

MBS Mixed-Income versus Eastlake

There are some key differences that will likely yield much different results:

- **The strength of mixed-income is in the middle class component.** At **Eastlake**, the middle class make up **50%** of the mix, and Tom Cousins said in his testimony, (<http://www.GalvestonOGP.org/GHA/CousinsTestimony.pdf>) and in other comments, that he should have stuck with his original plan of 70% middle class. MBS starts with **40%** middle class, and there is no way to guarantee that it will not shrink even further!
- Eastlake's **on-site Charter School is the way that they ensure that their market rate units are in demand!** There is no on-site charter school in the MBS plan; that is a HUGE DIFFERENCE!
- Eastlake has an 18 hole public golf course around which the housing is built, a new K-8 charter school building, a new YMCA, and a Sheltering Arms child development center; **none of those amenities were included** in the plans presented to the Planning Commission or City Council by MBS.
- **Public Housing residents “present difficult challenges with respect to security”**, therefore, Eastlake has security guards at every entrance from 6 pm to 6 am, seven days a week! We have not seen that in the MBS plans.
- Eastlake is run by Cousins' non-profit, and his foundation **supplied the capital, and the needed operating expenses** for the amenities like the Charter School and YMCA; MBS is NOT a non-profit, and seems to have no intention of paying to build any of the amenities found at Eastlake themselves!

“At East Lake we have spent \$20 million simply building the school and daycare facilities. From an operating standpoint, our after-school program runs nearly \$400,000 per year; the self-sufficiency program reduces our potential profit from The Villages by at least \$50,000 per year; and both the daycare and school require additional fundraising to operate on a high quality level. We can afford to do all of this only because of great philanthropic support here in Atlanta. But for this program to work elsewhere, all of these services must be funded as part of the overall HUD program.”

**Tom Cousins’ Testimony 12 March 2001 (original source
<http://govinfo.library.unt.edu/mhc/hearings/testimony/Cousins.doc>)**