

# Recovery HUD applauds state's new Ike funds plan

By Rhiannon Meyers | Posted: Wednesday, May 26, 2010 12:00 am

The U.S. Department of Housing and Urban Development on Tuesday applauded the state's amended plan to spend \$1.7 billion in federal disaster recovery money.

The federal housing department stopped short of approving the plan however until the state finishes collecting public comment on the changes.

The housing department rejected the state's original plan to allocate the money after social justice advocacy group Texas Appleseed complained the plan did not set aside enough money for low- and moderate-income families to repair hurricane-damaged houses.

The original plan would have allocated money in a discriminatory manner the department said in a statement issued Tuesday.

"I am encouraged Texas has offered its residents a more thoughtful fair and data-driven plan that recognizes where the greatest needs are" HUD Secretary Shaun Donovan said in a statement.

To keep the matter out of the courts and expedite funding Texas reached an agreement with Texas Appleseed and another advocacy group the Texas Low-Income Housing Information Service which had complained the state was using the federal disaster money to achieve fair housing goals.

Under the agreement which has been approved by the federal housing department the Houston-Galveston area will get more money \$1.032 billion total from the second round of disaster money.

"This is a great victory for common sense and persistence" said Barbara Crews of Gulf Coast Interfaith an agency that has been pushing for increased funding to the Houston-Galveston area. "For the last eight months we have sought to get the state to shift funding to where it is most needed. Thanks to a gentle nudge from HUD they have finally done so."

Cities will have to wait longer maybe as late as February to start spending the money however.

The state agency charged with overseeing the federal disaster recover dollars will have a public hearing about the plan from 10 a.m. to noon today at the state Capitol in Austin.

The state will accept public comment about the plan until noon Friday.

The federal housing department can't approve the plan until the state collects public comments and submits the plan for review spokesman Brian Sullivan said.

Galveston and Galveston County officials have started spending a first round of federal disaster money repairing or rebuilding hundreds of hurricane-damaged houses and fixing hurricane-damaged

streets pipes and infrastructure.

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## The New Plan

According to the amended plan:

Money will be shifted from East Texas counties to areas hard hit by Hurricane Ike particularly the Houston-Galveston area. This region will get \$188.5 million or 22 percent more money than was originally planned.

Fifty-five percent of all disaster recovery money — \$1.68 billion — must be spent on housing not infrastructure. Housing funding that can't be used in one region must be returned to the state and reallocated to areas that still have unmet housing needs.

Fifty-five percent of all federal disaster recovery money must be used to benefit low- and moderate-income households which could include infrastructure improvements in those neighborhoods. That is an increase of 5 percent \$153 million from the original plan.

The state must hire a consultant to prepare an analysis of impediments that outlines how hurricane-damaged municipalities plan to promote fair housing. Once that plan is created the Houston-Galveston Area Council can begin divvying up the money to municipalities.

There must be a one-for-one replacement of all hurricane-damaged public housing meaning every unit of public housing demolished after the hurricane will get rebuilt. Galveston City Council members and Galveston Housing Authority officials have agreed to replace all 569 units of hurricane-damaged public housing in Galveston.

The Houston-Galveston Area Council must post its plan to allocate the money for at least 15 days to allow for public comment.

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## At A Glance

**WHAT:** Texas Department of Rural Affairs public hearing on amended plan to spend Round 2 federal disaster recovery money

**WHEN:** 10 a.m. to noon today

**WHERE:** Room E1.004 in the State Capitol 1100 Congress Ave. Austin

**DETAILS:** Comment on the plan by sending an e-mail to [dractionplan2comments@tdra.state.tx.us](mailto:dractionplan2comments@tdra.state.tx.us)