

What Does This All Mean?

In case you missed it, this afternoon Council **voted 4-3** (Gonzales, Beeton, Greenberg, Legg) **not to give the \$25 million in round 1 funding to GHA to do mixed-income development**, apparently derailing Joe & Betty's scheme to become the largest developer on the Island. However, the Mayor is a very resourceful guy, and he wants this mixed-income development very, very badly, so we have little doubt that he is already devising plans on how to breathe new life into it. Calls to HUD, GLO, and HGAC are sure to be forthcoming with the intent to formulate a rescue, so we must remain vigilant.

The mixed-income development was scheduled to **break ground in July**, so if GHA has to start all over again, with the planning process, will that be pushed out even further?

The best news of the day is that Galveston has a much higher degree of sovereignty than it has had since May 2010 when the Conciliation Agreement was signed and it began to be used as a threat that if Galveston did not rebuild 569 Public Housing units, all disaster recovery funding would be lost. The CA does not say that, but the Poverty Industry has been able to spin that story to its advantage scaring Councilmembers into actions that were contrary to the best interests of the City.

After all these months, **Steve Greenberg was the first to officially call their bluff**, and say that he was willing to take the chance that the City might lose the \$25 million in order to follow a plan that he believes is much better for the City. When the vote was finally called, **Councilmembers Gonzales, Beeton and Legg were willing to stand tall with him**, over the strenuous objections of the Mayor!

The Kool-Aide drinkers in the federal government tell us that the way to solve the problem of too much debt is to create a lot more debt. The Kool-aide drinkers in GHA tell us **the way to reduce segregation is to build more Public Housing in segregated**

neighborhoods. They never fail to ignore this “trivial” flaw in their arguments!

What is going to happen to the \$25 million?

Will HGAC or GLO return it to GHA with specific orders on how Public Housing must be rebuilt, or will some or all of the money be diverted to other cities? It is too soon to tell.

We do know that in order to get the fourth vote and derail the mixed-income scheme, **the Council still agreed to build another 529 Public Housing units** which would put the City **right back in the same declining condition** that it was in before Ike. In fact, **it would be worse off**, because GHA would build back up to 979 Public housing units, but in a city with 9,000 fewer residents. Concentrating low-income minorities even more than they were pre-Ike will very likely lead to a spiral of further decline.

That means that **our work is far from finished!**

The compromise that passed today will NOT lead to the highly-preferred regional site selection approach, and it would still allow GHA to concentrate low-income minorities into the worst neighborhoods in Galveston where we can expect the same results as in years past. It may be preferable to have GHA in charge of Public Housing, instead of a Saint Louis corporation, but there is **ABSOLUTELY NO REASON TO BELIEVE that this GHA Board will run Public Housing any better than previous Boards.**

Therefore, the only way to get Public Housing sites placed throughout the county in high-opportunity neighborhoods is to continue full speed ahead with the lawsuit.