

18 February 2010

Sent via email to: amabasa@ghatx.org

Arthur M. Mabasa
Chairman
Galveston Housing Authority Board of Commissioners
4700 Broadway Boulevard
Galveston, TX 77551

Chairman Mabasa:

As you know, the Galveston Open Government Project has notified the GHA, the Planning Commission, the City Council, and the County Commissioners Court, on numerous occasions, that the GHA rebuilding plan violates Fair Housing Laws, because it seeks to re-segregate low-income minorities, in the City of Galveston, when HUD guidelines, and recent court rulings, direct housing authorities to offer their clients the chance to relocate to cities that will offer them much better opportunities.

Since this plan violates Fair Housing Laws, it also [creates personal liability](#) for all of the GHA Commissioners and key members of the GHA staff, if a plaintiff's group of past, present, and future residents, of GHA public housing, files a lawsuit citing the Fair Housing violations contained in this plan. It is interesting to note that GHA's [Executive Director told the GCDN that his assets are held in his wife's name](#) which would serve to make him judgment proof in such a suit. I assume that you and your fellow Commissioners are not similarly insulated.

In addition to the violation of the Fair Housing Laws, the current GHA rebuilding plan violates [CFR 941.202](#) "Site and Neighborhood Standards" part (c) (2), and HUD guidelines for rebuilding in a floodplain, at unnecessary risk and expense.

The GOP's preferred solution to all of these problems is to combine the functions currently performed by the GHA, the Texas City Housing Authority, and the Section 8 properties located in La Marque into a "Galveston County Housing Authority" that would develop a countywide solution to public housing which can offer its clients the chance to live anywhere in the County, and remove the tremendous burden that the current concentration of subsidized housing places on the City of Galveston.

Since no one is moving forward to create a County housing authority, we wish to present another, although less ideal option, to your Board. HUD regulation CFR 970.11 allows a city housing authority to build or purchase public housing units outside of the city limits in which it is domiciled.

[970.11 - Replacement housing plan](#)

(a) One-for-one replacement. HUD may not approve an application or furnish assistance under this part unless the PHA submitting the application for demolition or disposition also submits a plan for the provision of an additional decent, safe, sanitary, and affordable rental dwelling unit (at rents no higher than permitted under the Act) for each public housing dwelling unit to be demolished or disposed of under the application, except as provided in paragraph (j) of this section. A replacement housing plan may provide for the location of the replacement housing outside the political boundaries of the locality of the PHA, provided all relevant program requirements are satisfied including the approval of the replacement housing plan by the unit of general local government in which the project being demolished or disposed is located.

In order to assure that all program requirements are satisfied, the PHA must enter into any necessary agreements, including where applicable, the execution of a Cooperation Agreement between the PHA and the locality in which the replacement housing will be located, prior to submission of the replacement housing plan to HUD for approval. In addition, the PHA must ensure that such agreements provide that the families selected

*for occupancy in the replacement housing will be families who would have been eligible for occupancy in the replacement housing if it had been replaced in the same locality as the project being demolished or disposed. **The plan must include any one or combination of the following: (1) The acquisition or development of additional public housing dwelling units;***

Likewise, the State of Texas offers similar provisions in:

[Texas Local Government Code - Section 392.059](#)

COOPERATION WITH OTHER GOVERNMENTAL ENTITIES OR HOUSING AUTHORITIES.

*(a) **An authority may cooperate with a municipality, a county, another political subdivision of this state, or the state in action taken in connection with the problems of clearing, re-planning, and reconstructing slum areas and of providing housing for persons of low income in the area of operation of the authority or within the boundaries of the cooperating political subdivision.***

*(b) **Housing authorities may cooperate in the exercise of a power conferred by this chapter to finance, plan, undertake, construct, or operate a housing project in the area of operation of one or more of the cooperating authorities.***

These regulations give the GHA the authority to build public housing units in other cities, with their approval, but the quicker and more economical way to take advantage of this option is to simply purchase existing properties that can be converted to public housing, immediately.

For example, here is an apartment building that can add 108 units of public housing under GHA management, **in Dickinson**, for **\$34,259/unit**; instead of the **\$170,000/unit** that GHA wants to spend to rebuild in the floodplain in this city.

BAYOU VILLAGE

110 Deats Rd., Dickinson, TX 77539



Price:	\$3,700,000
No. Units:	108
Building Size:	83,720 SF
Price/Unit:	\$34,259.26
Property Type:	Multifamily
Property Sub-type:	Garden/Low-Rise
Property Use Type:	Investment
Occupancy:	99%
No. Stories:	2
Year Built:	1985
Lot Size:	4.75 AC

[Find Out More...](#)



Last Verified 2/8/2010
Listing ID 16311174

Here is a smaller apartment building that can add 10 units of public housing under GHA ownership, in **League City**, for **\$39,900/unit**; **23% of the amount** that GHA wants to spend to rebuild in Galveston.

308 E. Walker

308 E. Walker, League City, TX 77573



Price:	\$399,000
No. Units:	10
Building Size:	2,640 SF
Price/Unit:	\$39,900
Property Type:	Multifamily
Property Sub-type:	Garden/Low-Rise
Property Use Type:	Investment
Commission Split:	3%
Cap Rate:	8.50%
Occupancy:	90%
No. Stories:	2
Year Built:	1971
Lot Size:	0.22 AC
Tax ID / APN #:	2540-00-06-0001-002



Finally, the GHA can add another 57 units to its public housing inventory, in **Dickinson**, for **\$21,052/unit**; **12% of the amount** that GHA wants to spend to rebuild in Galveston.

Northern Pines Apartments

3206 Lobit Dr., Dickinson, TX 77539



Price:	\$1,200,000
No. Units:	57
Price/Unit:	\$21,052.63
Property Type:	Multifamily
Property Sub-type:	Garden/Low-Rise
Property Use Type:	Vacant/Owner-User
Occupancy:	61%
Year Built:	1972
Lot Size:	2.50 AC

[Find Out More...](#)

Last Verified 2/16/2010
Listing ID 16316533

Description

Property Description:* 2 Story Suburban Style Garden Apartments with a large open grassy quadtriangle.* 57 Units - 41 - 2 bedroom/1 bath units - 8 - 2 bedroom/ 1 1/2 bath units - 4 - 1 bedroom/1 bath units - 4 - 3 bedroom/2 bath units - Rehab/Value Add Opportunity

Chairman Mabasa, we urge you to call a special meeting of the Board to consider implementing a countywide public housing plan by extending the authority of the GHA, under the regulations cited above, beginning with the purchase of properties, such as those shown above, in cities that offer your clients greater opportunities.

Such a move will remove the potential threat of a Fair Housing lawsuit, the GHA will no longer be out of compliance with CFR 941.202, and you will no longer be advocating the rebuilding of public housing in a location that is in a floodplain and with the highest risk from hurricanes in the County.

Best regards,

David Stanowski, President
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