

## **Public Housing Update for GAIN - 19 May 2011**

GHA plans to build 1,527 housing units - 1,437 mixed income + 90 scattered sites.

Mixed-income will be 1/3 Public Housing, 1/3 tax-credit housing, 1/3 market-rate housing.

Eastlake was only 50% subsidized housing. GHA mixed-income will be 66% subsidized housing. Tom Cousins said that in retrospect Eastlake should have limited its subsidized (Public Housing) component to about 33%. Will prospective market-rate tenants want to live in developments where 2/3 of their neighbors are subsidized?

This three-way mix will also make financing the projects very complicated with a higher probability that they may be started but NOT completed creating new sources of blight.

GHA plans to build its mixed-income developments on the Magnolia and Cedar Terrace footprints, so there are likely to be 700+ units in both locations.

If GHA has trouble renting the market-rate units, it is not clear whether they can be converted into subsidized units; either Public Housing or tax-credit.

TDHCA Senior Counsel, Kevin Hamby, stated at this month's Board meeting that GHA's mixed-income developments, on the old footprints, may not affirmatively furthering fair housing.

The TDHCA is being sued for Fair Housing violations due to the location of tax-credit housing projects in Dallas. Adding tax-credit housing, to GHA's mixed-income projects, creates another source of liability due to their proposed locations.

TXLIHIS, one of the fair-housing groups that is a party to the Conciliation Agreement; the document controlling disaster recovery funding in the City, doesn't like GHA's mixed-income

scheme. They feel it will delay building, and may never get fully funded. <http://www.galvestonogp.org/GHA/PressRelease-MixedIncome.pdf>

On 06 October 2010, the State threatened to withhold disaster recovery funding, if the City Council did not pass a resolution to re-build the 569 PH units, in the City, by a date certain. Their 28 October 2010 resolution stated that GHA site plans would be completed on 26 April 2011. GHA MISSED THE DEADLINE!

GHA now says site plans will be available at the end of June.

TXLIHIS is NOT HAPPY with this missed deadline. Along with Texas Appleseed, they could withhold disaster recovery funding from the City.

TDHCA and TDRA have been dissolved and their functions absorbed by the GLO adding further uncertainty to the whole process.

The GOGP recently published the results of an investigation into who is really creating Public Housing policy in this city, including documents obtained through the Public Information Act that clearly show that the Mayor is acting as a Public Housing Czar. Is this what the people of the City want; or do they want Council oversight? Are they comfortable with one person determining the fate of the City regarding this issue?

<http://www.galvestonogp.org/GHA/Public%20Housing%20Czar.pdf>

On 14 May, the Washington Post published an article on HUD mismanagement of Public Housing construction.

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

On 17 May, the Washington Post reveals that their article has triggered a Congressional investigation of HUD.

[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](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)

David Stanowski, President, GOGP