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INTRODUCTION

Thank you Congresswoman Waters, Ranking Member Capito, and members of the Committee for the opportunity to testify regarding "The Status of the Big 4 Public Housing Developments", housing challenges facing low income families in New Orleans, and additional affordable housing needs. I also want to especially thank this committee for its leadership in bringing recovery funds to our region in the wake of the most catastrophic disaster in United States history. As an affordable housing attorney working in the legal services office that covers 5 parishes in Southeast Louisiana, it is easy to get disheartened by the incredible housing challenges still facing our elderly, disabled, and low-income families. It is truly an honor to be allowed to keep on struggling with and for our clients on a daily basis. The continued interest and support of this committee almost four years after Katrina is definitely a bright spot along the road to recovery.

Tremendous resources have been allocated for housing recovery under both the Road Home Homeowners assistance program and numerous temporary disaster rental and permanent affordable housing programs. Unfortunately, we still have a very long way to go, particularly in the arena of unmet affordable housing needs. A Housing Needs Assessment done for the Louisiana Housing Finance Agency released on February 20, 2009, estimates there will still be a huge affordable housing gap even after recovery financed housing is completed. That assessment projects an unmet housing need in New Orleans by 2013 of 18,454 units for low-income families.

A report by Policy Link released in August of 2008 titled "A Long Way Home" estimates that in New Orleans, only 33% of the 51,681 pre-Katrina, damaged rental properties are slated to be rebuilt using hurricane recovery funds. The same report projects that only 2 in 5 units of affordable housing stock may be repaired or replaced with recovery assistance. Due to the current economic crisis, financing difficulties, and the prior ineffectiveness of the Road Home Small Rental Repair Program, it is highly doubtful that even the planned affordable rental stock will come to fruition. With a looming August 31, 2009 end to temporary disaster housing programs such as the Disaster Housing Assistance Program (DHAP) for most families, the lack of affordable rental units available **now** is particularly troubling.

Even more troubling is the continued lack of deeply affordable housing, those units affordable to families with incomes at or below 30% of area median income. Almost four years after Katrina, not a single unit of public housing has been rebuilt in the

Big 4. Thousands of deeply affordable units in the HUD Multifamily assisted stock remain offline. The number of homeless families in our region has doubled from pre-Katrina estimates of 6,000 to 12,000 now. We thank the committee for the opportunity to answer its questions, provide information, and make recommendations about how to meet the needs of low income citizens still trying to recover from Hurricanes Katrina and Rita.

1) WHAT IS THE CURRENT STATUS OF THE BIG FOUR PUBLIC HOUSING DEVELOPMENTS?

There are currently no redeveloped units open in any of the Big 4 sites. While C.J. Peete, St. Bernard, and B.W. Cooper have closed on their financing, it is our understanding that Lafitte has not. Some public housing units are expected to reopen at C.J. Peete and St. Bernard by the fall of 2009. In September of 2008, the Housing Authority of New Orleans (HANO) anticipated 1,246 units being open by December of 2009 of which 589 were expected to be public housing or public housing/ low income housing tax credit units.(Exhibit 1) The timetable for delivery of public housing and affordable units at the Big 4 will obviously not be meet. Though HANO and the developer could not make significant headway on rebuilding at Lafitte, families, many of whom were elderly or disabled, were forced out of the 94 units at Lafitte. Those units now sit vacant.

Continued delays in the delivery of the Big 4 public housing developments exacerbate our affordable housing crisis. Only about 14% of pre-Katrina public housing units in New Orleans are even being planned to be rebuilt. (See HANO chart from September of 2008, attached as Exhibit 2).

Big 4 Public Housing

Even if only 35% of pre-Katrina public housing residents want to return to public housing units in the Big 4, as a March 6, 2008 University of Houston survey suggests, there will still not be enough units to honor the right to return. It is interesting to note that the developer for C.J. Peete reports that of the 377 pre-Katrina families from Peete that can be located, 203 have expressed an interest in returning. That equates to 54% of the families that can be found wanting to return to the site. Given the current economic crisis, it is doubtful that the previously planned number of public housing units will materialize, thus further eroding reoccupancy rights.

Former public housing residents from the Big 4 are still scattered across the country. Of the 2,987 public housing units approved for tenant protection vouchers (TPV), HANO is serving about 1,700 families in New Orleans under the TPV program. As described below in response to the question about challenges facing voucher families, many former public housing residents encounter great difficulty while under the voucher program. Some former residents of the Big 4 now live in public housing units such as Iberville, River Garden, or Scattered Sites. Since Katrina, HANO only rented public housing units to its displaced former HANO residents. Hundreds of units have been vacant for almost four years. Just this summer HANO began updating its public housing waiting list which pre-Katrina had 6,572 families according to HANO's 2009 PHA Plan.

Developers continue to meet monthly with residents. Representatives from our office regularly attend meetings for C.J. Peete, St. Bernard, and Lafitte. Different return policies and operating procedures are being developed at different sites. As rebuilding is delayed and displacement prolonged, we notice many residents losing faith in the promises made. Additionally, many residents are beginning to feel that they are not welcome to return to the redeveloped sites. This "unwelcome feeling" stems from new rules and community policies under consideration by developers to prepare for reoccupancy. Many residents feel that there will be different standards for market rate tenants, voucher holders living in tax credit units, and public housing tenants. A strong resident council or other resident tenant association is critical during both redevelopment phase and for several years after the site reopens to protect the rights of former residents.

Given the status of the Big 4 and our current affordable housing challenges, we offer the following recommendations:

- **Provide additional financing that may be needed to close the deal on Lafitte.**

- **Provide Resident Council Leadership at all Big 4 sites with copies of all leases and lease addenda that will be used for market rate, tax credit, subsidized, or public housing units.**

- **Hold a monthly, or at a minimum, a quarterly meeting of all the Big 4 resident leaders, developers, and HANO to set consistent policies for all sites and to share lessons learned.**

- **Prevent any further reduction in the amount of previously promised public housing units.**

- **Provide relocation assistance to Big 4 families returning to New Orleans from out of the area regardless of the type of unit they return to.**

- **Revise resident participation regulations for mixed income public housing sites to include all residents of the redeveloped sites on the resident council.**

- **Provide support services to residents of the Big 4 sites for at least three years after the site is reopened.**

2) WHAT REOCCUPANCY OR OCCUPANCY CRITERIA, IF ANY, WILL BE IMPOSED UPON RETURNING RESIDENTS OR NEW RESIDENTS? IN YOUR OPINION, WHAT IS THE LEGALITY OF SUCH REQUIREMENTS?

It is our understanding that all of the Big 4 developers are considering adopting work preferences as part of the admission criteria for public housing units. We support HANO's attempt to encourage work and self sufficiency through a **true work preference** as defined under federal law. But we have serious concerns, especially in the current economic climate, with the implementation of work preferences in New Orleans. There is no legal authority for HANO or private developers of mixed income housing to impose work requirements, nor is it a fair policy to impose on involuntarily displaced families. If HANO adopts work preferences for admission and/or readmission to public housing units then there should be a consistent definition of work preference for all sites.

HUD regulations allow a public housing authority (PHA) to provide admission preferences for working families. To avoid discriminating against the elderly and disabled, the working preference is also provided if the head, spouse, or sole member of the family is elderly or a person with disabilities. With the exception of PHA's with "Moving to Work" status, there is no legal authority supporting a work requirement as a condition of admission or continued occupancy of public housing. In addition, work requirements may lead to violations of the Fair Housing Act. PHA residents are disproportionately minorities and disproportionately female headed households with children. As a result, a work preference/work requirement policy will have a disparate impact upon on at least three protected classes under the Fair Housing Act.

In our legal opinion, work preferences operate as illegal work requirements at some sites in New Orleans. Since the site reopened in 2004, River Garden, the former St. Thomas public housing site, requires all heads of household work at least 20 hours unless they are elderly, disabled, or in a job training program. While this criteria is commonly referred to as a "work preference", it is actually a requirement for admission and continued occupancy. Columbia Residential, the developer of the St. Bernard site requires that all adult applicants, not just the head or co-head, be employed unless handicapped, disabled or elderly. It is our understanding that if families are not continuously employed once admitted they will have a certain period of time to regain employment or else face a forced transfer off of the property.

In addition to the lack of legal authority for work requirements, this is the wrong policy at the wrong time. The current economic downturn requires that particular attention be paid to vulnerable populations. Low income families and minority families already face great difficulties in obtaining and retaining employment due to lower educational levels, the challenges in obtaining affordable childcare, and inadequate transportation. In Louisiana, the unemployment and foreclosure numbers continue to rise.

If residents pay their rent and abide by the terms of their leases, then HANO and developers should not penalize families for being unemployed. If a market rate family in a mixed income site loses employment yet continues to pay their rent, they are not threatened with eviction because they do not have a job.

Congress mandated that all public housing residents displaced by Katrina have the right to reoccupy their homes, if and when available. Pub. L. No. 109-148, 119 Stat. 2680, 2779 (2005). Most pre-Katrina public housing families will not be able to return because far fewer units will be rebuilt. Displaced residents have a right to return to public housing without any additional admission or continued occupancy criteria.

For the above reasons, we recommend the following in regard to readmission policies for the Big 4:

- **For the Big 4 only consider and implement a true work preference for admission, not a work requirement.**

- **Conduct a public hearing (as required by the PHA plan process) on the proposed work preferences before adoption.**

- **If adopted, work preferences should not jeopardize a family's housing assistance if the family loses a job. As an alternative, enforce family compliance with the Community Service requirements.**

- **Adopt a consistent policy regarding work preferences at all HANO public housing units including those managed by private developers at mixed income sites.**

- **Provide copies of the management plans and readmission policies for the Big 4 to this Committee.**

3) WHAT HOUSING CHALLENGES, INCLUDING FAIR HOUSING, FACE LOW-INCOME FAMILIES IN NEW ORLEANS? HOW SHOULD THESE CHALLENGES BE ADDRESSED?

Excluding the loss of Big 4 public housing units, we think there are 3 major housing challenges currently facing low-income families in New Orleans. Of most pressing concern is the imminent end of disaster housing programs including DHAP and FEMA temporary housing units. The loss of thousands of pre-Katrina HUD Multifamily assisted stock continues to be overlooked in the overall housing picture. Finally, there is a real threat of previously promised affordable units not being delivered or additional losses of public housing at non Big 4 sites.

<u>DHAP and FEMA trailers</u>

The New Orleans area is bracing for the end of DHAP. At its height, HANO administered the largest DHAP program in the country servicing about 12,500 families. Thankfully, Congress provided voucher funding for eligible families on DHAP. The original end date for DHAP was Feb. 28, 2009. Due to administrative difficulties in smoothly transitioning families, the new Administration agreed to extend DHAP under a Transitional Closeout Program until August 31, 2009. This extension provided additional time to process families for vouchers and allowed ineligible families time to make other permanent housing arrangements. On August 13, 2009, HUD announced that it will grant an additional 2 month limited extension of DHAP for certain voucher eligible families. This was necessary due to the slower than expected conversion process.

As of August 3, 2009, HANO scheduled 9,098 intake appointments for DHAP families in Orleans Parish. Of this amount, 4,455 families were determined eligible for vouchers. Another 660 families did not need additional housing assistance. This leaves 3,983 families with possible remaining unmet housing needs. Of most concern are the elderly and disabled, referred to as Priority 1 families. The August 3, 2009 report shows that 307 priority 1 families were ineligible for a voucher. It is unclear whether these families were denied based on income, criminal background, or some other reason. Another 558 families have a withdrawn priority status. It is our understanding that HANO withdrew priority status when a family failed to complete the voucher application by a certain date, but that a voucher would still offered to that family subject to funding.

We are particularly concerned about elderly and disabled families inadvertently falling through the cracks. The end of the FEMA temporary rental assistance programs before it transitioned to DHAP resulted in an increase in homelessness in New Orleans. In a February 2008 Unity of Greater New Orleans survey, 31% of homeless persons living under a bridge in downtown New Orleans reported that they became homeless as a result of losing FEMA rental assistance.

Another at risk population is those families that left FEMA trailers, or other FEMA funded temporary housing units such as hotels, prior to June 24, 2009. FEMA had a March 1, 2009 deadline for families to be out of FEMA temporary housing units.

FEMA extended that deadline to May 1, 2009. Hundreds of families left or were pressured out of FEMA trailers. "Unofficially" the May 1 deadline has been extended further as there are 546 families still in FEMA trailers in Orleans Parish. Many families and agencies were under the impression that vouchers would be made available to them. HUD made available additional voucher funding for up to 500 vouchers per PHA. To get the additional vouchers, PHAs agreed to prioritize voucher assistance to certain Katrina impacted families including those still in FEMA trailers as of June 24, 2009. There is some leeway under the notice for a PHA to cover other displaced families impacted by Katrina. To the maximum extent possible HANO should extend vouchers to families who moved out of FEMA trailers during the time period of March 1, 2009 to June 23, 2009.

Despite additional voucher funding for DHAP families and the extensions, significant housing needs still exist for low-income families who fall between 51% to 80% of area median income (AMI). Unlike the HUD CDBG or HOME program which can provide assistance to families with incomes up to 80% of AMI, the maximum income for voucher eligibility is 50% of AMI. Because of the high rents in New Orleans, many of our working families on DHAP with incomes between 51% to 80% still face affordability gaps.

The situation is even bleaker for homeowners now on DHAP with incomes between 51% to 80% of AMI. Take Clarence W., a homeless outreach worker who toils every day to help our most vulnerable citizens get off the streets. Clarence is worried that when DHAP ends for him on August 31, 2009, that he may have to join his clients. His rent is $995 per month. His mortgage on his Katrina damaged home, which will hopefully be ready for occupancy soon, is $935 per month. Yet his income is only about $1800 per month. His income precludes him from qualifying for a voucher. He is not eligible for the 2 month limited DHAP extension. Unfortunately, Clarence's predicament is not unique. It is unclear how many voucher ineligible homeowners are in the same boat as Clarence, saddled with paying rent and a mortgage. These families cannot afford these double housing costs.

There is a possible safety net for families on DHAP with income between 51% and 80% of AMI who are income ineligible for a voucher. The Louisiana Recovery Authority and the Department of Social Services allocated $5 million in CDBG funds for a Rapid Rehousing temporary rent assistance program to provide housing aid for up to one year. Another possible option is the Small Rental Repair Program which should produce hundreds of units affordable to families with incomes at 50%, 65%, and 80% of AMI over the next 12 to 18 months. Unfortunately, the service delivery system to administer the $5 million in CDBG funded Rapid Rehousing assistance is not ready.

If DHAP were extended for an additional 2 months for all families currently receiving housing assistance payments under DHAP, it should allow sufficient time for a smooth landing for more families. An extension through October 31, 2009 would allow HUD housing assistance under the Homeless Prevention and Rapid Rehousing program funded with economic stimulus funds to provide a bridge to DHAP families not eligible for vouchers. New Orleans stands to receive an infusion of $7.5 million in Homeless Prevention and Rapid Rehousing funds which should "hit the streets" in October 2009.

RECOMMENDATIONS FOR DHAP END AND FEMA TEMPORARY HOUSING

- **Review denials and withdrawn priority status of all elderly and disabled DHAP families for possible voucher eligibility and/or referral to other housing resources before August 31, 2009.**

- **Prioritize vouchers for families who moved out of FEMA trailers between March 1, 2009 to June 23, 2009.**

- **Extend DHAP for all families until October 31, 2009 to ensure a smooth transition to the new resources that will be available by then.**

- **Provide additional funding (beyond the $5 million) for the Rapid Rehousing program, if necessary to assist for homeowners on DHAP who are paying a mortgage and rent.**

<u>HUD Multifamily Assisted Stock</u>

The current status of the HUD multifamily/assisted stock remains uncertain. HUD multi-family stock is typically large, privately owned apartment buildings that receive a mortgage subsidy from HUD. Before Katrina, this inventory provided deeply affordable housing to families with similar incomes as those in public housing. Since Katrina, HUD has made insufficient progress in reopening this inventory. Yet little attention is paid to this desperately needed stock, with insufficient focus on the families who used to live there.

In July of 2007, HUD advised our office that 5,861 units were offline. In a letter dated September 26, 2008, HUD reported to Senator Landrieu that 3,314 units of HUD multifamily stock were still not open. (Exhibit 3) Of the 3,314 shuttered units, 96% (3,174 units) had Section 8 project based assistance. HUD suspended the Section 8 project based contracts for the unopened assisted stock. Hopefully the contracts will remain available for our community. It is doubtful that all of these affordable units will ever come back online. Many of these complexes were awarded Gulf Opportunity Zone low income housing tax credits but still have been unable to rebuild due to financing problems. Our community could permanently lose not only thousands of public housing units, but thousands of HUD assisted multifamily units.

In addition to the 3,314 unopened units mentioned above, 13 different properties in the Gulf region (most are in New Orleans), pre-paid their HUD mortgages. (Exhibit 4) When this happens, HUD must offer tenant protection vouchers (TPVs) to the pre-Katrina residents of those sites. Unfortunately, Public Housing Authorities only began offering TPVs to impacted families near May of 2009. Hundreds of TPV eligible families were lost during the past three years. Some of these families wound up in other programs such as DHAP or the Disaster Voucher Program (DVP). Our experience working with families from the covered prepaid HUD Multifamily sites indicates that about 1/3 were on DHAP, 1/3 were on DVP, and another 1/3 were totally unassisted facing homelessness and/or high rent burdens. The deadline for families to notify HUD that they wanted a TPV has long past, even though many former residents never knew that they were eligible for a voucher.

RECOMMENDATIONS

- **Transfer suspended project based Section 8 contracts to other properties in the New Orleans area needing deeply affordable subsidies if possible.**

- **HUD should provide a report to this committee within the next 60 days on the current status of HUD multifamily housing in the New Orleans with detailed information as to which properties will likely not reopen.**

- **The Louisiana Housing Finance Agency (LHFA) should create a special pool for all pre-Katrina HUD Multifamily sites, not just elderly sites, for additional financing for any returned or recaptured GO zone tax credits.**

- **In the event that pre-Katrina HUD Multifamily properties will not reopen with project based subsidy, HUD should provide tenant protection vouchers to the jurisdiction where deeply affordable housing has been lost.**

- **HUD should provide a report on the TPVs issued families who lived at the prepaid mortgage sites. (Exhibit 4) This report should detail: located families, TPVs issued, date of issuance, reasons for denials, and additional corrective action as needed.**

- **Extend the deadline for families, and make TPVs available for all pre-Katrina residents of HUD multifamily and assisted housing stock until February 28, 2010.**

Possible Loss of Non-Big 4 Public Housing Units and Loss of Previously Promised Redevelopment

Another major housing challenge that faces low income residents is the current economic crisis. Thousands of low income housing tax credit units are in jeopardy. Many of those units are combined with CDBG piggyback funds or Permanent Supportive Housing project-based vouchers. There are currently 2 bills in Congress (SB 1326 and HR 2995) to allow Gulf Opportunity Zone tax credits to be treated the same as other tax credits. These bills will allow GO Zone credits to be eligible for the exchange program in the stimulus which would likely save at risk affordable housing deals.

Local government resistance to affordable housing development, usually through prohibitions against issuance of multifamily building permits, is also stalling recovery in several jurisdictions. NIMBYISM threatens the viability of many housing projects that are able to secure financing.

The future of several non Big 4 sites is also uncertain. The Iberville development has 821 authorized public housing units of which only about 615 are occupied. While there are currently no firm plans for redevelopment at the Iberville site, HANO has created an Iberville Advisory Council to work with community stakeholders and Iberville residents to envision the future of the site. There is no redevelopment activity currently underway at the Florida public housing site which has remained vacant since Katrina. At the former St. Thomas site which is now River Garden, 100 offsite units were promised back in 2001 as part of the overall redevelopment plan. While HANO had purchased 90 vacant lots for these offsite units before Katrina, no offsite units have reopened yet.

- **Any future loss of public housing units should be replaced on a 1 for 1 basis so there is no net loss of deeply affordable units.**

- **1 for 1 replacement can be either onsite or offsite.**

- **All offsite redevelopment of public housing must be adequately financed and prioritized as replacement housing.**

4) IN YOUR OPINION, TO WHAT EXTENT HAS THE SECTION 8 PROGRAM BEEN EFFECTIVE IN PROVIDING HOUSING OPPORTUNITIES FOR LOW-INCOME RESIDENTS?

For many low income residents, the Section 8 program is the difference between housing and homelessness. For these families, the program works well. It provides housing stability, choice where a resident can live, and potential homeownership options. While Section 8 helps meet the housing needs of a significant portion of our low income community, it is not equivalent to deeply affordable units. For differing reasons, the Section 8 program is ineffective at housing families above 50% of AMI or below 30%. While project based housing creates long term affordability for community, vouchers can be lost when ported out to other jurisdictions.

Some HUD programs, such as HOME or CDBG, define low income families as those with incomes at or below 80% of Area Median Income (AMI). Most public housing authorities, including the Housing Authority of New Orleans, in general only admit clients at 50% of AMI or below into the voucher program. Therefore, the voucher program provides **no assistance** to those families with incomes between 51%-80% of AMI, even though HUD still considers them as low income. As previously discussed in the prior question, these working families are faced with possible homelessness due to the imminent end of DHAP. There are service delivery challenges to having an agency to implement the CDBG funded Rapid Rehousing Program before the end of DHAP in time to assist voucher ineligibles families who still have housing needs.

Families below 30% of AMI are considered by HUD to be extremely low income. In the Orleans Metro Area, a three person family at 30% of AMI makes at most $16,150 a year. It is our experience that families with incomes at 30% of AMI or below are frequently elderly, disabled, or both and subsisting on a disability check of only $674 per month, or single mothers working a minimum wage job. For these families, the voucher program remains unaffordable in large part due to the extremely high cost of utilities, security deposits, and rent burdens over 30% of their adjusted monthly.

Housing authorities must include a reasonable utility allowance in the rent calculation formula for voucher holders. Housing authorities are required to review their allowances annually and to make adjustments if there has been an increase in utility rates of at least 10% since the last adjustment. To our knowledge, HANO has not raised its utility allowances since October of 2003 despite increasing energy costs. Many extremely low-income families report utility bills that are easily 1/3 to 1/2 of their monthly income exclusive of their tenant share of rent. Current HANO utility allowances remain significantly lower than actual utility costs. This puts a family in a Catch 22. If a family falls behind on their utility bills and the utilities are disconnected, the family is at risk of losing their voucher. If a family does not pay their tenant share of rent because they paid a high utility bill, they risk being evicted for nonpayment of rent by their landlord and a possible subsidy termination by the Housing Authority.

Families on the voucher program are usually required to pay the full security deposit on a unit prior to move in. Security deposits usually equal a full month’s rent which is often nearly twice as much as an extremely low income family’s entire monthly income. For example, the 3 bedroom payment standard in New Orleans is currently $1323. It would not be uncommon for a landlord to charge a $1323 security deposit for a three bedroom unit. If a family on the program wants to move, and their previous landlord refuses to return their security deposit, as is common in New Orleans, the family must come up with an entirely new security deposit. This is a major problem for voucher families, particularly those with incomes at or below 30% of AMI.

Recently, our office has noticed that many voucher families are paying more than 30% of their incomes as a tenant share of rent. Unlike the public housing program where a family’s share of rent is usually capped at 30% of their income, the voucher program allows a tenant share of rent to go up to 40% of their income during the first year of occupancy. The Housing Authority will do an affordability assessment for the family in the first year. But after the first year of occupancy, there is **no limit other than a rent reasonableness determination** to ensure that a unit remains affordable to voucher holders. If a Housing Authority payment standard is lowered without a landlord lowering the rent, it will result in a rent burden to the voucher holder. HANO raised its payment standards post Katrina to 120% of Fair Market Rent and has gradually lowered it payment standard to 100% of Fair Market Rent. Yet many landlords did not lower their rents. Some voucher holders are shouldering this rent burden, which for extremely low income families often results in payment of as much as 50% to 60% of their limited income for rent and utilities.

The Section 8 program also does not address our community's need for stable and permanent affordable housing stock. In Louisiana landlords do not have to participate on the voucher program. Many families with vouchers experience difficulties finding landlords willing to accept their voucher. Consequently, some families are only able to find landlords willing to take the voucher in high poverty neighborhoods. The ability of a family on the voucher program to port the voucher out of the city or out of the state is a great opportunity for the voucher family, but often a permanent loss for the area. PHA's around the country regularly experience shortfalls in voucher funding, where they are required to terminate families from the program due to insufficient funding.

The Section 8 program depends on the private market; it offers no guarantees of affordable, handicap accessible housing. In New Orleans today, there is almost no affordable, handicap accessible housing for our large, disabled population. Many landlords cannot absorb the costly modifications to their housing to make it accessible for disabled clients.

Finally, some of the protections offered to public housing tenants do not apply to voucher residents. Under traditional public housing, residents can only be evicted for good cause. In the voucher program, the good cause protection only extends to the first year. After the first year, the landlord can refuse to renew a lease for any reason which is consistent with state law provided that proper notice is given. This means that a tenant – through no fault of her own - may have to absorb the expense of moving costs, a new deposit, and the uncertainty of finding a new unit.

RECOMMENDATIONS

- **Monitor rent burdens and the adequacy of current payment standards in New Orleans. (HUD)** Under 24 C.F.R. 982.503(g) HUD can monitor the rent burdens of families assisted in a PHA's voucher program and require an increase in the payment standard if more than 40% of families pay more than 30% of their income for their tenant rent share.

- **Review the adequacy of current utility allowances and raise them as appropriate (HANO and HUD)**

- **Aggressively enforce rent reasonableness when conducting annual recertifications after the first year of occupancy. (HANO)**

- **Do an affordability assessment at annual recertifications for voucher holders. Let families know if they will be paying more than 30% of their income towards rent. (HANO)**

- **Negotiate a lower rent for the family if the family share of rent will be more than 30% of their income. If such negotiation is not successful, offer a family the option to move to another unit. Put this notice on letter sent to every voucher holder once their annual recertification is completed. (HANO)**

- **Inform landlords that HANO may approve a payment standard up to 120% of fair market rents as a reasonable accommodation for a disabled family to encourage landlords to make units accessible for the disabled. (HANO)**

- **Consider reinstituting a pre-Katrina program which could pay a landlord up to $2,000 from Section 8 administrative fees to make a unit accessible to a disabled family. (HANO)**

5) PLEASE SHARE ANY OTHER INFORMATION REGARDING ISSUES FACING RESIDENTS OF PUBLIC AND SUBSIDIZED HOUSING IN NEW ORLEANS.

Other Recommendations

- **No raids of unallocated Road Home housing funds for non-housing purposes such as financing gaps for the LSU hospital.**

Over the coming months our community is poised to receive a lot of resources. And we thank you for these resources. The challenge now will be to get the dollars to our people. Thank you for the opportunity to come before you today and for your attention and consideration of my remarks. I look forward to answering your questions.