

Smears & Scare Tactics

For the last two and a half years, the Poverty Industry has regarded the possibility of a lawsuit as “a joke”. They never believed that the people of this city could pull such a thing together in the face of their fierce opposition. Now, however, as “the lawsuit” is within our reach, and as it becomes a reality to them, some reactions have already begun, and there may be more to come.

1.) Yesterday, someone posting anonymously on the GCDN forum threatened to “investigate” the GOGP, and to mount a smear campaign against me. Obviously, this is an attempt to discredit me, and the GOGP, in order to halt the donations needed to pay for the lawsuit.

We don’t know what they are actually going to do, but we don’t plan to respond unless they cross certain lines, and we encourage our supporters to do the same. Engaging in a debate will just become a distraction at a time when we need to be focused on fund raising and preparing our case.

If they do begin a smear campaign, the best thing that you can do is to step up your fund raising efforts, because once we reach our goal there should be very little reason for them to continue.

2.) At some point, our opponents may acknowledge the pending lawsuit in public meetings and/or in the GCDN in an attempt to scare off public support by claiming that a successful lawsuit will threaten the federal recovery funding to this city. We must be prepared for this kind of propaganda campaign, too.

The simple answer to this allegation is that the **sections of the Lone Star Legal Aid (LSLA) Agreement and the Texas Appleseed (TA) Agreement directing the GHA to rebuild all 569 units in the City of Galveston violate the Fair Housing Act, so a successful lawsuit would automatically negate those provisions when a judge orders the GHA to implement a countywide plan.**

Such an order would have to re-direct federal recovery funding, for Public Housing, to the locations throughout the County selected by the court, but **there would be absolutely no reason for any government entity to punish the City, because it would have to follow the court ordered remedy for Public Housing, along with the other cities in the County.**

For those who would like to delve more deeply into this issue:

1. Is there a threat to federal recovery funding from the federal government?

February 2009: HUD waived all PH replacement requirements for units destroyed by Hurricane Ike.

15 October 2009: **HUD's Houston office confirms that they do NOT have a requirement to do a one-for-one replacement of the 569 PH units.**

<http://www.galvestonogp.org/GHA/PressRelease-HUDGalvestonDoesNotHaveToRebuild.pdf>

2. Is there a threat to federal funding from LSLA?

13 March 2009: GHA signs the LSLA Agreement pledging to rebuild 569 PH units in the City of Galveston. If the GHA fails to do this, LSLA's remedy is to file a lawsuit and ask the court to force GHA to rebuild. **LSLA has no direct power or authority over federal funding to the City.**

<http://www.galvestonogp.org/GHA/LoneStarLegalAidAgreement.pdf>

3. Is there a threat to federal funding from Texas Appleseed and/or TXLIHIS?

25 May 2010: Unlike the LSLA Agreement, the Texas Appleseed/TXLIHIS Conciliation Agreement is a document primarily concerned with large regions of the State of Texas. The small portion that deals with the City of Galveston clearly speaks to the one-to-one replacement of the Public

Housing destroyed by Hurricane Ike, BUT this Agreement is very poorly drafted, and it does NOT actually say that 569 PH units must be rebuilt within the City!

“b. One-for-One Replacement. From TDHCA’s affordable housing set aside out of the Hurricane Recovery Funds, no less than \$50 million shall be available for use in the City of Galveston for the one-for-one replacement of all family and elderly public housing units damaged or destroyed in Hurricane Ike.”

Obviously, this \$50 million is being “made available” to be used to replace the Public Housing destroyed in Galveston, so if this \$50 million is used, the replacement units must be rebuilt in Galveston; but if it is not used, the issue should be moot!

<http://www.galvestonogp.org/GHA/ConciliationAgreement.pdf>

(see Page 16, II B 2 b)

“Such program shall require:

The one-for-one replacement or rehabilitation of all family and elderly public housing units that were damaged or destroyed as a result of the Hurricanes within the local jurisdictions in a manner that affirmatively furthers fair housing in compliance with phase 1 of the updated AI. Twenty million dollars shall be reserved specifically to support the one-for-one replacement of family and elderly public housing damaged or destroyed by The Hurricanes in the City of Galveston.”

<http://www.galvestonogp.org/GHA/ConciliationAgreement.pdf>

(see Page 16, II B 2 e i)

This paragraph requires that the Public Housing units must be replaced in a manner that AFFH, which **cannot be done if they are all rebuilt in this city!**

The last sentence reserves \$20 million for the one-for-one replacement of the Public Housing destroyed in the City of Galveston, **BUT it does NOT say that they must be rebuilt in the City!**

This Conciliation Agreement only applies to “Hurricane Block Grant Funds”, i.e. federal recovery funding, not to any other state or federal funding.

There are enforcement provisions on:

Page 8, 2. Application of Phase 1 of the Updated AI;
Page 9, 3.5 Expenditures of Round II Funds Prior to the Acceptance of
Phase 1 AI;
Page 22, 5. Remedies;
Page 24, G. Consequences of a Breach.

It is certainly possible that a party to the Conciliation Agreement could attempt to use any of the listed provisions to withhold Hurricane Block Grant Funds from the City, but **what court would consider such an action after a ruling from a judge ordering the GHA to implement a countywide Public Housing plan? That ruling should trump any requirements on the City that do not conform to the newly ordered plan, and will allow the judge to determine any disputes over how the funding will be distributed to the City.**