of public housing units may be built on the original public housing site, or in the same neighborhood, if one of the following criteria is satisfied:**

(i) **The number of public housing units being constructed is no more than 50 percent of the number of units in the original project;**

The proposed redevelopment at the former site of Oleander Homes will contain 150 units on a site that originally contained 196 units;  $150/196 = 77\%$  which exceeds the 50% allowed.

The proposed redevelopment at the former site of Cedar Terrace will contain 100 units on a site that originally contained 136 units;  $100/136 = 74\%$  which exceeds the 50% allowed.

The proposed redevelopment at the former site of Magnolia Homes will contain 100 units on a site that originally contained 133 units;  $100/133 = 75\%$  which exceeds the 50% allowed.

See:

1.) GHA Redevelopment Plan, 19 October 2009, page 13

2.)

<http://www.galvnews.com/story.lasso?ewcd=1205099c09b2112f>

(ii) In the case of **replacement of a currently occupied project, the number of public housing units being constructed is the minimum number needed to house current residents who want to remain at the site;**

If Oleander Homes, Cedar Terrace, and Magnolia Homes were considered “currently occupied” at the time this rule went into effect, the survey conducted by GHA on 14 October 2009 found that only 36% of the 465 former families, i.e.  $.36 \times 465 = 167$ , wanted to return. The plan to build 350 units on the former sites where only 167 are required, under this section, for “current residents who want to remain at the site” exceeds the number allowed.

See:

Master Panning Study for Replacement Housing, 14 October 2009, page III-7.

or

(iii) The public housing units being constructed constitute **no more than twenty-five units**.

The proposed redevelopment at the former site of Oleander Homes will contain 150 units which exceeds the 25 allowed.

The proposed redevelopment at the former site of Cedar Terrace will contain 100 units which exceeds the 25 allowed.

The proposed redevelopment at the former site of Magnolia Homes will contain 100 units which exceeds the 25 allowed.

Therefore, none of the necessary criteria in Part (2) are met which should disallow rebuilding on these sites with the proposed redevelopment plan.

(d) The site must promote greater choice of housing opportunities and **avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons**.

The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes ARE in an area with a high concentration of assisted persons and low-income persons.

(e) The site must be free from adverse environmental conditions, natural or manmade, such as instability, flooding, septic tank back-ups, sewage hazards or mudslides; harmful air pollution, smoke or dust; excessive noise vibration, vehicular traffic, rodent or vermin infestation; or fire hazards. **The neighborhood must not be one which is seriously detrimental to family life or in which substandard dwellings or other undesirable elements predominate**, unless there is actively in progress a concerted program to remedy the undesirable conditions.

The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes ARE in an area that is seriously detrimental to family life and in which substandard dwellings and other undesirable elements predominate, AND there is NO concerted program to remedy the undesirable conditions.

(f) The site must comply with any applicable conditions in the local plan approved by HUD.

(g) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of similar unassisted standard housing.

**The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes ARE in the city in Galveston County with the lowest median household income, the highest crime rate, and one of the lowest rated school systems in the County.**

(h) Travel time and cost via public transportation or private automobile, from the neighborhood to places of employment **providing a range of jobs for low-income workers**, must not be excessive. (While it is important that elderly housing not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.)

**The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes ARE in an area that does NOT offer a wide range of employment opportunities.**

(i) The project may not be built on a site that has occupants unless the relocation requirements referred to in § 941.207 are met.

**The proposed redevelopments at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes have no current occupants.**

(j) The project **may not be built** in an area that has been identified by HUD as having **special flood hazards** and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, unless the project is covered by flood insurance as required by the Flood Disaster Protection Act of 1973, and it meets any relevant HUD standards and local requirements.

**The proposed redevelopment at the former sites of Oleander Homes, Cedar Terrace, and Magnolia Homes ARE in an area with special flood hazards.**

[45 FR 60838, Sept. 12, 1980. Redesignated at 49 FR 6714, Feb. 23, 1984, as amended at 61 FR 38017, July 22, 1996]

The Galveston Open Government Project is requesting that your office examine the GHA rebuilding plan and it's apparent non-compliance with most sections of CFR 941.202 and take the appropriate administrative action to make the GHA abide by all HUD regulations.

Respectfully,

David Stanowski, President  
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cc:

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February 22, 2010

Galveston Open Government Project, Inc.  
David Stanowski, President  
2211 Avenue P  
Galveston, TX 77550

Re: Galveston Open Government Group February 4, 2010, request for "site compliance review covering site and neighborhood standards required under CFR 941.202 submitted to the HUD Field Offices for the Oaks IV development"

My Client: The Housing Authority of the City of Galveston, Texas ("GHA")

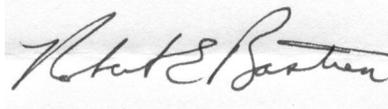
Dear Mr. Stanowski:

As you know, I am requested from time-to-time to review and respond to requests to GHA under the Texas Public Information (Open Records) Act.

GHA has neither generated nor received documents complying with your request. I am informed that Part 202 which you referenced, applies to HUD itself, and not to local housing agencies.

Should you have any questions concerning GHA's response to this request, please contact me. New requests should, of course, be directed to GHA's public information officer.

Very truly yours,



Robert E. Bastien

REB/deb

xc: Justin Herter  
Public Information Officer  
The Housing Authority of the  
City of Galveston, Texas  
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Galveston, TX 77551