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Astros reach 60 wins
Prospect Kyle Tucker made his debut, and the Astros beat the White Sox 12-6.
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Texas scientist plays against type at the EPA

Advisory board chief keeps open mind on issues

By James Osborne

WASHINGTON — When Michael Honeycutt was named the chairman of the Environmental Protection Agency’s Science Advisory board last fall, environmentalists expected the worst. As director of toxicology

at the Texas Commission on Environmental Quality, he spent more than two decades fighting EPA efforts to put stricter controls on everything from ozone to mercury to hexavalent chromium — the cancer-causing agent made famous in the Julia Roberts film, “Erin Brockovich.” With a national platform, he was expected him to speed along the Trump administration’s efforts to roll

back a decade’s worth of regulations aimed at oil, gas and other fossil fuel industries. Honeycutt, however, is not playing along, leading the board in its recent decision to review the science behind a host of controversial EPA policies, such as repealing the Clean Power Plan, which aims to limit greenhouse gas emissions. That, along with his demand

Texas continues on A1



Ralph Barrera /American-Statesman

Some critics feared Mike Honeycutt as a conservative, but he has kept his opinions open.

Bill on generic drugs stalls

Cornyn’s flip-flop votes illustrate lobbying battle

By Kevin Diaz

When the price of Daraprim shot up from \$13.50 to \$750 a pill in 2015, doctors and patient advocates were shocked because the patent on the decades-old AIDS drug had expired long ago. Even if a generic drug maker had wanted to develop a cheaper alternative, executives at Turing Pharmaceuticals — the drug company founded by convicted hedge fund fraudster Martin Shkreli — made clear that they had no intention of making Daraprim available to rival companies to make their own versions. The public outcry over the drug’s 5,000-percent price hike led to media accounts of Shkreli as “the most hated man in America” and helped galvanize a national debate over prescription drug prices. Now a broad-based effort to hold down drug prices and bring new generic medications to the market has put Texas U.S. Sen. John Cornyn in the spotlight of a high-stakes lobbying battle as billions of dollars hangs in the balance for both investors and taxpayers. Cornyn, the No. 2 Republican in the Senate, abruptly changed his “aye” vote several hours after a crucial Judiciary Committee meeting that advanced a bipartisan bill to increase generic competition. Cornyn’s switch to “nay” didn’t change the outcome of the 15-6 vote, but it signaled that consensus may still be difficult to reach in the Republican-controlled Congress. Cornyn has lauded the

Senate continues on A9

FLOOD INSURANCE WEAKNESS LEADS TO REPEAT DISASTERS



Mark Mulligan / Houston Chronicle

Julia Hatcher, a Galveston attorney, is one of the few homeowners who raised her home after being inundated by Hurricane Ike.

Political instead of practical rulings contribute to the cycle of destruction

By Mark Collette

Officials in Houston and across the country are failing to enforce a central pillar of the taxpayer-subsidized National Flood Insurance Program: Making sure severely

damaged properties are elevated or removed from flood plains. Thousands of such homes get rebuilt and then flood again, often for more than they are worth, costing taxpayers more than \$1 billion in repeat losses.

The deeply indebted program is set to lapse July 31 without congressional reauthorization, and lawmakers have put forward a host of potential reforms to tie to that vote, but none directly address the costly problem of poorly enforced elevation requirements. Texas has more flooded properties with evidence of this problem than any other state but Louisiana; Houston has more than any

other city, a Houston Chronicle investigation found. Seven of the nation’s 10 most frequently substantially damaged properties are in Houston. Those seven have had 107 damage claims totaling \$9 million, even though the combined value of those buildings is just \$426,000. Under federal rules, local officials are supposed to assess flood

Rulings continues on A12

Serving up fare memories of Albritton’s on the menu

Iconic family-run cafeteria’s story falls to archivist

By Greg Morago

They came to her like the best gifts do — without warning, invested with meaning, steeped in love. When her grandmother, Sophie Allbritton, became ill recently and moved into a care facility, Shane Allbritton, 43, became the unwitting archivist for decades worth of memorabil-

ia on a single topic: the life and times of Allbritton’s Cafeteria. Today’s modern foodies won’t remember Allbritton’s, a collection of family-run cafeterias whose last location shuttered in 1996. But there is a generation of Houstonians who recall the name with a reverence for sepia-toned days. They remember the bustling cafeterias where all walks of life converged over roast beef with gravy, fried chicken, carrot salad and lemon icebox pie. They may re-

member certain employees, many of whom worked there 30-plus years, and various Allbritton family members, who were such a daily presence it seemed as if they never went home. Allbritton’s was, by most accounts, Houston’s first cafeteria restaurant, of which precious few remain. And it was a major player in the city’s dining scene at large, helping shape how we eat today with innovative practices such as listing calorie

City continues on A10



Allbritton’s Cafeteria closed its last location in 1996. At one time the family owned no fewer than five cafeterias in the Houston area.

Courtesy the Allbritton family



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FROM THE COVER

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City staff could have held the line, but that would have meant forcing expensive elevation projects on people who couldn't afford it, ultimately kicking people out of town, and leaving homes to rot off the tax rolls. It can cost more than \$150,000 to raise a 2,000-square-foot house, and standard flood policies cover only \$30,000 of that.

So city officials gave in, Beeton said.

Julia Hatcher's house in Bayou Shore, valued at \$62,000, took on six feet of water. The city declared only \$25,000 in damages.

"One of the inspectors said to me something to the effect of, do you know how much it would cost if we rated everybody substantially damaged?" she recalled. "They just basically went around and lowballed damage for everybody so nobody would be substantially damaged. Everybody (on the street) was substantially damaged, in my opinion."

She was one of few who elevated her house anyway.

Over or under?

Catherine Gorman, the assistant planning director, said city staff bore tremendous stress. The first time she declared a house substantially damaged, the owner was in the permit office and had been waiting in a long line with other storm-ravaged residents seeking rebuilding permits. When the homeowner realized what the declaration meant, she collapsed. In the following months, Gorman and her staff would have thousands of those conversations with weary residents.

"Politically, the hardest part of their job is doing substantial damage determinations," said Berginnis, of the flood plain managers association. "I've been to places where communities are ready to repeal flood plain regulations entirely" to spare residents from such trauma, he said.

Arriving at a damage percentage is a complex process involving dozens of variables and calculations, often performed by FEMA-produced software. Local officials are supposed to determine the cost of bringing the building back to its pre-flood condition using labor and materials at market prices, even if the homeowner elects to do less work.

Yet many of the variables are open to interpretation, allowing the end result to be easily manipulated. A FEMA handbook gives local officials four options for determining market value, one of which is simply "estimates based on sound professional judgment made by the staff of the local building department." The one-two combo of a high appraisal of property value, paired with artificially low contractors' estimates, can guarantee a damage declaration below 50 percent.

In its assessments, Galveston surmised that none of the thousands of damaged island homes would cost more than \$65 per square foot to repair.

The Galveston staff had to assess tens of thousands of damaged properties via driving tours of the island, then whittle those down to the 5,000 or so that were thought to be close to 50 percent damaged. FEMA helped, but final determinations were up to a small staff, its members dealing with their own flooded homes. They heard appeals for months. Questioning the work of a licensed appraiser or contractor under such conditions was out of the question, Gorman said.

"We were not equipped to suddenly do permitting for an entire city," she said, adding, "Our goal was to get people back into their houses."

Sometimes, Beeton said, building officials outright asked residents which way they wanted to go — over 50 percent or under, she said.

Beeton herself urged city staff not to reject residents' appeals of substantial damage declarations in instances where their neighbors had come in under 50 percent, she said. Her district included Fish Village, and the result was that only a single home out of at least 300 was declared substantially damaged.

Ike spared little of the island, flooding about 80 percent of homes. It was the worst Galveston disaster since the nameless hurricane of 1900 killed roughly 8,000 people, whose bodies had to be burned in funeral pyres on the beach.

After that storm, the town's collective leadership raised the height of the entire city by an average of four feet, pumping in 1 million dump trucks worth of dredged sand and fortifying the island with a 17-foot seawall.

They also lifted 2,100 buildings.

'No accountability'

FEMA concluded as early as 1989 that bad damage assessments occurred because local officials "did not understand the regulation, failed to recognize the structure as substantially damaged, or simply neglected the responsibility of enforcement," according to an agency report.



Mark Mulligan / Houston Chronicle

Julia Hatcher's raised home, far right, stands next to its non-elevated neighbors on Campbell Lane in Galveston. Hatcher raised her home after it, like all of those around it, filled with 6 feet of water during Hurricane Ike.

"It's still an enormous problem," said Conrad, the flood plain managers consultant, who led one of few examinations of the issue when he was with the National Wildlife Federation in 1998. It's been poorly studied since.

Osman, the Illinois flood plain manager, called it "the most important component of flood plain management ... where we see the most effective reduction in flood losses — when you actually get out and do those damage assessments and stand by them and enforce them."

Despite early warnings from inside and outside government, the Chronicle's analysis shows the percentage of repetitively flooded properties with histories of substantial damage hasn't changed since Conrad's report 20 years ago — even as thousands more properties have joined the repeat loss list.

Insurance payouts to properties with past substantial damage have roughly doubled in that time.

Even as Congress prepares to reform the flood insurance program — or defer the reforms for the seventh time since September, only one of the proposals addresses oversight of substantial damage — it requires training of local officials but provides no new enforcement measures. FEMA doesn't track the issue, and neither do most local jurisdictions. In many communities that participate in the program, only paper records of damage assessments exist, even for recent floods, making databases like Galveston's rare.

FEMA didn't audit Galveston's handling of the substantial damage requirements in Hurricane Ike, even though the flood insurance program paid out more than \$800 million in claims there since 1978.

The agency did, however, audit the city's flood plain management program seven months before Ike, finding only 20 deficiencies mostly related to individual properties. A FEMA official wrote to the city manager: "The city continues to demonstrate that its flood plain program is conforming to requirements and is very well managed." It has not been audited since.

Its flood plain residents get 15 percent off insurance premiums because the city maintains a Class 7 rating from the flood insurance program for good performance.

'No one's serious'

FEMA and its affiliates at the state level cannot keep up with the more than 22,000 communities in the flood insurance program. Houston, the most flood-prone metropolis in the country, has not had an audit since before 2007. Yet it has among the best flood insurance program community ratings of large cities, a designation that provides residents with up to 25 percent off their flood insurance policies.

Miami hasn't seen one in at least eight years. Only 23 percent of program communities have, a Reuters analysis found.

"No one's really serious about preventing repetitive flooding," Beeton, the council member, surmised. "If the federal government were serious about that, it would not leave it to local officials to make the decision about whether someone can rebuild or not — local officials who are in extreme distress."

Under current law, local officials don't get reimbursed by FEMA for building inspections after a disaster,

so they don't ask for help or make temporary hires, Berginnis, director of the flood plain managers association said.

His group is lobbying Congress for a measure to change that.

FEMA has shifted much of the burden for audits onto the states, but funding is inconsistent.

In 2017, FEMA gave the state's flood insurance program coordinator, the Texas Water Development Board, just \$332,000 for the program that includes audits. Five staff members are dedicated to that program.

To audit Houston under the guidelines set out by FEMA, they would have to spend weeks just driving the flood plain to look for violations, plus more time reviewing thousands of building permit files, board spokeswoman Kimberly Leggett said.

Roy Wright, the outgoing flood insurance program administrator, said the agency was considering mandating more regular monitoring of places such as Harris County with large numbers of flood policies, and spending less time on rural areas with lower flood exposure. Those mandates could be tied to future grants to the state coordinating agencies.

Damage assessments are seldom publicly available, either due to poor data management or the use of privacy laws to block their release.

"It's one of these areas where there's virtually no public accountability," said Rob Moore, a senior policy analyst at the Natural Resources Defense Council, which has issued several watchdog reports on the flood insurance program. "I suspect it's one of these big problems that nobody at FEMA really

wants to find out how extensive it is."

Wright said he noticed substantial damage was a problem after floods in South Carolina in 2015 and Louisiana in 2016, largely because of inquiries from reporters in the affected communities.

"When I start hearing the same types of questions, that means I need to dive deeper in," he said. "The questions kept coming and frankly there weren't enough answers."

He ordered a yearlong review of program compliance issues, including substantial damage. The agency has not released a set of recommendations that resulted from that review.

He had no information on Galveston's practices. FEMA officials have monitored Houston's damage assessment processes since the storm hit, he said.

In the absence of greater help from FEMA, some states have developed a cooperative approach.

After severe flooding in Watseka, Ill., in late February, a team of 18 flood plain officials from around the state assembled at city hall in the town of 5,000 people, where the building official would otherwise have been overwhelmed.

In less than seven hours, they surveyed 676 buildings and identified 109 that needed more detailed substantial damage estimates.

They'd done this drill before, during another bout of flooding in Watseka three years earlier. Many homes then were declared substantially damaged and subsequently elevated.

None of them flooded this time.

Matt Dempsey contributed data analysis for this report.

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'50 percent rule' for flood insurance has been disregarded for decades

In the month after Houston's 2015 Memorial Day flood, the city sent about 1,000 letters to homeowners whose homes were more than 50 percent damaged that they would have to elevate and rebuild rather than repair.

An immediate outcry ensued, and then-Mayor Annise Parker sought to calm her traumatized constituents.

"For those who are substantially damaged in Meyerland, I can almost guarantee that if you just go get a new appraisal of pre-flood value, you shouldn't have any problem," she said.

In a recent interview, Parker said the process wasn't as simple as giving people the damage declaration they wanted. The city had based its calculations on homes' appraisal district values, and those often come in lower than market value, she noted. "It's a matter of allowing citizens options in a very difficult situation," she said.

For decades, community officials nationwide have flouted the "50 percent rule," which says that flooded homes whose repair costs will exceed half of their pre-flood market value must be elevated or removed from the flood plain — no matter the hardship. But little has been done to change that.

The Federal Insurance Administration, later absorbed by FEMA, reported problems with substantial damage in 1980. Five other reports on the topic by watchdog groups, including the FEMA inspector general in 1999, have drilled deeper into the flaws. When Hurricane Floyd ravaged the east coast that year, one community certified that all its buildings were no more than 49 percent damaged.

A 2006 evaluation of the National Flood Insurance Program, commissioned by FEMA, found the problems had, if anything, grown worse as more communities were added to the insurance program.

Researchers who interviewed flood plain managers around the country for that report said some described substantial damage as "the biggest challenge for the (flood insurance program) and the region," "the number one compliance problem," or "the biggest failure of the compliance process." One FEMA program specialist said substantial damage is an issue that "drives the region crazy."

The narrative hasn't changed much since the early reports. The substantial damage process has remained open to manipulation, especially after disasters, positioning

the flood insurance program to pay future claims on homes that will flood even in lesser storms, just like Galveston.

Shortly after the flood insurance program evaluation, and after Hurricane Katrina flooded about 70 percent of New Orleans homes in 2005, city officials reported that, in one month, they reviewed 250 appeals of substantial damage declarations per day and approved about 90 percent of those appeals.

"It was very much a political response just because people were so concerned and then, before any other decisions could be made, hey, they got the permit and 48 percent damage," Marla Nelson, an urban planner at the University of New Orleans, told The Advocate, the Baton Rouge newspaper.

A Homeland Security inspector general's report found there was no documentation to support 95 percent of the appeals that resulted in damage assessments being reduced to below 50 percent, and, moreover, the city had not inspected those homes in person.

A New York Times reporter who witnessed the appeals process noted that people went to city hall with their appeals and left only minutes later with declarations below 50 percent. A New Orleans building inspector told the reporter the process was "really fly-by-night, chaotic, wild west, get-what-you-want."

In summer 2016, storms flooded about 160,000 properties in central Louisiana. By the following January, Baton Rouge had lowered assessments on 93 percent of properties initially flagged as substantially damaged, The Advocate reported.

In the nearby city of Central, it was also 93 percent. In Ascension Parish, 79 percent of appeals succeeded. Building officials in the area acknowledged they didn't have the resources to guard against inflated appraisals and lowballed contractors' estimates.

The town of Denham Springs overturned 94 percent of substantial damage declarations appealed by residents, while its mayor went to Washington to tell Congress to waive the rules: "The majority of the structures that will face elevation requirements will be a distant memory before a thousand-year flood of this magnitude occurs again," Mayor Gerard Landry told a House committee.

But it had taken only 35 years to beat the record flood of 1983.

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