

02 February 2012

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Ms. Gilbert:

Re: Strand-UTMB Corridor Plan

You must understand that many people in this city do not want to support or participate in any plan to redevelop this corridor if it includes rebuilding Public Housing. Everyone is well aware of the fact that **the source of the blight in this area was the former Public Housing project; Magnolia Homes, so it makes no sense to include Public Housing in a redevelopment plan given its history in this very location!** This is probably the most valuable piece of property in the City, because it ties together the Strand Historic District, the Port, and UTMB. **If it were not encumbered with the “mandate” to rebuild Public Housing, private developers, or UTMB, or the Port would surely move forward with some kind of**

**development** without the need for a taxpayer-funded study, or government grants.

We understand that you were not given the option to design a plan to put this property to its highest and best use, because your client, the GHA, would not allow you to do so. They no doubt told you that they “have to” rebuild on the old footprint, but that is simply not true! **GHA Chair Betty Massey has said many times that she considers the Oleander site unsuitable for rebuilding Public Housing due to the heavy commercial nature of the area where it is located, but she overlooks similar, if not more serious problems with this site.** She wanted to do a land swap exchanging Oleander for a more appropriate property. Unfortunately, she appears to have acquiesced to the pressure from MBS to build on the Oleander site.

<http://www.youtube.com/watch?v=IA5djTifP-A>

However, **the Magnolia site is no less commercial in nature than Oleander, and no less unsuitable for residential development,** as it is made up of two pieces; one sits right on a State truck route, Harborside Drive, and the other is only one block south of this major highway. If any new residential development is to be done in the Corridor, it should be located further away from Harborside, south of the Magnolia site; between Mechanic and Market.

GHA will try to convince you, and the people of the City, that their hands are tied and they must build at Magnolia. However, they have already revealed their wish to unload Oleander, and in a meeting with HUD Houston, in 2009, HUD told us that GHA can sell this land. If you can do a land swap for Oleander, the same can be done at Magnolia, or the land can simply be sold.

The simple truth is they don't want to sell this land. Apparently, the GHA believes that Magnolia is their best hope to convince the City that their very unpopular plan to build hundreds of units in a local real estate market with **7,671 (23.7%) vacant housing units,** and in neighborhoods that will surely **violate the Fair Housing Act,** will be accepted by residents of the City, **IF** their initial

building effort is embraced by UTMB and downtown merchants, and additional development takes place around their Public Housing site.

In other words, the GHA is willing to push the rebuilding of Public Housing on this site, even though they know that it was the cause of the blight and the lack of productivity in this area for several decades, because it fits their own very narrow agenda.

Yes, they plan to use mixed-income, so it will begin with “only” 60% of the units being subsidized, but this is still not the optimum formula for redevelopment, and who knows how much that figure will grow in this very soft real estate market.

Simply put, **this corridor is a prime conduit for commercial development;** especially the two blocks closest to Harborside which contains the Magnolia site, **so the GHA must find an alternate location for its rebuilding.** This land is likely more valuable than many suitable residential areas, so a sale and purchase may even turn a profit for them.

In conclusion, I foresee **very little support for your Corridor plan until you start with a clean slate, and see what makes the most sense without any Public Housing.** Hopefully, UTMB will also make it clear how Public Housing in this location has prevented their ability to expand their campus westward for several decades.

Best regards,

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