

GLO to release some of frozen disaster money

By JOHN WAYNE FERGUSON | Posted: Tuesday, July 30, 2013 12:30 am

GALVESTON — The Texas General Land Office has told the city of Galveston it will release some of the \$103 million in federal disaster recovery money it placed a hold on four months ago.

The land office has agreed to release about \$4 million in Community Development Block Grant money to help fund previously approved disaster recovery projects, including a \$5.8 million rehabilitation of the city's sewage lift stations.

Since the land office froze the grant money in April, the city has been moving cash from other areas to fund the engineering and design of the lift stations, said City Manager Michael Kovacs. Before the freeze, it was expected that the CDBG disaster funds would be used to match money already approved by the Federal Emergency Management Agency.

“It will give us some confidence that our non-FEMA costs will be covered,” Kovacs said in discussing the impending release.

The land office has also given the city a choice to receive funding for one of two other CDBG-funded projects. The city can choose either \$17.4 million for a group of road reconstruction projects or about \$11 million for the reconstruction of the water pump station on 59th Street.

Kovacs said in the past six weeks, relations between the city and the land office had improved, which helped lead to the partial release. Kovacs also credited the support of local advocacy groups, which earlier this month sent a letter to the land office requesting a limited release of non-housing funds.

The city and the local advocates — which included the NAACP, the Galveston County Coalition for Justice, the League of United Latin American Citizens, the Galveston Northside Taskforce and Gulf Coast Interfaith — asked for about \$41 million to be released. The land office agreed to release about half of that.

On April 10, the land office informed the city that more than \$100 million in CDBG funds would be frozen until certain conditions were met. Soon after, the land office informed the city that merely meeting the conditions would not necessarily release the fund. In a letter to Kovacs, Jorge Ramirez senior director of the disaster recovery program, said the city must show “real and meaningful steps toward progress” before the money would be released.

A land office spokesperson said the release was a step toward progress between the agency and the city.

“Commissioner (Jerry) Patterson wants to encourage further cooperation,” Suydam said, agreeing

with Kovac's statements that working relations had smoothed recently. "It's nothing that gets shouted about in meetings and talked about in the paper."

The city council will have a special meeting Thursday to discuss the land office's decision and to direct Kovacs on which of the two projects it would like to pursue.

Kovacs said city staff was still developing its recommendation on which one to choose.

The street project, which has entered its design phase, would fully replace the street and utilities on three major roadways: Market Street from 33rd to 14th streets; 43rd Street from Broadway to Avenue U; and 53rd Street from Broadway to Seawall Boulevard.

"If we're looking to turn ground quicker, then it would be quicker to do the streets," Kovacs said.

If the city chooses the pump station, Kovacs said the benefit would be solid financial backing as the project begins design and engineering phases.

At a glance

What: Galveston City Council special meeting

When: 9 a.m. Thursday

Where: Galveston City Hall, 823 Rosenberg