

Why are the “Legal” Sites for Public Housing being kept Secret?

By David Stanowski

President

Galveston Open Government Project, Inc.

For the C-Crewe 24 August 2011

Because the current site-selection plan does NOT conform to the “legal” process

What this means will become clear as we proceed!

There are three ways to select the location of housing:

1. Using the free market process

2. Using the political process

3. Using the legal process

1. Free Market Process

Two parties come together in a free and voluntary exchange.

Each party gives something and each party gets something.

**The buyer or renter gets a house, condo, or apartment
in a location and at a price that they like.**

The seller or landlord gets paid.

This is the IDEAL way to determine the location for any housing.

**Unfortunately, it is NOT available in the Public Housing program,
because it is GOVERNMENT HOUSING, NOT free-market housing!**

2. Political Process

Politics is NOT a free and voluntary exchange between two parties.

Much of the time, Politics is the process whereby certain benefits are transferred from a larger group to a smaller group.

There is a cost to the larger group and it receives little or no benefit.

There is a windfall gain to the smaller group with little or no cost.

Good public policy can be best described as government actions that do the least harm to the larger group.

Politically powerful groups lobby politicians to make themselves into small “beneficiary groups”.

Once a political deal has been made, various token gestures and rationalizations are employed in an attempt to obscure the true nature of the political “transaction”; to make it look like good public policy.

History of Public Housing Site Selection

Public Housing began as part of the New Deal in 1937.

It started in Galveston in 1940.

From the beginning of the program, the location of Public Housing was chosen using the political process.

Deals were made so that Public Housing would benefit and not harm politically-powerful groups.

For example, Public Housing is nearly always located far away from affluent neighborhoods.

In 1968, the Fair Housing Act was passed.

The FHA demanded a rule-based or “legal” process for site selection, but most locations were still chosen using the political process.

Gradually, more and more political site selections were challenged in court.

The remedies from these lawsuits more precisely defined the legal site selection process.

Is the GHA plan Political or Legal?

It features:

NO Public Housing to be built **on the Mainland** in some of the best neighborhoods in the County.

ALL OF THE PUBLIC HOUSING FOR THE ENTIRE COUNTY to be built in the City of Galveston.

NOTE: The City ALREADY HAS ALL OF THE EXISTING PUBLIC HOUSING FOR THE ENTIRE COUNTY (450 units).

NO Public Housing to be built on the **West End** of the Island in some of the best neighborhoods in the City.

MOST of the Public Housing to be built in its **prior locations** in some of the worst neighborhoods in the City.

The location of Public Housing in this plan will cause harm to the larger group (the general population of the City) while it benefits certain smaller

groups (West End residents, District 1 political operatives, local contractors doing business with the GHA, etcetera)

But, most importantly, it will offer Public Housing residents the **lowest opportunity** to escape from a life of intergenerational dependency and poverty, which will also cause harm to the larger group (the general population of the City).

The GHA is **rationalizing the choice of obviously bad locations** by using mixed-income development and extra “human-capital” investments to mitigate the damage that the locations will do!

They also claim that they “have to” build on the land that they now own; but that is NOT what HUD said in 2009.

It is very unlikely that this plan can be changed using the political process.

The **only remaining remedy** is to force the plan back into the legal process in **court**.

3. Legal Process

The legal process relies on state and federal statutes to define acceptable locations for Public Housing.

Their vague and general language is further refined by court cases.

The HUD Fair Housing Planning Guide calls for a **regional approach to Public Housing**.

Court cases beginning with Gautreaux, in 1966, up to and including Thompson, in 2005, have further defined the regionalization process.

The **GOGP is proposing** a plan relying on **Opportunity-Based Public Housing** as defined by the Communities of Opportunity approach developed for the Thompson v. HUD remedy.

Politicians at the federal, state, county, and city level **REFUSE** to consider Opportunity-Based Public Housing, so the **GOGP is sponsoring a lawsuit** that will argue that GHA should not be allowed to **FORCE** all of the eligible residents, in the entire County, to live in the City of Galveston, primarily in District 1.

It will further argue that they should be allowed access to all of the high opportunity neighborhoods in the County, including the West End.

How does Opportunity-Based Public Housing work?

Opportunity-Based Public Housing

Professor John A. Powell developed a **14-point objective scoring and ranking system** to determine high opportunity locations.

He said "The remedy must be **sensitive to opportunity and to the importance of location** in determining access to opportunity."

In other words, the **LOCATION of housing is far more important than the type of housing** (barracks, high rises, scattered sites, mixed-income, etc).

The Communities of Opportunity approach has three major sections:

1. Employment

2. Neighborhood

3. Education

The final analysis will be done at the census tract, or neighborhood level, but we'll begin by comparing city to city.

Indicators of Economic Opportunity and Mobility

- 1. Job growth over the most recent 4-year period.**
- 2. The number of entry-level and low-skill jobs.**
- 3. The number of entry-level and low-skill jobs per capita.**
- 4. The percentage of the area within one-half mile of a public transit line.**
- 5. The median commute time.**

City	Employment Growth July 1995-June 2012 (2012 BLS)
Galveston	-32.8%
Texas City	-8.7%
Friendswood	+27.6%
League City	+129.1%
Santa Fe	?
Dickinson	?
La Marque	?

Indicators of Neighborhood Health

- 1. Population change over the last 10 years.**
- 2. Crime rate.**
- 3. Poverty rate.**
- 4. Vacant property rates.**
- 5. Median value of owner-occupied homes.**

City	2000-2010 Population Growth (2010 Census)
Galveston	-16.60%
La Marque	+6.04%
Texas City	+8.62%
Dickinson	+9.28%
Friendswood	+23.31%
Santa Fe	+28.01%
League City	+83.87%

City	Crime Rate National Average = 319 <small>(2010 FBI UCR)</small>
La Marque	583
Galveston	450
Texas City	345
Dickinson	240
League City	186
Santa Fe	185
Friendswood	85

City	% of Individuals Below Poverty Level (2010 Census)
Galveston	22.5%
La Marque	17.5%
Texas City	15.0%
Dickinson	13.4%
Santa Fe	10.7%
League City	6.0%
Friendswood	5.3%

City	Vacant Housing (2010 Census)
Galveston	38.3%
La Marque	11.9%
Texas City	11.4%
Dickinson	8.2%
Santa Fe	7.5%
League City	5.9%
Friendswood	3.9%

City	Median Value of Owner-Occupied Homes (2000 Census)
La Marque	\$59,500
Texas City	\$63,800
Galveston	\$73,800
Dickinson	\$83,400
Santa Fe	\$86,800
League City	\$112,000
Friendswood	\$124,500

Indicators of Educational Opportunity

- 1. The percentage of elementary and middle school students qualifying for free and reduced lunch.**
- 2. The percentage of classes taught by highly qualified teachers.**
- 3. The percentage of elementary school students proficient in reading.**
- 4. The percentage of elementary school students proficient in math.**

City	% Economically Disadvantaged Students (2012 Texas Tribune)	Great Schools District Ranking (2012 GS)
La Marque	73.9%	3
Galveston	69.2%	4
Texas City	62.0%	5
Dickinson	60.1%	6
Santa Fe	32.8%	6
League City	22.7%	8
Friendswood	6.2%	10

The percentage of elementary school students proficient in READING

**2010 TAKS reading test results Grade 3:
GISD 85% - State average 92%**

**2010 TAKS reading test results Grade 5:
GISD 82% - State average 85%**

The percentage of elementary school students proficient in MATH.

**2010 TAKS math test results Grade 3:
GISD 76% - State average 86%**

**2010 TAKS math test results Grade 5:
GISD 83% - State average 86%**

Probable Opportunity Rankings

**Friendswood, League City, and Santa Fe
appear to be high-opportunity cities.**

**Galveston, La Marque, and Texas City
appear to be low-opportunity cities.**

Dickinson appears to be a moderate opportunity city.

Location of Public Housing

It would be easy to make the case that the City of Galveston is the worst location for Public Housing in the County, and that no Public Housing should be built in Galveston, La Marque, or Texas City.

Most, if not all, Public Housing should be located in Friendswood, League City, and Santa Fe.

Galveston Census Tract Data

An even closer look at Poverty and Race and Ethnicity.

Census Tract	<p style="text-align: center;">% of Individuals Below Poverty Level (2010 Census)</p>
<p style="text-align: center;"><u>7240</u> Oleander Homes</p>	56.1%
<p style="text-align: center;"><u>7241</u></p>	25.6%
<p style="text-align: center;"><u>7242</u></p>	19.0%
<p style="text-align: center;"><u>7243</u> Magnolia Homes</p>	25.7%
<p style="text-align: center;"><u>7244</u></p>	19.7%
<p style="text-align: center;"><u>7245</u></p>	11.4%
<p style="text-align: center;"><u>7246</u> Cedar Terrace</p>	61.0%
<p style="text-align: center;"><u>7247</u></p>	35.2%
<p style="text-align: center;"><u>7248</u></p>	19.9%
<p style="text-align: center;"><u>7249</u></p>	11.9%
<p style="text-align: center;"><u>7250</u></p>	23.6%
<p style="text-align: center;"><u>7251</u></p>	37.6%

<u>7252</u>	36.7%
<u>7253</u>	16.1%
<u>7254</u>	12.1%
<u>7255</u>	1.7%
<u>7256</u>	35.3%
<u>7257</u>	2.6%
<u>7258</u>	18.1%
<u>7259</u>	16.6%
<u>7260</u>	6.2%
<u>7261</u>	7.8%

Census Tract (2010 Census)	% Black (2010 Census)	% Hispanic (2010 Census)
<u>7240</u> Oleander Homes	20.9%	18.5%
<u>7241</u>	24.7%	20.3%
<u>7242</u>	18.2%	19.2%
<u>7243</u> Magnolia Homes	13.1%	27.2%
<u>7244</u>	25.5%	31.4%
<u>7245</u>	17.0%	16.4%
<u>7246</u> Cedar Terrace	59.9%	34.1%
<u>7247</u>	52.5%	31.8%
<u>7248</u>	27.0%	34.8%
<u>7249</u>	20.1%	36.6%
<u>7250</u>	12.2%	47.9%
<u>7251</u>	44.2%	37.2%
<u>7252</u>	28.8%	60.4%
<u>7253</u>	10.4%	44.8%

<u>7254</u>	11.0%	54.8%
<u>7255</u>	6.4%	17.4%
<u>7256</u>	16.4%	24.9%
<u>7257</u>	6.2%	21.4%
<u>7258</u>	12.7%	38.8%
<u>7259</u>	7.1%	21.0%
<u>7260</u>	2.2%	12.0%
<u>7261</u>	1.4%	6.7%

Summary:

The City of Galveston is already hosting **ALL of the Public Housing** for the entire County (450 units).

If 569 additional units are built, the City will have **5 TIMES the NATIONAL AVERAGE per Capita.**

Based on the city-to-city and census tract data shown, **the City of Galveston probably has very few, if any, favorable locations for Public Housing.**

However, it should be obvious from the city-to-city comparison that **most, if not all, of the best neighborhoods are on the Mainland.**

Regardless of these facts,
ALL of the additional Public Housing is slated to be built in the City of Galveston!!

This is The End

Why is it Necessary to Rebuild 569 units of Completely Government-Subsidized Public Housing on the Island?

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It's NOT!

Email from HUD: 15 October 2009

From: Rodriguez, Dan [mailto:dan.rodriguez@hud.gov]

Sent: Thursday, October 15, 2009 1:52 PM

To: Warren, Sandra H; 'Jacquelyn Tarpy'

Subject: RE: Question about HUD's Position about rebuilding Galveston Public Housing Units

Dear Ms. Tarpy:

The Department of Housing and Urban Development does not currently have a one for one replacement mandate for Housing Authorities to replace units that were destroyed, demolished, and/or being redeveloped. Decisions regarding the number of units and their location is a local decision to be made by the Housing Authority Board of Commissioners.

It was a pleasure talking to you and I encourage you to share your thoughts and ideas with the Housing Authority representatives as they are currently in the process of formulating a Plan for continued assistance of the low income families in the City of Galveston who were displaced by the storm.

Have a Great Day!

Conciliation Agreement: 25 May 2010

- b. **One-For-One Replacement.** From TDHCA's affordable housing set aside out of the Hurricane Recovery Funds, no less than \$50 million shall be available for use in the City of Galveston for the one-for-one replacement of all family and elderly public housing units damaged or destroyed in Hurricane Ike. Of the remaining funds, no less than \$25 million shall be provided for the construction, reconstruction, replacement, or rehabilitation of family and elderly public housing units damaged or destroyed by The Hurricanes, with priority being given to activities which include one-for-one replacement of family and elderly public housing units within a Public Housing Authority jurisdiction, or federally funded farm labor housing.

- i. The one-for-one replacement or rehabilitation of all family and elderly public housing units that were damaged or destroyed as a result of The Hurricanes within the local jurisdictions in a manner that affirmatively furthers fair housing in compliance with phase 1 of the updated AI. Twenty million dollars shall be reserved specifically to support the one-for-one replacement of family and elderly public housing damaged or destroyed by The Hurricanes in the City of Galveston. Once all public housing units damaged or destroyed by The Hurricanes in Galveston have been addressed the reservation shall be released for other rental housing activities under this section.

Ooops! It doesn't say what the Politicians want it to say!

Since the Conciliation Agreement does NOT say that the City has to rebuild 569 Public Housing units, within the City limits, Mayor Jaworski went on a "Mission" to get the TDHCA and HUD to tell the City that the Conciliation Agreement does say that it MUST rebuild, within the City limits, or face loss of funding.

One of the first attempts is an email to HUD Assistant Secretary Mercedes Marquez on 31 August 2010 shown below:

From: Joe Jaworski

To: Marquez, Mercedes M

Cc: Herbstman, Judith Z

Sent: Tue Aug 31 14:36:06 2010

Subject: Thanks from Jaworski

Madame Assistant Secretary: Thank you for such a good visit in Galveston last week. I know the Downtown Partnership appreciated, as did I, your guidance on the Downtown vision. I am emailing you to say thanks and to request a moment to discuss with you my impression of what is going on in Galveston with our brand new Housing Authority Board's plans. I am proud of our board, and I am looking forward to seeing our public housing needs addressed in a modern, progressive and successful fashion. That is one of the reasons why I ran to be Galveston's Mayor, and I have appointed a hard-working, thoughtful Board who will achieve that vision.

I need to relate to you this: There is a renewed effort by some citizens to question the need for public housing at all. I believe the Community is due a direct answer, and I need to be the one to give it. I wish to set the record straight – by writing a guest column in our local newspaper - and I need some information from you and others to do so effectively. This is why I was speaking with Michael Allen the day before you visited in Galveston last week. I need your help in answering definitively two questions that are routinely posed by interested citizens and public housing opponents. I've answered them time and again, but the opponents (who are constituents nevertheless, so they are due 100% respect despite their increasingly partisan tone) now say only HUD can answer their question definitively. Here are the two questions: (1) Does HUD consider Galveston legally bound to replace public housing one for one under the Conciliation agreement and any other laws or agreements? (2) How much money (Ike HUD-disaster funding and otherwise) does Galveston stand to lose if it does not rebuild one for one public housing?

I have answered these questions in informal emails and numerous discussions face to face “yes we are bound, as is the State of Texas, under the Conciliation Agreement and under federal civil rights laws and our routine certifications that we affirmatively further fair housing” and “if we breach the Conciliation Agreement, we will lose not only all Ike funding (housing and non housing) but we will put at risk all future funding and even put ourselves at risk for Refunding what we have already received over the years.

At any rate, I am asking from you a written statement so I can share it with the community. If you believe it is best to get a Council resolution directing me to ask you in a formal letter I would be happy to do so.

Thank you for your service, your leadership and for your deep interest in Galveston's well-being and recovery.
Respectfully, Mayor Joe Jaworski

Joe Jaworski

One of the next attempts is another email to HUD Assistant Secretary Mercedes Marquez on 26 October 2010 shown below:

Joseph Jaworski

From: Joseph Jaworski
Sent: Tuesday, October 26, 2010 4:27 PM
To: 'Mercedes.M.Marquez@hud.gov'
Subject: A lingering question involving terms of the Conciliation Agreement and need for URGENT help

Madame Assistant Secretary: Despite the recent Galveston town hall meeting on October 13, 2010, where I felt the question was definitively resolved, we nevertheless have some in the community who still believe we have the option to build some of the 569 units OFF Galveston Island. I have even heard from a believable source that one of the editors of the Galveston newspaper claims to have had a conversation with "someone at HUD" who allegedly told him that HUD would not oppose some of the units going off the Island. HUD was the only relevant entity not represented at the town hall meeting; I know had you been there you would have been most clear.

In two days – on Thursday – Galveston City Council will consider a resolution confirming our understanding that 569 units must be restored on Galveston Island. The TDHCA and TDRA letter to me – which prompted the consideration of this Resolution – is quite clear that all 569 must be on the Island. I understand that one or more of my Councilmember colleagues intend to promote the notion that we place 100 units off the Island. Would you consider putting something in writing expressing your position? Thank you! Mayor Joe Jaworski

The “Mission” to create “Political Cover” Continues:

The Mayor receives a letter from TDHCA and TDRA on 06 October 2010

The Mayor receives a letter from Kevin Hamby on 27 October 2010

The Mayor receives a letter from Mercedes Marquez on 14 July 2011

The Question:

If it is obvious that the Conciliation Agreement says that the City has to rebuild 569 Public Housing units, within the City limits, why did the Mayor work so hard to get the “authorities” to say that it does say that?

The Answer:

If it did say that, no effort would have been necessary!