

## **G.A.R.D. Plan for Public Housing**

**Presentation to the Planning Commission of the City of Galveston**

**January 13, 2010**

**The Galveston Alliance for Responsible Development (GARD for short) is a grassroots organization that came together as a result of the November 3<sup>rd</sup> meeting sponsored by the Galveston Open Government Project.**

**Our group met several times over the past few months to develop an alternative approach to public housing. Michael Head served as chairman of our group; however he was unable to take time off from work to attend this presentation.**

**G.A.R.D. Mission Statement: The Galveston Alliance for Responsible Development is an organization dedicated to responsible and equitable development. All development on Galveston Island should meet reasonable criteria for sustainability, effectiveness, and efficiency and be measured against its impact on the entire city.**

**GARD believes that one of the most pressing issues facing Galveston today is GHA's proposal for the rebuilding and expansion of public housing. To that end, we have gathered a significant amount of research and documentation which we would like to share with you. We have formulated a plan which fulfills GARD's stated mission, addresses its impact on the community as a whole, and considers the responsible expenditure of taxpayer funds.**

**In the fall of 1999, the Galveston City Council appointed a Citizen Steering Committee to oversee the process of the Galveston Comprehensive Plan and to ensure that the comprehensive plan was crafted to reflect the vision, values aspiration and priorities of the citizens of Galveston. This document was approved in 2001 “*The plan is the foundation for all City policies, strategies and actions, .....*“*to be used to guide the day-to-day operations with new coordinating mechanisms that ensure the plan’s, policies and strategies are followed in all City activities.....*” (Galveston Comprehensive Plan - page 4).**

**The Objective HN-3 of the Comprehensive Plan states:**  
***“Expand housing choice for low-moderate income households in a manner which strengthens neighborhoods, limits reliance on Public and subsidized housing and reduces concentration of poverty.”***

***On page 28 of the document it is stated “...this objective (the HN-3) focuses on the specific housing needs of Galveston’s many low-moderate income households. The recent efforts (2000) of the GHA to pursue major federal investment through HOPE VI grants and related initiatives, seeks to reduce dependence on and the social impacts of public housing, consistent with the federal” welfare to work” initiative. A key to the effectiveness of this initiative is effective partnerships with private and non-profit housing providers to create housing opportunities which promote self-reliance and pride in community.”*** (Galveston Comprehensive Plan – pages 28-29).

[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap1.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap1.pdf) ,  
[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap3.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap3.pdf) .

**Therefore, this is the question before the Planning Commission:**

**Is the Galveston Housing Authority's proposed plan to rebuild the 569 units, with 70% of the units on the existing sites, in compliance with Objective HN-3?**

**Does it:**

- 1) *strengthen the neighborhoods,***
- 2) *limit the reliance on Public and subsidized housing and***
- 3) *reduce the concentration of poverty.***

**Keeping in mind that the Comprehensive Plan was adopted by the City Council as *the foundation for all City policies, strategies and actions,* GARD contends that GHA's plan is not in compliance and GARD is proposing a plan that will meet the Comprehensive Plan's criteria.**

## **GARD'S PROPOSAL**

**Part I GARD Proposes the use of the existing housing stock by shifting resources from public housing to Section 8 housing vouchers and build nothing.**

**According to the Urban Land Institute, we presently have an estimated 8,800 vacant housing units in Galveston. Many of these properties would only require minor repairs to bring them up to code and these costs would be the responsibility of the property owner.**

**The City of Galveston has commissioned a Strategic Market Research Study. It will include a detailed report on the existing housing inventory, size, location and price point. This study will be a valuable tool to assist the community in planning for a sustainable city. No new housing developments, paid for with Public Funds, should be considered until the city has an accurate & detailed assessment of the current Galveston housing stock.**

## **By shifting from Public Housing to Tenant based Housing we would:**

- 1) Return all properties previously owned and operated by GHA (other than Gulf Breeze, Holland House, and existing scattered sites) to the private sector and to the tax rolls.
- 2) Reduce segregation and the concentration of poverty which would bring Galveston into compliance with the HUD Public Housing Reform Act 1998, the 1997 Consent Decree, the Fair Housing Act and the Galveston Comprehensive Plan.  
<http://www.hud.gov/offices/pih/phr/about/>  
[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap1.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap1.pdf)  
[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap3.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap3.pdf)  
<http://galvestonogp.org/GHA/GHAConsentDecree.pdf>,
- 3) Reduce the number of vacant properties in the City's core neighborhoods.
- 4) Encourage the renovation of older properties, which would help to stabilize and revitalize the neighborhoods, ultimately increasing tax revenues.
- 5) Comply with the HUD Policy concerning the Avoidance of creating Surplus Housing <http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/4425.1/44251c3HSGH.doc> )
- 6) Place the responsibility of maintenance, code compliance and capital improvement on the private landlords, reducing GHA expenses and responsibilities.
- 7) Provide immediate placement of the displaced families into available Section 8 housing. According to GHA's Master Planning Study for Replacement, Draft October 14, 2009, page III-7, "*Currently only 36% of the former (569) residents would like to return. Some of those would take a housing voucher in lieu of a public housing unit.*" This would necessitate providing Section 8 housing for only 204 families. GHA should be compelled to provide a current and accurate list of the residents who will be returning. These vouchers would not be open to those on the waiting list, but only to the 569 families displaced from Galveston as a result of Hurricane IKE.
- 8) Eliminate the entire cost of new construction. This would allow the city the use of all the 1<sup>st</sup> round of CDBG recovery funds to be spent on projects designated by HUD as "Eligible use", for the benefit of all residents. 60% of the CDBG Recovery funds must be used for housing. HUD allows for the acquisition of real property; relocation and demolition; and rehabilitation of residential; and non-residential structures. <http://www.hud.gov/offices/cpd/communitydevelopment/programs/entitlement/>
- 9) Avoid violating the HUD flood plain regulations, and the mandatory 8 step compliance process. [http://www.hud.gov/offices/cpd/environment/review/8\\_step\\_process.doc](http://www.hud.gov/offices/cpd/environment/review/8_step_process.doc)

**10) Provide the current recipients of public housing more choices. According to Edgar Olsen, Professor of Economics at the University of Virginia, who has researched and written extensively on the subject of public housing vs. the voucher program, states, The Voucher program would allow each family the opportunity to search for a place that would best meet the needs of their family, with regards to location, size, layout, amenities and condition of the property.**

**11) Create a cost-effective alternative to publicly owned housing. The management of privately owned Section 8 housing completely eliminates the capital investment (in land and structures) and the ongoing maintenance of government owned housing. The GHA has stated that it is more expensive to rehab existing structures than to build new, however, according to Professor Olsen you must also, consider the benefits of returning large tracts of property, previously owned by the housing authority, back to the private sector for economic development – which could bring in middle income job opportunities and revenue for the city.**

Professor Edgar Olsen <http://artsandsciences.virginia.edu/economics/facultystaff/eoo.html>

Paper: The Future of Public Housing, 2008 NAHRO Conference Page 2

Paper: The Cost-Effectiveness of Alternative Methods of Delivering Housing Subsidies Study

**GHA has estimated that the cost of new construction would be \$160,000 per unit which does not include the land that the GHA already owns, if you include this, it would bring the estimated cost to \$190,000 per unit.**

**With the large amount of available vacant housing stock we feel certain that an ample supply of housing could be brought up to code for much less than \$190,000 per unit.**

**Part II GARD Proposes that three of the four GHA former project sites be sold or leased to private developers or industry.**

**The Sale or Lease of these properties would:**

- 1) Return large tracts of land to the private sector for economic development.
- 2) Place these properties on the tax rolls
- 3) Provide additional funding for GHA to develop and expand family self-sufficiency and educational programs.

**Part III GARD Proposes that the fourth property be used to develop an educational and training institutions, such as trade school, vocational schools, apprenticeship programs or a neighborhood center to benefit the entire city.**

**Eligible uses of CDBG funds, defined by HUD include “construction of public facilities and improvements... neighborhood centers and.... assistance to profit-motivated businesses to carry out economic development, job creation and job retention activities.”**

<http://www.nls.gov/offices/cpd/communitydevelopment/programs/entitlement/>

**Part IV GARD proposes that the disbursement of any federal, state, local or any other tax payer funds for new construction or reconstruction of any government subsidized housing in the City of Galveston be put to the vote of the people.**

**Requiring a referendum would:**

- 1) Allow for public input before any taxpayer dollars are spent.
- 2) Allow consideration of how the development will impact the entire city.
- 3) Require that the proposed development be in line with the recommendations outlined in the Galveston Comprehensive Plan, before any approval is given.
- 4) Complies with the HUD requirement for public input.

**Part V GARD also supports the following additions to the GHA’s Admission and Continued Occupancy Policy, which would:**

- 1) Encourage the expansion of the Family Self-Sufficiency Program and use of the Family Self-Sufficiency Escrow Account. This is an interest-bearing account established by the HA for each participating family. An escrow credit, based on increases in earned income of the family, is credited to this account by the HA during the term of the FSS contract. The HA may make a portion of this escrow account available to the family during the term of the

contract to enable the family to complete an interim goal such as education.  
(<http://www.hud.gov/offices/pih/programs/hcv/fss.cfm>)

2) Require that GHA establish a quarterly reporting system, posted on their website, which provides:

The Resident Characteristic Report

Income Category Distribution of Average Annual Income, Sources of Income, Total

Tenant payment,

Family Race/Ethnicity, head of household race ethnicity, Household members ages, size of Household #, number of bedrooms, stay period category

Crime Reports for all Subsidized Housing units

Code Compliance Complaints filed and their resolution

Number of Families participating in and those who have completed the Family Self Sufficiency Program

Number of Families that have moved from subsidized housing into the private sector.

## **Summary:**

The GARD Proposal is in line with recommendations and policies put forth in:

The Galveston Comprehensive Plan

[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap1.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap1.pdf) ,

[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap3.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap3.pdf) .

The Urban Land Institute's report, "Galveston, Texas: Building the Future",

<http://www.uli-houston.org/PDF/090605GalvestonULINationalReport.pdf> .

The Consent Decree of 1997 <http://galvestonogp.org/GHA/GHAConsentDecree.pdf>,

And the Public Housing Reform Act signed by President Clinton in 1998.

<http://www.hud.gov/offices/pih/phr/about/>

All of these plans support reduced segregation and concentration of poverty, the revitalization of neighborhoods through rehabilitation and private enterprise, and the expansion of housing for low-income residents through the prudent expenditure of tax dollars.

In closing I would like to refer you to another Galveston Comprehensive Plan Objective:

## **OBJECTIVE LU -1.1**

## **PROTECT, STABILIZE AND REVITALISE EXISTING NEIGHBORHOODS**

***“While there is a need to develop a wider range of new housing, particularly for middle-income families, the largest proportion of the City’s housing stock is in the existing older neighborhoods of the urban core. The City has no higher priority than to protect this housing stock and maintain and improve neighborhood quality of life. This City cannot afford to permit further erosion of its housing stock.....”***

**[http://www.cityofgalveston.org/city\\_services/pdf/cp\\_chap3.pdf](http://www.cityofgalveston.org/city_services/pdf/cp_chap3.pdf)  
Galveston Comprehensive Plan page 56-57)**

In addition to the hard copy, we requested that the City staff email a copy of this document so you have access to the reference links, this can also be found online at the Galveston Open Government Project website.

We appreciate your time and consideration.