

HUD visit is key to \$20 million

Money will let housing authority construct new dwellings on South Texas State Fairgrounds

By **MIKE D. SMITH**
THE ENTERPRISE

Unless U.S. Department of Housing and Urban Development officials find any major problems during their visit next week, the Beaumont Housing Authority will be on track to receive the \$20 million the government awarded in October, authority executive director Robert Reyna said.

The authority received a \$20 million HOPE VI grant from HUD to raze the 194-unit Magnolia Gardens public housing complex and replace it with more than 370 apartments and homes there and

on 28 acres of land at the former South Texas State Fairgrounds.

The housing authority was one of four out of 26 applicants nationwide to receive a HOPE VI grant, HUD spokeswoman Donna White said.

The federal site visit, scheduled for Tuesday and Wednesday, is a necessary final step in the process, Reyna said.

"Basically, they want to make sure there is a Magnolia Gardens, they'll want to talk to residents; they're really just kind of doing a reality check," Reyna said.

HUD officials will also meet with the social service agencies

and community groups that have committed an extra \$30 million to the project to ensure that everything is in order, Reyna said.

HUD is also scheduled to speak with current residents of Magnolia Gardens.

The officials will then return to Washington, where they will request any follow-up information and architectural drawings of the planned developments, he said.

"We're taking the position that we are ready to start tomorrow," he said.

While BHA readies for the federal grant, the authority has encountered slow response from area

landlords to save Section 8, another HUD program, Reyna said.

Section 8 allows tenants meeting certain income requirements to pay reduced rents while BHA subsidizes the rest.

The authority receives a \$9 million annual allocation from HUD for the program, but declining landlord participation could mean Southeast Texas will begin losing some of the funding, he said.

"They're warning us that by January of '08, they could start recapturing our dollars," Reyna said. "They're already looking at our bal

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ances now."

To keep the dollars in Southeast Texas, BHA has begun pushing for landlords to reach a 97 percent utilization rate for the program.

As of October, utilization was at 81 percent. At that time, 20 families enrolled in the program used their vouchers to live in Baytown, Houston and San Antonio because of the lack of housing, he said.

"We try to explain to landlords if you don't make these units available, or if you don't come down 10 bucks or 15 bucks a month, you're looking at losing long-term renters," Reyna said.

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