

# There's money in the pipeline

By Heber Taylor | Posted: Saturday, January 24, 2009 11:00 pm

There's no reason to believe that federal money that could be used to rebuild houses in Galveston County is being hijacked.

But there's little reason to believe based on the actions of government so far that helping the ordinary people recover from Hurricane Ike is the top priority of those who are handling the money.

That in a nutshell is why people who think that rebuilding wrecked houses of Galveston County should be a priority for Community Development Block Grant are concerned.

Many people saw the headlines when Congress appropriated money to help communities that were hit by disasters in 2008. That included more than \$1 billion in block grant funds for Texas. Some people desperate for help in repairing their property are asking "What's the holdup?"

The answer is that the money went into a long pipeline.

After Hurricane Rita the state routed those federal funds into the Texas Department of Housing. That was not a happy tale. By the time the government had built a few houses with those funds volunteers with church groups had built hundreds.

So after Hurricane Ike the state routed the federal money through the Office of Rural Community Affairs. That agency passed the funding to regional councils of government. The Houston-Galveston Area Council's cut is expected to be \$814 million.

The council which covers 13 counties is responsible for developing a plan to distribute the grants among its members. The deadline is Feb. 17.

The plan will route funding into three categories — housing infrastructure restoration and economic revitalization. If the council's plan follows the Federal Emergency Management Agency's initial estimates of damage 59 percent will go to repair the housing 32 percent will go to infrastructure such as roads water lines and sewer plants and 9 percent will go to economic development.

The concerns of those who hope that the lion's share of this money goes to repair housing are these:

Some people believe that FEMA's estimate of the damage was weighted toward infrastructure. In other words they contend that damage to housing was underestimated to begin with particularly in areas that were hardest hit by the storm.

The Office of Rural Community Affairs has a good record for developing infrastructure. The concern is that infrastructure is the agency's strength and that the agency might tend to steer dollars toward

public works projects rather to rebuilding houses.

Harris County which is so large it can hardly be called a partner in the area council already has commissioned a study that suggests FEMA underestimated the damage to housing. Housing advocates fear that's an argument for steering more money to Harris County rather than Galveston County.

Five percent of the money will go to administrative costs and an additional 15 percent will go to planning before money gets to the people who are rebuilding properties.

At the municipal level some cities have shown far more interest in rebuilding infrastructure rather than encouraging cities to rebuild housing.

In the end the fear is this: An awful lot of money is going into the pipeline. Very little will come out at the other end to help the people of Galveston County — the place where the hurricane hit — rebuild their wrecked homes.

When the Houston-Galveston Area Council releases its plan sometime around Feb. 17 everyone who lives in this county should be watching.