



THE ISIS MOBILE WALLET™ IS PIN-PROTECTED.

LEARN MORE >

ISIS PlaySmarter™

Superintendent pay above state average

All but one of Galveston County's non-charter public school superintendents' salaries are well above the state average pay for school leaders.

Daily News Homes

Your new home is looking for you! Browse home listings today.

- Home
- News
- Sports
- Opinion
- Blogs
- Lifestyle
- Communities
- AP
- Services
- Classifieds
- Homes
- Shop

Who are the Austin advocates?

By Michael A. Smith
The Daily News
Published November 22, 2012

GALVESTON — In the years-long debate about whether and how to rebuild public housing demolished after Hurricane Ike, the words "Austin advocates" achieved a near-mythical aura.

Especially among those opposed to rebuilding 569 public-housing units lost to Ike's epic flooding, two Austin-based advocacy groups came to represent something akin to the Bavarian Illuminati — a shadowy, distant power manipulating local events in service of its own obscure and probably sinister agenda.

Had the groups not intervened, Galveston could have housed its poor, elderly and disabled through a voucher program, as a majority of voting residents wanted, opponents argued.

Instead, opponents argue, Texas Appleseed and Texas Low Income Housing Information Service hijacked a local effort and imposed their own vision and values on a reluctant, often defiant, population.

Proponents, however, say a coalition of local social service agencies, city leaders and even some business groups sought help from the advocates when it became clear the state of Texas planned to divert billions of federal disaster dollars to pay for pork barrel projects in areas without major hurricane damage.

Members of the Austin groups themselves said they have received more than a fair share of both blame and credit.

It's fact beyond argument, however, that the groups played a major role in defining Galveston's recovery after Hurricane Ike, especially how it will house its needy for the next 75 years, and yet most residents know little about them.

Down in The Valley

Texas Low Income Housing Information Service was founded in 1988 by a group of housing advocates who had grown frustrated by the inability of government programs to effectively address problems particular to specific communities, said John Henneberger, a co-founder of the organization.

Some of the group's main work has been in the notorious colonias of the Rio Grande Valley where migrant workers had lived sometimes for generations in shacks without electricity or running water, Henneberger said.

Standard government programs couldn't help people living in the colonias, he said.

"These workers are gone for months at a time following the crops," Henneberger said. "They can't use public housing and don't really need it. A lot of them own a little piece of land. They wanted to build their own houses and they knew how. What they needed was help paying for material."

Henneberger's group worked with colonias residents and the state and federal governments to develop a no-interest loan program, he said. The workers borrowed money from the state and pooled their labor to build themselves houses, he said.

The program has been a success and still exists today, he said. It's an example of the group's focus on tailoring programs to address the situation on the ground, Henneberger said.

Texas Low Income Housing Information Service has three full-time staff members and two part-time graduate students. About one-third of its funding comes through small donations and about two-thirds from regional and national charitable foundations, Henneberger said.

Not exactly radicals

Texas Appleseed is the state's chapter of a national network of public interest justice centers, Allen Van Fleet, a Houston attorney and member of the group's board of directors, said.

Search

Advanced Search - Browse

THE LATEST PHONES HAVE THE ISIS MOBILE WALLET™

LEARN MORE >

The HTC One™ X is Isis Ready™

ISIS

- Sponsored Links**
- Hot New product from MSSD**
MSSD mgmt believes revolutionary new product will net best quarter.
www.MassiveDynamicsCorp.com
 - NFL Extra Points Card**
Receive 20% Off at NFLShop.com When You Use Your Cowboys Credit Card. Apply Today!
http://www.nflxtrapoints.com
 - Dealing With Incontinence**
Learn About This Medical Condition. What You May Be Able To Do About It
www.TreatGAB.com

Its roots are rather different from those of Henneberger's group.

"Lore has it that Applesseed began at a Harvard Law School class reunion," Van Fleet said. "They had all done very well for themselves and decided they wanted a way to help others.

"These are moderately conservative people who work for some very high-profile law firms."

Van Fleet is a partner at McDermott Will & Emery and was a partner at Vinson & Elkins. The board also includes members who work at such well-known firms as Bracewell & Giuliani and Fulbright & Jaworski.

The group provides pro bono legal services with a focus on issue, rather than individual advocacy, Van Fleet said.

It has worked to reform laws governing everything from the payday loan industry to the juvenile justice and indigent defense systems, Van Fleet said.

The group focuses on systemic problems and is willing to get involved "anywhere a good lawyer could get involved and do some good," Van Fleet said.

Texas Applesseed lists a staff of 10 people and lists among its supporters such charities as The Ford Foundation, Houston Endowment, JP Morgan Chase Foundation, Levi Strauss Foundation and such corporate donors as CenterPoint Energy, Citigroup, Continental Airlines and ExxonMobil Corp., to name a few of each.

How they got here

The story of how these two groups became major players in Galveston's recovery from Hurricane Ike in 2008 begins with Hurricane Rita, which battered the Upper Texas Coast in 2005.

Henneberger's group had been working with various faith-based organizations such as Gulf Coast Interfaith and Lutheran Disaster Response, which were trying to assist in rebuilding damaged houses, he said.

The groups all learned some hard lessons about the fate of federal dollars that wander into disaster areas.

"Our experience in Rita was that, if nobody is watching, disaster recovery money ends up being spent for political reasons on projects that have nothing to do with housing and don't primarily benefit low- and moderate-income people," as federal law requires, he said.

Most of about \$300 million allocated for Rita recovery was funneled off to pay for infrastructure projects while only a small amount was set aside for housing, Joe Higgs, who worked for Gulf Coast Interfaith at the time, said.

"By the time any of us knew about that pot of money, it already had been carved up," Higgs said. "They did things like cap the cost of building a new house at \$45,000. What kind of house can you build for that?"

Then, Ike

In early 2009, just months after Hurricane Ike swamped Galveston and much of the region, the state of Texas announced it would distribute about \$1.7 billion in federal Community Development Block Grant-Disaster Recovery money based on a meteorological model, rather than using assessments of where storm damage had occurred.

That decision meant areas where the wind had blown and water had risen, but little was damaged, would get money Congress had intended for the actual victims of hurricanes Dolly and Ike.

"City councils everywhere were licking their chops over that money," Henneberger said.

They planned, as had happened after Rita, to replace tax dollars with federal disaster dollars to build roads and other infrastructure, numerous sources said.

But this time, groups that had been through Rita knew what they were seeing.

Higgs, of Gulf Coast Interfaith, and some others from Galveston did an analysis of where the money was headed and put it all in spread sheets, Henneberger said.

"What they showed was basically a raid on the money," he said.

"There were hundreds of useful projects but they weren't the kinds of projects CDBG money is meant to fund."

Higgs and others sought help from Henneberger because his group knew in detail what federal law required and forbade in the spending of disaster money.

Complaint drafted

Henneberger said he took the information from Higgs to Madison Sloan, a staff attorney for Texas Applesseed, who put together a 50-page complaint arguing the state's plan for the money violated federal law.

"People in the local community already knew something was really wrong," Henneberger said.

"We just got it all in the form of a proper document and got in front of people at HUD. The numbers spoke for themselves."

Shortly thereafter, Sloan and Henneberger were called to Washington to meet with officials of the U.S. Department of Housing and Urban Development, which has oversight of the block grants.

"They said if we were serious about it, we needed to file a formal complaint," Henneberger said. "So Maddy developed an even more detailed document."

About six weeks later, the two were called to a meeting in Austin with about 30 state leaders who argued the state's plan was right and legal, Henneberger said.

A little later, however, the federal housing department announced it would ask the U.S. Department of Justice to investigate the state's handling of disaster aid, Henneberger said. And a little after that, the state called Henneberger and Sloan to ask whether they were willing to strike a deal to settle their complaint.

After weeks of meetings, the two groups and state officials produced what would become the most important and controversial document associated with Galveston's long battle over public housing.

Conciliation agreement

The conciliation agreement signed May 25, 2010, by representatives of the two advocacy groups, the Texas Department of Rural Affairs and the Texas Department of Housing and Community Affairs is 25 pages of dense legal prose studded with acronyms.

It spells out in fine detail how the state of Texas would administer almost \$2 billion in federal disaster aid allocated for recovery from hurricanes Dolly and Ike.

It mentions Galveston and its public housing only briefly. But one part of one sentence came to be a defining statement in that long debate — "... no less than \$50 million shall be available for use by the city of Galveston for the one-for-one replacement of all family and elderly public housing units damaged or destroyed in Hurricane Ike."

That statement was not the main point of the agreement, Henneberger said. It was added as a matter of course because the one-for-one replacement had been decided a year before in a settlement agreement between Galveston Housing Authority and Lone Star Legal Aid, which was representing housing authority residents.

The authority had applied to demolish the flooded Oleander Homes and Palm Terrace projects. Lone Star Legal Aid had sued to prevent that, unless the authority agreed to the one-for-one replacement of the units.

Political issue

Despite the fact public housing plays only a part in the conciliation agreement, the one-for-one statement became a hot issue in the debate over what Galveston should or must do. Proponents argued the agreement mandated rebuilding, end of story. Opponents argued that since Galveston was not a party to the agreement, the document was invalid and should be attacked in court.

Neither argument fully acknowledges what the agreement meant for the island, which was a payday in federal disaster aid like few communities had ever seen.

"We got almost a quarter of a billion dollars for this region that otherwise would have gone elsewhere," Van Fleet said.

It's not clear exactly how much more money Galveston got for housing and to repair its roads, water and sewer system and other infrastructure, but everybody seems to agree the number is very large.

As former Mayor Lyda Ann Thomas recalls, had the state's meteorological plan been allowed to stand, money for this region would have been pooled and each government would have had to apply for it. Galveston's share could have been as little as \$2 million under those conditions, she said.

Instead, Galveston received more than \$250 million in Round 2 funding, according to the city.

It plans to spend about \$147 million on housing programs, including the repair and rebuilding of private homes and rental properties.

It plans to spend about \$105 million on infrastructure projects, including repairs and upgrades to water and sewer systems and roads.

Question of clout

While the main proponents of public housing agree the Austin advocates served Galveston well, some at times complained the groups, while meaning well, misunderstood local needs and desires and held too much clout among state and federal officials.

The clout came through the conciliation agreement with the state of Texas, over which the General Land Office inherited oversight from the Texas Department of Rural Affairs.

Local leaders had tried to avoid replacing public housing with scattered-site developments after a heated public hearing that brought a large crowd of opponents. They favored instead building

11/26/12

Who are the Austin advocates?

mixed-income developments on a few sites.

"We did have disagreement," former Galveston Housing Authority Chairwoman Betty Massey said. "They were willing to build high-quality public housing right back where it had been before. We wanted something better than that. I don't think they ever understood the mixed-income concept."

Rebuild from scratch

In the end, Galveston agreed to two mixed-income projects and 388 scattered-site developments.

Henneberger said he thinks the worries about scattered sites are overblown and that after awhile, few people will even realize they exist.

"Very few communities have the chance to rebuild from scratch with all the resources needed to do it right," he said.

"Galveston has that chance, and I think the debate over how to rebuild has been part of the reason it will succeed. There's nobody who has not been heard from, and Galveston made it pretty clear they didn't want big apartment complexes."

What the city got was a program tailored for its own needs and desires, much like the colonias residents. And that was mostly a local effort, he said.

"We got a lot more blame and a lot more credit than we deserve," Henneberger said.

"But if people want to blame us, that's fine. I'm all right with that. What we did was insist that the rules be followed."

[Share](#) | [Save](#) | [Mail](#) | [Print](#) | [Letter](#) | [14 Comments](#)

DA

[Privacy](#) | [Reprints](#) | [Newspapers in Education](#) | [About The Daily News](#) | [Contact Us](#) | [Advertise](#)

2012 © The Galveston County Daily News. All rights reserved.

A Galveston Newspapers Inc. Publication