

Sent via fax to: 202-224-6020

03 June 2011

Senator Charles E. Grassley
Ranking Member
Committee on Finance
135 Hart Senate Office Building
Washington, DC 20510
202-224-3744

Re: Abuse of Taxpayer funds given to Public Housing Authorities

Senator Grassley:

Our group would like to thank you for your efforts to provide the proper oversight of the public money that HUD sends to local housing authorities. Our local PHA wants to rebuild the 569 Public Housing units destroyed by Hurricane Ike. Their plans have changed many times, but as we now understand them, they are disregarding the rules laid out in Executive Order 11988 regarding using federal funds to build in a floodplain, when much better sites are available on the Mainland!

They will also most likely try to ignore some sections of CFR 941.202, Site and Neighborhood Standards, but the most egregious problem is that the chosen locations will almost certainly violate the Fair Housing Act. If these abuses are not shocking enough, in order to achieve this vision, they plan to spend about \$235,500 per housing unit. Among the reasons that the costs are so ridiculously high are the codes that must be met to build in a high-risk hurricane zone, on a barrier island, that is also in a floodplain.

See: <http://www.galvestonogp.org/GHA/GHAREbuildingPlan.pdf>
Page number 10 (\$134 million to build 569 units)

The practical application of the Fair Housing Act, as laid out in more recent regulations, and especially through court rulings, calls for a regional approach to site selection in order to find locations that de-concentrate low-income minorities, AND that place Public Housing residents in census tracts that offer the greatest opportunity for them to escape from a life of generational dependency and poverty.

A regional approach to Public Housing should consider the best locations throughout Galveston County, but the Galveston Housing Authority (GHA) refuses to look at sites outside of the City, and the other cities in the County want no part of Public Housing which is clear failure to Affirmatively Further Fair Housing! Current plans will place ALL of the Public Housing in Galveston County, in the City of Galveston, where any reasonable demographic analysis shows that the City offers no acceptable locations.

The GHA, aided and abetted by the local Poverty Industry that stands to profit both politically and financially from maintaining and growing a dependent class in this city, wants to keep all of the Public Housing for the County in this city. They not only plan to build all the Public Housing in this city, they plan to rebuild most, if not all, of it in areas of the City that will serve to further segregate low-income minorities, and that will offer very little opportunity to escape from a life of generational dependency and poverty. These sites are being chosen simply because they offer political and financial advantages to the Poverty Industry; NOT for the good of the residents.

Rectifying the improper and unlawful plans of the GHA has been complicated by the actions of the fair-housing groups that convinced Governor Perry's delegates to agree to rebuild all of the Public Housing units, destroyed by Hurricane Ike, within the City, while pledging to Affirmatively Further Fair Housing. Two actions that are mutually exclusive. The fair-housing groups, and

the State agencies, delegated by the Governor, simply failed to do the proper due diligence to determine if there were any acceptable locations for Public Housing in the City of Galveston. The “Conciliation Agreement” that was the product of the uninformed and careless disregard for the requirements of the Fair Housing Act by the State agencies and fair-housing groups has emboldened local officials to ignore many of the federal regulations governing the building of Public Housing, because they believe that it somehow gives them permission to ignore the law.

Our efforts to get the State to sever the portions of the Conciliation Agreement that require unlawful acts, have been unsuccessful, so far, but Governor Perry has recently disbanded the two agencies responsible for drafting and executing the Conciliation Agreement, so we are hopeful that the agency now responsible for this policy will move quickly to repair the damage.

However, our pleas to get HUD to enforce their own rules have fallen on deaf ears. They seem to be perfectly happy to allow the GHA and other local officials to violate the Fair Housing Act as they turn a blind eye to their actions. We welcome the opportunity to discuss the situation in this city, with you and your staff, and hope that HUD’s complicity in local violations of the Fair Housing Act will become part of your on-going investigation.

Respectfully submitted,

David Stanowski
President
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