

IN THE MATTER OF	X
	X
OLEANDER HOMES	X
(TX 017001)	X
	X
AND	X
	X
PALM TERRACE APARTMENTS	X
(TX 017006)	X

SETTLEMENT AGREEMENT

This Settlement Agreement with Replacement Plan is entered into between the Galveston Housing Authority (GHA) and Lone Star Legal Aid (LSLA) on behalf of its clients (Residents) who are displaced tenants of public housing located in Galveston, Texas, and who were forced to evacuate their homes in anticipation of Hurricane Ike making landfall at Galveston.

RECITALS

1. Hurricane Ike made landfall in Galveston, Texas on September 13, 2008. Multi-family public housing developments known as Oleander Homes, Palm Terrace Addition, Magnolia Homes, Cedar Terrace, and Cedar Terrace Addition were damaged by Hurricane Ike.

2. On February 27, 2009 GHA submitted a letter to the United States Department of Housing and Urban Development (HUD) notifying it that GHA intends to proceed with the demolition of Oleander Homes and Palm Terrace Addition without “going through the approval process”.

3. On March 2, 2009 LSLA on behalf of Residents filed an Administrative Complaint with HUD opposing GHA plans to demolish these public housing developments alleging failure to comply with applicable demolition laws, regulations, and rules.

4. Both parties support efforts to “fast track” Galveston’s recovery, and therefore, entered into negotiations to resolve this dispute in a manner that would promote development of affordable housing as a critical component of Galveston’s recovery.

5. In order to avoid any potential delay of recovery efforts and the expense of further action concerning this demolition dispute, GHA and LSLA on behalf of Residents enter into this Settlement Agreement with Replacement Plan.

TERMS OF AGREEMENT

6. GHA agrees to implement the Replacement Plan, attached as Exhibit A and incorporated into this Settlement Agreement by reference, which includes 1 for 1 replacement of the multi-family public housing units that GHA intends to demolish and that comprise Oleander Homes (TX017001), Palm Terrace Addition (TX017006), Magnolia Homes (TX17003), Cedar Terrace (TX017004) and Cedar Terrace Addition (TX017005).

7. GHA agrees that the Replacement Plan shall be incorporated into and become a part of any plans to demolish or redevelop Oleander Homes, Palm Terrace Addition, Magnolia Homes, Cedar Terrace, and Cedar Terrace Addition.

8. In consideration of GHA’s agreement to this Settlement Agreement with Replacement Plan, LSLA on behalf of Residents agrees to withdraw its Administrative Complaint now pending with HUD and to withdraw its opposition to GHA plans to demolish Oleander Homes and Palm Terrace Addition without prior HUD approval.

9. LSLA agrees to notify HUD in writing within 24 hours of GHA’s execution of this Settlement Agreement with Replacement Plan that it withdraws its pending Administrative Complaint and withdraws its opposition to GHA plans to demolish Oleander Homes and Palm Terrace Addition without prior HUD approval.

EXECUTION

The Galveston Housing Authority agrees to the terms of this Settlement Agreement with Replacement Plan.

Executed on the _____ day of March 2009.

ARTHUR MABASA, Chairperson
Galveston Housing Authority Board of Commissioners

Lone Star Legal Aid on behalf of Residents agrees to the terms of this Settlement Agreement with Replacement Plan.

Executed on the _____ day of March 2009.

SUSANNE C. SERÉ, Attorney for Residents
Lone Star Legal Aid