

MICHAEL G. OXLEY, OH, CHAIRMAN

JAMES A. LEACH, IA
RICHARD H. BAKER, LA
DEBRAH PRYCE, OH
SPENCER BACHUS, AL
MICHAEL N. CASTLE, DE
PETER T. KING, NY
EDWARD R. ROYCE, CA
FRANK D. LUCAS, OK
ROBERT W. NEY, OH
SUE W. KELLY, NY

Vice Chair

RON PAUL, TX
PAUL E. GILLMOR, OH
JIM RYUN, KS
STEVEN C. LATOURETTE, OH
DONALD A. MANZULLO, IL
WALTER B. JONES, Jr., NC
JUDY BIGGERT, IL
CHRISTOPHER SHAYS, CT

VITO FOSSSELLA, NY
GARY G. MILLER, CA
PATRICK J. TIBERI, OH
MARK R. KENNEDY, MN
TOM FEENEY, FL
JEB HENSARLING, TX
SCOTT GARRETT, NJ
GINNY BROWN-WAITE, FL
J. GRESHAM BARRETT, SC
KATHERINE HARRIS, FL
RICK RENZI, AZ
JIM GERLACH, PA
STEVAN PEARCE, NM
RANDY NEUGEBAUER, TX
TOM PRICE, GA
MICHAEL G. FITZPATRICK, PA
GEOFF DAVIS, KY
PATRICK T. McHENRY, NC

U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

October 18, 2005

BARNEY FRANK, MA, RANKING MEMBER

PAUL E. KANJORSKI, PA
MAXINE WATERS, CA
CAROLYN B. MALONEY, NY
LUIS V. GUTIERREZ, IL
NYDIA M. VELAZQUEZ, NY
MELVIN L. WATT, NC
GARY L. ACKERMAN, NY
DARLENE HOOLEY, OR
JULIA CARSON, IN
BRAD SHERMAN, CA
GREGORY W. MEEKS, NY
BARBARA LEE, CA
DENNIS MOORE, KS
MICHAEL E. CAPUANO, MA
HAROLD E. FORD, Jr., TN
RUBÉN HINOJOSA, TX
JOSEPH CROWLEY, NY

WM LACY CLAY, MO
STEVE ISRAEL, NY
CAROLYN MCCARTHY, NY
JOE BACA, CA
JIM MATHESON, UT
STEPHEN F. LYNCH, MA
BRAD MILLER, NC
DAVID SCOTT, GA
ARTUR DAVIS, AL
AL GREEN, TX
EMANUEL CLEAVER, MO
MELISSA L. BEAN, IL
DEBBIE WASSERMAN
SCHULTZ, FL
GWEN MOORE, WI
BERNARD SANDERS, VT

ROBERT U. FOSTER III
STAFF DIRECTOR

Mr. R. David Paulison
Acting Director
FEMA
500 C Street, SW
Washington, DC 20472

Dear Acting Director Paulison:

I am writing to request that FEMA develop an agreement with HUD to reimburse public housing agencies (PHAs) for the cost of HUD Section 8 housing vouchers made available to Katrina evacuees that were not HUD-assisted at the time Katrina hit.

A number of PHAs made their existing housing vouchers available to displaced Katrina families that were receiving HUD project-based assistance (eg., public housing and HUD Multifamily Assisted Housing) at the time Katrina hit. As you know, FEMA is providing FEMA supplemental appropriations to HUD in order to administer the Katrina Disaster Housing Assistance Program (KDHAP), which serves families that had either HUD vouchers or project-based assistance at the time Katrina hit. Families have the option of either continuing with the new Section 8 voucher or receiving KDHAP assistance.

For those families that keep their Section 8 voucher, according to current HUD guidance, "KDHAP funding may be used to cover the actual costs of voucher assistance payments up to 100 percent of the applicable FMR until the KDHAP funding expires." Of course, all funding for KDHAP comes from FEMA, through supplemental appropriations.

This policy enables PHAs that gave existing vouchers to such Katrina evacuees – thus jumping over local families on their waiting list – to free up such vouchers, in order to make the vouchers fully available once again to local families.

I am writing to ask FEMA to provide a similar reimbursement for the cost of vouchers given by PHAs to families that were not HUD-assisted at the time Katrina hit. This would result in consistent treatment of Section 8 vouchers being made available to Katrina evacuees, regardless of whether or not the families were previously assisted by HUD. Such reimbursement is also financially reasonable, since such families would otherwise be eligible for FEMA rental housing assistance under FEMA's Transitional Housing Assistance Program. Moreover, FEMA has already created the precedent of providing funds to PHAs through HUD to assist families not previously assisted by HUD by making homeless families eligible for assistance through the KDHAP program.

Finally, such reimbursement would avoid the unintended consequence of punishing localities that were generous in making vouchers available early on to Katrina evacuees,

in response to HUD encouragement to do so. This would ensure that families on waiting lists living in areas in which localities have taken such action are not passed over as a result of such generosity.


BARNEY FRANK