

FOR IMMEDIATE RELEASE:

First-Class Public Housing will “Only” cost taxpayers \$253,308 per unit!

GALVESTON, Texas – 06 June 2011

The latest GHA Rebuilding Plan says that **they intend to spend \$134 million to rebuild Public Housing on the Island**. If this is the price tag for 569 units, the cost per unit will be \$235,500. However, since the 40 units currently under construction at the Oaks have already been funded, our understanding of this statement is that this will be the cost for only 529 units, or **\$253,308 per unit**.

<http://www.galvestonogp.org/GHA/GHAREbuildingPlan.pdf>

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The fact that the GHA can propose building costs this high in a city where many people are still struggling to recover from Hurricane Ike, and the **median priced home only sold for \$186,000**, in the latest reporting period (April 2011), shows that the GHA Board is out of touch with reality!

<http://recenter.tamu.edu/data/hs/hs250.asp>

The median price represents the point where half the houses sell above that price and half below that price.

This means that **possibly 60-70% of the people in the City of Galveston live in homes worth less than what the GHA wants to spend on each Public Housing unit!!**

We'll see how that plays with the taxpayers/voters!

A review of the history of GHA rebuilding plans reveals that on 14 October 2009 they planned to spend \$160,300 per Public Housing unit, but by 31 March 2011 **that amount had grown 58%** to \$253,300. City Council needs to ask them WHY!

“Master Planning Study for Replacement Housing” 14 October 2009
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HUD Assistant Secretary Mercedes Marquez is already under fire by the Washington Post due to HUD’s lax management of Public Housing construction projects. This triggered what are intended to be a series of Congressional investigations that began last week.

http://www.washingtonpost.com/investigations/a-pattern-of-hud-projects-stalled-or-abandoned/2011/03/14/AFWelh3G_story.html?hpid=z2

http://www.washingtonpost.com/investigations/members-of-congress-call-for-probe-of-huds-home-affordable-housing-program/2011/05/17/AFOWrn5G_story.html?wpisrc=emailtoafriend

The GOP sent preliminary information about the situation in this city to key Members of the House Committee on Oversight & Government Reform and to Senator Grassley who has shown a keen interest in abuses by local housing authorities. In addition, Galveston native Senator Kay Bailey Hutchison sits on the Subcommittee on Transportation, Housing & Urban Development, and we have been providing information to a member of her staff.

<http://www.galvestonogp.org/GHA/CongressmanDarrellIssa.pdf>

<http://www.galvestonogp.org/GHA/CongressmanElijahCummings.pdf>

<http://www.galvestonogp.org/GHA/CongressmanBlakeFarenthold.pdf>

<http://www.galvestonogp.org/GHA/SenatorCharlesGrassley.pdf>

<http://www.galvestonogp.org/GHA/SenatorKayBaileyHutchison.pdf>

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