

19 December 2011

To: Elizabeth Beeton, Steve Greenberg, Rusty Legg, Chris Gonzales

Councilmembers,

The City was grateful that you voted not to spend the \$25 million allocated from Round One for Public Housing on mixed-income development. However, as you know, the Mayor moved ahead with his plans to build mixed-income in defiance of your vote. In reaction to his efforts to thwart the elected representatives of the people, some are trying to convince the GLO and HGAC to restrict the expenditure of this money to Public Housing units only. However, since all three types of housing (Public, tax-credit, market-rate) will be built together in a manner so that each type is indistinguishable from the others, it may be impossible for GLO or HGAC to enforce such an order.

We want to take this opportunity to remind you that these mixed-income developments are dependent on the tax credits that must be issued by TDHCA. If you want to move forward and actually implement the intent of your vote against mixed-income development, which will flood the local rental market with unneeded units, the GOP urges you to pass a resolution against mixed-income development, and send it to the TDHCA, including a statement that the Galveston City Council wants the TDHCA to declare a moratorium on the issuance of any further tax credits until 2015, or until the local rental market stabilizes.

The TDHCA has already issued hundreds of tax credits for use in the City, ignoring the fact that there is no need for additional rental units.

The official position taken by neighborhood associations, city councils, state representatives and state senators regarding the

issuance of tax credits carries enormous weight in the TDHCA's decision-making process. Therefore, the GOGP urges you to put this matter on the agenda for the first Council meeting in January.

Tax-credit units are subject to the same fair housing laws as Public Housing units, so the building of tax credit units in the locations selected by GHA will also violate the law as the TDHCA is learning in the case currently moving through the Northern District of the 5th Circuit: ICP v TDHCA.

*Clearing the way for a trial, a federal judge has determined that there is enough evidence that **the state's largest affordable rental housing program has directed low-income housing projects disproportionately into poor and minority neighborhoods.***

*In a court order filed this week, Sidney Fitzwater , chief judge of the U.S. District Court in Dallas, agreed that over the past decade, **the Texas Department of Housing and Community Affairs appeared to have approved the development of a relatively high number of low-income tax credit-financed projects in poor, minority areas while rejecting a disproportionate number of applications for such projects in affluent, white neighborhoods.***

"This is sweeping in finding merit in the argument that the State of Texas has engaged in civil rights violations," said John Henneberger, co-director of the Texas Low Income Housing Information Service .

*The lawsuit was filed by a Dallas-based fair-housing advocacy organization, the Inclusive Communities Project, which claims **the housing agency has used its discretion in awarding the credits to "perpetuate racial segregation and discrimination."***

*To many affordable housing advocates, this week's court order confirms long-standing observations in various state and federal studies: **Many tax-credit affordable housing projects in Texas are clustered in neighborhoods mainly populated by poor blacks and Hispanics. The result, they say, is that the low-income residents are kept out of so-called high opportunity neighborhoods and instead are forced to attend worse schools and live in blighted areas.***

<http://www.statesman.com/news/local/suit-challenging-locations-of-affordable-housing-moves-forward-947601.html?printArticle=y>

<http://www.inclusivecommunities.net/lawyer.php>