

Another 16 low-income homes slated for Texas City

By MARISSA BARNETT The Daily News | Posted: Wednesday, October 5, 2016 11:20 pm

An additional 16 homes for low-income residents will be built in Texas City using about \$1.82 million in federal disaster recovery money.

DSW Homes, a private developer with offices in Galveston and New York, will build 16 units on undeveloped land it owns on 25th Street in Texas City. Galveston County Commissioners Court last week granted the company an additional \$1.82 million in Community Development Block Grant money to use for the construction of the properties.

Earlier this year, the state finalized an agreement with DSW Homes for about \$2.1 million in federal disaster recovery money to purchase and remodel a separate public housing complex in exchange for managing the property as affordable housing for the next 10 years.

That agreement has been questioned by public housing advocates for the short affordability term. U.S. Department of Housing and Urban Development officials also said the complex should be operated as public housing for at least 40 years.

The developer will contribute its own money to the construction of the homes with about \$454,550 in equity financing and a \$2.1 million loan from the Texas First Bank. The development — 26 three-bedroom homes at 7400 Blue Jay Drive in Texas City — is slated to be completed by the end of the year, DSW Homes owner Steve Mataro said.

After that project is complete, the company will start building the homes on 25th Street on a tract near the Parkwood Apartments, Mataro said.

“We’re still working on the design, but we’re hoping everything proceeds at the same pace that we’re working on Blue Jay,” he said. That speed would mean the development would be ready by sometime in mid-2017.

The terms for the 25th Street property are the same as the Blue Jay property.

The company plans to build 16 single-family three-bedroom homes, Mataro said. Under the contract, 68 percent of the homes will be designated for people earning up to 80 percent of the Area Median Income or about \$17,600 per year. The rest will be market-rate units, according to the contract.

The company originally proposed 26 single-family homes, but the Texas City Zoning Commission denied that request. The Galveston County Multi-Family Committee then voted to reduce the scope to 16 units without changing the funding, according to documents presented to commissioners court.

The company estimates the project will cost about \$3.92 million overall. It will be funded with \$1.82 million in public money, \$1.3 million from a permanent mortgage and the remaining \$800,000 in developer equity.

DSW Homes will build, own and manage the housing, Mataro said. The grant will be overseen by the Texas General Land Office, he said.