



**NATIONAL LOW INCOME  
HOUSING COALITION**

*Dedicated solely to ending America's  
affordable housing crisis*

**Testimony of Sheila Crowley, MSW, Ph.D.  
President of the National Low Income Housing Coalition  
presented to the  
Financial Services Committee  
United States House of Representatives  
February 6, 2007**

Chairman Frank, Ranking Member Bachus, and Members of the Committee, thank you for the opportunity to testify today about the housing circumstances of low income people whose homes were damaged or destroyed in the 2005 Gulf Coast hurricanes.

I am Sheila Crowley, President of the National Low Income Housing Coalition; our members include non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens. The National Low Income Housing Coalition does not represent any sector of the housing industry. Rather, NLIHC works only on behalf of and with low income people who need safe, decent, and affordable housing, especially those with the most serious housing problems.

It is important to note at the outset that the scope of the housing crisis that occurred after the hurricanes is vast and the problems with the response are numerous and difficult. My testimony coupled with that of my fellow witnesses will just begin to inform you of the magnitude of the task we face as a nation. That task is to "do what it takes," in the President's words, to rebuild the lives, homes, and communities that were shattered by Hurricanes Katrina and Rita.

The importance of solving the housing problems of survivors of Gulf Coast hurricanes cannot be overstated. In the absence of assuring safe, decent, and affordable homes for everyone whose homes were damaged or destroyed, nothing else we do will matter very much. Commerce, education, health care, transportation, and government all depend on a stably housed populace. As important, recovery from the trauma and loss experienced by individual people depends on their ability to have a decent home that they can afford in the neighborhood and community of their choosing. The Federal Gulf Coast Recovery Coordinator Donald Powell said that after fixing the levees, his priority was "housing, housing, housing."

The hurricanes exacerbated the pre-existing nationwide shortage of housing that is affordable to the lowest income people. There are 5.6 million more extremely low income households in need of rental housing in the United States than there are homes that rent at prices

these families can afford.<sup>1</sup> At least 70% of the 300,000 homes that were severely damaged or destroyed by Katrina alone were affordable to low incomes families.<sup>2</sup>

Nearly a year and a half after the storms, an unknown number of families, but certainly no fewer than 150,000, remain displaced today. While many middle class people who owned their homes are still waiting for insurance settlements, FEMA assistance, and the grants promised by state governments funded through CDBG, my testimony will only address the issues facing low income people, whose situations remain far more precarious. Suffice it to say that the many problems with getting rebuilding funds into the hands of middle class homeowners, who have been the primary focus of our housing intervention, pale in comparison to what has and has not happened for low income people.

It is important to both distinguish between the temporary housing response and housing rebuilding response and to understand how they are interrelated to attempt to fully comprehend the complexity of what faces us. I will begin with the Temporary Housing Programs.

#### TEMPORARY HOUSING: FEMA

Beyond mass shelters, temporary housing for displaced people has taken the form of hotel rooms, cruise ships, tents, travel trailers and mobile homes, and rent assistance provided in at least four different ways. Attached is a time line that describes the ups and downs of the temporary housing programs. With the exception of rent assistance for displaced households who were living in some form of HUD-assisted housing prior to the hurricanes, all of the temporary housing has been administered by FEMA.

Let me just say that in my 30 years as a social worker, I have seen my share of poorly conceived and poorly executed social service programs. Nothing comes close to the horrors of the FEMA rent assistance programs in response to Katrina. The best description of the program is from U.S. District Court Judge Richard Leon who ordered FEMA to “free these evacuees from the ‘Kafkaesque’ application they have had to endure.”<sup>3</sup> Attached are exhibits from the case filed against FEMA in which four social workers and an attorney in Texas describe their experiences in dealing with FEMA on behalf of their clients. They speak for themselves.

On May 3, 2006, FEMA reported that of the total of 723,262 households who had received rent assistance under its 408 (Individual and Household) program, 246,786 had requested recertification, but only 180,636 had been approved. Another 60,000 households received rent assistance under the 403 (Public Assistance) program, some of whom were transferred to the 408 program during the summer of 2006. As of January 26, 2007, FEMA reported that the number of households still receiving FEMA rent assistance was down to 36,525.

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1 NLIHC tabulations of 2005 American Community Survey PUMS.

2 National Low Income Housing Coalition. (2005c, September 22). Hurricane Katrina’s Impact on Low Income Housing Units Estimated 302,000 Units Lost or Damaged, 71% Low Income. Research Note #05-02.”. Washington, DC: NLIHC.

3 ACORN v. FEMA, Case 1:06-cv-01521-RJL, Document 17. (U.S. District Court of the District of Columbia. 2006, November 29).

Fifty-three percent are in Texas and 28% are in Louisiana. The remaining 19% are in every state except Vermont and Wyoming, with Arkansas and Tennessee with the next highest percentages of .3% each.

We can certainly assume that some portion of the nearly 800,000 households who got rent assistance from FEMA in the months immediately after the hurricanes have reestablished themselves and no longer need aid. After all, receipt of disaster rental assistance is not means-tested. However, given the cases that we know about in which FEMA terminated aid in error or failed to provide a reasonable appeal process through which such a determination could be made, we must conclude that a substantial number of displaced households are not receiving disaster assistance that they need and to which they are entitled to under law. Those who are still in the program and those who were wrongfully terminated are likely those with the lowest incomes and most complex problems who do not have the personal resources or social support systems to become reestablished.

In the most recent lawsuit against FEMA, the judge ordered FEMA to review terminations of rent assistance of approximately 5,500 households in Texas. Upon review, FEMA found that 18% of the households had been terminated in error and were reinstated. And these were households in Texas, mostly in Houston, where local officials were very proactive in their outreach and case management services to displaced households. We can make a rough, but conservative, extrapolation, to estimate that at least 124,000 of all households that received rental assistance should have received the assistance for a longer period than they did and that many continue to be eligible today.

The deadline for termination of housing aid, both rent assistance and travel trailers/mobile homes, was to be February 28, 2007 for Katrina survivors and March 31, 2007 for Rita survivors. [FEMA reports that 96,054 households were still living in manufactured housing as of January 26, 2007, all of whom are in Louisiana (66%), Mississippi (31%) and Texas (3%).] FEMA officials have recently announced that this assistance will be extended for another six months.

In the days immediately after the disasters, numerous voices from across the political spectrum called for housing assistance for displaced people to be in the form of Section 8 housing vouchers issued by the Department of Housing and Urban Development and managed by local public housing agencies. The Senate passed legislation to that effect on September 15, 2005, but the measure was rejected by the House and the Administration. Nonetheless, in its own "lessons learned" report issued in February 2006, the White House called for HUD to lead housing efforts in future disasters. Representatives Richard Baker (R-LA) and Barney Frank (D-MA) co-sponsored legislation to transfer all disaster housing aid that would be needed for 30 days or more to HUD. H.R. 5393 was voted out of the Financial Services Committee on June 14 last year.

### **Recommendations:**

FEMA should be required to undertake a comprehensive review of all households whose temporary housing assistance was terminated. For all households who were wrongfully terminated, FEMA should reinstate them if they can demonstrate continuing eligibility and

financial need for housing assistance using HUD criteria, i.e. incomes at or less than 80% of the area median and paying more than 30% of their income for their housing.

Further, all reinstated households should be transferred to the HUD Section 8 housing voucher program and continue to receive assistance as long as they remain eligible. Congress must appropriate sufficient funds for these vouchers. Once the displaced household is no longer eligible for the voucher, the voucher itself will terminate.

FEMA should be required to immediately establish data collection, analysis, and management systems such that its service delivery can be made transparent and accountable.

Finally, important reforms were made to the Stafford Act in the last Congress that will improve FEMA's housing response in future disasters. We are recommending additional reforms this year.

#### TEMPORARY HOUSING: HUD

The one temporary housing responsibility assigned to HUD was for the displaced people in the affected areas who had been living in HUD-assisted housing prior to the storms. These included families or individuals who had Section 8 housing vouchers or who lived in public housing, project-based Section 8, housing for the elderly, disabled, and people with AIDS, and people enrolled in HUD funded homeless assistance programs. HUD estimates that 32,000 HUD-assisted households were displaced and eligible for disaster rent assistance. First under a mission assignment from FEMA and then under direct appropriations to HUD in the December 2005 supplemental appropriations, HUD created what became known as the Disaster Voucher Program. Displaced households were given Section 8-like vouchers to rent housing wherever they were. The most recent report from HUD is that approximately 22,000 of the eligible households were participating in DVP. The status of the other 10,000 households is unknown.

Disaster vouchers are due to expire on September 30, 2007. When authorizing the HUD disaster vouchers, Congress also gave public housing authorities in the Gulf Coast permission to use previously appropriated public and assisted housing funds for the repair of damaged HUD-assisted properties. This fungibility will end with the end of the disaster vouchers. HUD staff report planning to convert former Section 8 voucher recipients back to the regular program on September 30. Those who were living in public or other project-based assisted housing will be converted to "tenant protection vouchers" by September 30, until such time as their units have been made ready for reoccupancy. At that point their housing assistance would revert from vouchers back to project-based assistance through whatever HUD program they were in prior to being displaced.

Setting aside for the moment the fact that HUD has no intention of replacing all of its damaged or destroyed assisted housing, there is another serious flaw in this plan. It presumes that every HUD-assisted displaced family will 1) want to return to the community from which it was displaced and 2) if it does not, can afford to stay in the community in which it has resettled without rent assistance. A family that has built a new life in another community, especially a community with more opportunities than the one it came from, should not have to make the

choice between living in its new community or living in a home it can afford. In the absence of valid and reliable data about where displaced HUD-assisted households would choose to live if allowed to choose, plans on their behalf are bound to fail.

**Recommendations:**

HUD needs to find the 10,000 HUD-assisted households who did not sign up for the Disaster Voucher Program. They are entitled to continued housing assistance.

HUD should immediately issue an RFP for a survey of a representative sample of all displaced HUD-assisted households to determine how they are faring and where they would prefer to settle if they had a choice. This survey should be conducted by an independent research entity, such a survey research lab affiliated with a university.

Based on findings from the survey, HUD should estimate the number of displaced HUD-assisted households who do not want to reoccupy their assisted units. Congress must appropriate sufficient funds to provide these households with Section 8 vouchers. Once the displaced household is no longer eligible for the voucher, the voucher itself will terminate.

**REBUILDING: PUBLIC AND ASSISTED HOUSING**

Residential properties that were built as a result of federal housing policy and that were subsidized by the federal taxpayers that were damaged or destroyed by the storms were the unique responsibility of the federal government to assure their repair or redevelopment. First and foremost, it was the responsibility of HUD to develop an estimate of what it would cost to repair or redevelop public and assisted housing, and request whatever amount was not covered by insurance from the Congress in one of the supplemental appropriations bills. Reliance on the Community Development Block Grant funds and the Low Income Housing Tax Credits allocated to the states to meet the housing needs of the vast numbers of families who did not live in federally subsidized housing was wrong. It also delayed reopening of the public and assisted stock unnecessarily.

If HUD has done such an assessment of the number of damaged public and assisted housing units since the preliminary numbers that were released in February and March 2006, it has not made it available for public consumption.

With regard to public housing in particular, you have heard and will hear a great deal at this hearing about public housing in New Orleans. I hope you will also attend to the public housing that sustained major damage or was destroyed in Mobile, AL and Biloxi, MS. Out of concern about the news reports, announcements, and rumors about demolition and redevelopment of public housing in New Orleans and elsewhere, a collection of low income housing advocates developed a set of principles to guide decisions about redevelopment of public housing in the Gulf Coast.

The first principle is that any public housing that was evacuated, but sustained limited enough damage that it can be reoccupied with repairs only, should be repaired and reopened with

all deliberate speed. The second is that there should be a moratorium on any demolition and redevelopment of public housing in the Gulf Coast that was never evacuated or was evacuated, but has since been reoccupied, until such time as the supply of rental housing affordable to the lowest income people has been replenished.

The third principle pertains to circumstances in which an independent evaluation determines that the public housing is beyond simple repair and must be partially or completely redeveloped. In those cases, HUD must assure one-for-one replacement of all units, the absolute right to return for all tenants in good standing, and authentic participation in the redevelopment plan by displaced residents who desire to be involved.

These principles were presented to HUD Secretary Alphonso Jackson in November 2006. They are attached to this testimony.

Let me offer a word about the situation with public housing in New Orleans. It is hard to imagine how HUD could have handled the issues associated with the Housing Authority of New Orleans (HANO) any worse than it did. I consider the responsibility for the extreme adversarial situation that HUD/HANO and some residents now find themselves in to be a direct result of HUD's heavy-handed, thoughtless announcements of demolition, and its unlawful pursuit of its goals for HANO properties.

The U.S Housing Act of 1937, as amended in 1998, is quite clear about the duty of a public housing authority to actively and publicly engage its residents and the community-at-large in any plans for the future of public housing. Moreover, public housing plans are required to be consistent with the Consolidated Plan of the locality where the public housing is located. HANO has not come close to meeting these and many other requirements.

HANO has long had the reputation as a dysfunctional and corrupt institution, plagued by mismanagement, rapid leadership turnover, and interference in its operations by local officials. HANO allowed its properties to deteriorate into seriously substandard condition. Due to the poor quality of its stock and its myriad management deficiencies, HANO has been in partial receivership since 1979 and full administrative receivership since 2002. Please note that of the 3000 public housing agencies nationwide, only 15 have been put in receivership since 1979. HANO may be the worst of the worst. HANO is essentially run by HUD now. There is no discernable difference between HANO and HUD as decision-making authorities with regard to public housing. So the violation of the public housing statute by HANO lies with HUD itself.

There is one more statutory requirement that HUD is violating that I want to mention. If a troubled housing agency is taken into administrative receivership, HUD has two years to restore the agency to a non-troubled status. If the agency remains troubled after two years, HUD is required to turn to a judicial receiver. HUD should have done so with HANO long before Katrina.

The conflicts of interest with HUD as the HANO receiver are quite problematic. For example, HUD has to review demolition applications from public housing agencies and warrant that the necessary engagement of resident and community input has occurred. When HUD and

the public housing agency are one and the same as are HUD and HANO, there is no one to protect the interests of residents and the community.

A very troubling conflict has arisen in this particular situation. HUD as HANO has applied to the State of Louisiana for both GO-ZONE Low Income Housing Tax Credits and CDBG disaster recovery funds for the redevelopment of four public housing complexes in New Orleans, competing with other applicants for these resources. As the agency responsible for oversight of the CDBG funds, HUD should not also be competing for these funds as a grantee. Moreover, there is some speculation that HUD's remarkable success in competing for both Louisiana's LIHTC and CDBG funds may be an indication of the State's dependence on the good will of the HUD Secretary. It should be noted that this conflict would have not occurred if Congress had funded HUD directly to repair or replace public and assisted housing in the Gulf, and the funds allocated by the state to HANO had been put to use on housing for other low income people in Louisiana.

### **Recommendations**

Congress should direct HUD to immediately appoint a judicial receiver for HANO, who will carry out federal policy and will be an impartial arbiter of the resident and community interests at stake in the future of public housing in New Orleans.

Congress should direct HUD to adopt rules and regulations for all public housing in the affected areas of the Gulf Coast that reflect principles for redevelopment outlined earlier.

HUD should immediately issue an RFP for independent contractors to assess the current condition of all public and assisted housing in the affected areas and estimate what additional resources are needed to complete repairs and reconstruction. Congress should appropriate such funds.

### **REBUILDING: AFFORDABLE RENTAL HOUSING**

One of the tragedies of the deep divisions in New Orleans about the future of public housing there is that it has diverted advocacy attention and resources away from the much larger problem of the failure to repair and replace low cost unsubsidized rental housing. The State of Louisiana estimates 82,000 rental homes in the state sustained severe or major damage, that 47% of the housing in the affected areas was rental housing, as were 55% of the homes in New Orleans.<sup>4</sup> Even if there were sufficient resources to reproduce that level of rental housing, there appears to be very little will to do so. Assisting home owners is the top priority of both Louisiana and Mississippi plans for their CDBG allocations, with attention to rental housing as an afterthought.

The major federal resource for rental housing was the allocation of Low Income Housing Tax Credits. Tax credit properties must have rents set to be affordable for people with incomes at

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<sup>4</sup> State of Louisiana, The Road Home. (2007). *Small Rental Property Program Small Owner & Owner Occupant Round 1 Application Handbook*. Baton Rouge: Author.

50% or 60% of the area median. The initial estimate of units these tax credits would produce was 54,000 units of rental housing.<sup>5</sup> The reality is that the GO-ZONE LIHTCs will likely produce as few as 25,000 units in Mississippi and Louisiana because the costs of construction have skyrocketed. And many of those will be lost if Congress fails to extend the placed-in-service date for tax credit properties.

Of the \$16.7 billion that Congress appropriated in disaster CDBG funds, \$1 billion was designated to repair or replace the affordable rental housing stock, including public and assisted housing. Moreover, Congress granted the states unusual flexibility in who can be served by their CDBG funded programs. Instead of 70% of the funds benefiting people with incomes at or below 80% of the area median (low income), only 50% were required to serve this income group and HUD was allowed to waive even the 50% threshold for compelling need.

In Mississippi, HUD did grant such a waiver. Of Mississippi's \$5.6 billion CDBG allocation, \$3.2 billion was dedicated to what has turned out to be an undersubscribed home owner grant program. One hundred and five million dollars were set aside for repair of public housing and \$125 million for a rental repair program that will provide \$25,000 grants to small landlords to repair properties with four or fewer units. In exchange for these grants, landlords must agree to keep the units affordable to primarily middle income households for a period of 7-8 years. Mississippi still has \$1.5 billion for which it has no plans at this point. Meanwhile, almost 30,000 households in Mississippi are still living in FEMA trailers.

The condition of the trailer dwellers in Mississippi is deteriorating rapidly. A study done by researchers from Columbia University of a sample of 576 randomly selected Mississippi families living in FEMA trailers found that trailer living was taking its toll. The lower one's income prior to Katrina, the more likely one was not to be working now. The children showed many symptoms of persistent emotional distress. Adults who are parents or caregivers report heightened levels of depression and anxiety. Rates of health insurance coverage have plummeted as former workers remain out of the workforce and one in six children in need of medical attention did not try to receive care. And rates of absenteeism from school are rising among elementary and high school students alike.<sup>6</sup>

The Louisiana Road Home plan pays more attention to rental housing needs than does the Mississippi plan. Some of the state's \$10.4 billion CDBG funds were set aside to capitalize an operating fund to provide rental subsidies to make LIHTC units more affordable to lower income households. The high cost of construction means more CDBG funds have gone to gap financing of LIHTC developments and less for the operating subsidy. Advocates argued strenuously for an allocation of Section 8 project-based vouchers to be the operating subsidy for LIHTC units and continue to assert that Section 8 is the best method for filling the gap between the operating costs of a rental unit and what a tenant can afford.

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5 Fischer, Will and Barbara Sard. (2006, February 27). *Housing Needs of Many Low-Income Hurricane Evacuees Are Not Being Adequately Addressed*. Washington, DC: Center on Budget and Policy Priorities.

6 Abramson, D., R. Garfield, & I. Redlener. (2007). *The Recovery Divide: Poverty and the Widening Gap Among Mississippi Children and Families Affected by Hurricane Katrina*. NY: Columbia University National Center for Disaster Preparedness.

Louisiana has also dedicated \$869 million of its CDBG allocation to a “small rental property program.” The purpose is to assist private landlords with repairs to one to four unit rental properties that have damage estimates of more than \$5,200. The application process was just made public in the last two weeks. Landlords will receive forgivable loans of \$20,000 to \$72,000 in exchange for renting to tenants with incomes at 80%, 65% and 50% of the area median, with rents set at affordable rates. The longer affordability is maintained, the more of the loan is forgiven. The number of units that can be repaired under the program is approximately 20,000. None will be affordable to the lowest income families.

The final form of housing assistance I want to call to your attention is the FEMA pilot program that will fund permanent housing. Congress appropriated \$400 million for this program. These funds will be used primarily to produce “Katrina cottages.” These are small modular structures that will take the place of FEMA trailers, but are permanently located. Most people like the concept. However, to date, no policy has been established as to the long term ownership of these units and who will benefit from them. There are no income eligibility criteria. Is it a good use of taxpayer dollars to pay for a permanent structure on someone’s property in which the family will live temporarily while repairing their damaged home? What happens to the Katrina cottage when the family moves back into its home? Does it become the guest house?

Clearly more resources are needed if the Gulf Coast is to have enough housing for the people who live there now and the people who will come there in the future. To date, no resources have been dedicated to rental housing for people with incomes below 30% of the area median. In the New Orleans MSA, this is \$15,690 a year; in the Gulfport-Biloxi MSA, it is \$14,040.<sup>7</sup> These are the people who make up the low wage work force, who are the backbone of the tourist economies of these areas. This is precisely the population who would be assisted with housing built or repaired with the Affordable Housing Fund in the GSE regulatory reform bill that the committee will take up in the coming months. The proposal is that the fund should be initially directed to states where the housing supply has been affected by the Gulf Coast hurricanes.

A final word on rebuilding of affordable housing in the Gulf Coast must be about the inequitable distribution of the funding. Although Louisiana sustained three quarters of the housing damage, the state received only 61% of the resources. Texas sustained direct damage from Hurricane Rita and received more Katrina evacuees than any other state by far. Yet, Texas has received only 3% of the housing funds.

### **Recommendations:**

Congress should engage in careful oversight of the use of the CDBG funds allocated for Gulf Coast recovery. Are the programs that the states have developed doing what they are intended to do? How quickly and how well are the funds being spent? Who is being served?

Congress should immediately pass legislation to extend the placed-in-service date of the LIHTCs allocated for Gulf Coast recovery.

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<sup>7</sup> Wardrip, K., D. Pelletiere, & S. Crowley. (2006). *Out of Reach 2006*. Washington, DC: National Low Income Housing Coalition.

Congress should establish policies about the long-term ownership and use of Katrina cottages and similar structures funded through FEMA's pilot housing program.

Congress should appropriate funding for Section 8 project-based vouchers to provide operating subsidies for new rental housing produced in the Gulf Coast affected areas.

Congress should enact GSE regulatory reform legislation that includes an Affordable Housing Fund to support the production and preservation of rental housing affordable to extremely low income families and direct the resources to states where the housing supply has been affected by the Gulf Coast hurricanes for the first two years.

## CONCLUSION

Hurricane Katrina will be remembered as a seminal event in American history. The emptying of whole communities happened overnight. The dimensions of the diaspora are unknown in modern America. The destruction is so vast that it is only possible to comprehend by going to the Gulf Coast and seeing for oneself. Katrina is about wrenching hundreds of thousands of people from homes to which most will never return. Katrina is about the sudden and complete loss of all that home means – safety, respite, privacy, comfort, and security.

Katrina is also about the generosity of ordinary people. One of the ways Katrina will be remembered is by the common decency of many people who traveled to the Gulf to volunteer to put a new roof on for a stranger or to strip moldy sheetrock out of houses still standing. Would that it could be enough for the considerable charitable instincts of the American people to suffice in the face of a disaster of this scope.

But it will not. Human beings organize governments to do what individuals cannot do for themselves, with protection and recovery from wholesale catastrophe at the top of the list. Unless policy and practice take a different turn from where they appear to be heading at this turn, Katrina will be remembered as a massive public failure - a failure of political will to “do what it takes.”

The future of public housing in New Orleans is just one skirmish in the larger battle of who wants to return, who has the right to return, who will be able to return, who will be welcome to return, and who decides. Polling data suggests that somewhat less than half of evacuees want to come home.<sup>8</sup> Indeed, Katrina has given some people a chance for a better life. Yet, there are others for whom home is home, and nothing else will do. For many people, the reality is that they just do not know what to do. They are paralyzed by depression and cannot make good decisions.

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<sup>8</sup> Dangerfield, P. (2006, January). *Citizen Participation: Informing Public Policy For Rebuilding New Orleans*. Total Community Action, Inc. & Associates, New Orleans, LA. Retrieved from <http://www.tca-nola.com/publications/citizen-participation.pdf>; *Washington Post*/Henry J. Kaiser Family Foundation/Harvard School of Public Health. (2005, September). *Survey of Hurricane Katrina Evacuees*. Retrieved from <http://www.washingtonpost.com/wp-srv/politics/polls/katrina-poll91605.pdf>; Zogby, J., J. Bruce, R. Wittman, & K. Scott. (2006, March). *A Second Survey of Hurricane Evacuees Living in Houston*. Zogby International for the City of Houston.

Or they cannot make personal decisions until official decisions are made, which have been slow in coming.

Massive dislocation and loss have already happened and cannot be undone. But how Americans decide to ameliorate the suffering that it caused is a choice we still can make. A commitment to a national housing agenda that assures a sufficient supply of affordable housing for everyone in neighborhoods and communities of their choosing, including those of limited means, is a good place to start.

The recommendations offered in this testimony are small fixes to glaring problems. They do not add up to a cohesive and comprehensive strategy for the recovery of the people who were displaced and the communities that were destroyed. The lack of such a strategy has severely hampered the recovery to date. The establishment of such a strategy is long overdue and should be Congress's top priority for its Katrina response going forward.

The prospect of families, especially poor, Black families who are already burdened by the legacy of American racism, never having the chance to go home after Katrina should weigh heavily on the hearts of all Americans. The pain of their forced exile will be embedded in the narratives of their families and shape their sense of themselves as Americans for generations to come. Unless everyone who was displaced by Katrina experiences genuine choice about where he or she will settle at the end of the day, Katrina will leave an indelible stain on the American soul.

Thank you for the invitation to come before you today and for your consideration of my remarks.



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### **Timeline of the Federal Government's Temporary Housing Response to Hurricane Katrina**

**September 1, 2005** - HUD places on its website its proposed response to the storm: a housing subsidy of \$10,000 per household displaced, regardless of household income, to supplement temporary housing costs for one year. Private landlords, family members, faith-based organizations, shelters or friends would be eligible to receive the money for housing a displaced family. This proposal was removed from HUD's website that day, and never referred to again.

**September 1 – September 22, 2005** – FEMA encourages local governments to create housing programs for evacuees. FEMA promises reimbursement as authorized by Section 403 of the Stafford Act. Such temporary rental housing programs become known as “Section 403 housing.”

**September 7, 2005** - FEMA announces no-bid contracts with five major corporations to provide trailers and mobile homes for displaced hurricane victims. These contracts call for identifying and leasing large plots of land in Louisiana to house settlements of tens of thousands of trailers and mobile homes.

**September 8, 2005** – Senator Sarbanes requests \$3.5 billion for 350,000 emergency Section 8 vouchers to house families displaced by the Hurricane. Advocates agree that HUD should be responsible for displaced households' housing needs.

**September 14, 2005** - Vice Admiral Thad Allen tells the Associated Press he is in discussion with states about where to locate the government's temporary “trailer cities” for tens of thousands of evacuees.

**September 15, 2005** – 350,000 emergency Section 8 vouchers for households' displaced by the storms are approved by Unanimous Consent in the Senate, and attached to an FY06 Appropriations bill.

**September 15, 2006** – During a House Financial Services Subcommittee on Housing and Community Opportunity hearing, Representative Maxine Waters (D-CA), Ranking Member of the Subcommittee, stresses the urgency of moving people from shelters into transitional and permanent housing. She cautions against current FEMA proposals to erect small towns of up to 25,000 manufactured homes in one space. “This is absolutely unacceptable. I am not in the business of creating ghettos.” Representative David Scott (D-GA) is equally adamant in his objections to the creation of densely concentrated trailer parks, calling them relocation “camps.”

**September 16, 2005** – HUD issues guidance encouraging local Public Housing Authorities to use their existing resources to house evacuees, despite long waiting lists in most communities.

**September 18, 2005** – FEMA tells USA Today that it does not plan to set up huge tracts of trailers and mobile homes. “That option is not even being considered.”

**September 23, 2005** – FEMA and HUD announce transitional housing assistance programs. HUD's program, named the Katrina Disaster Housing Assistance Program (KDHAP) will serve all previously assisted HUD households, or previously homeless individuals. HUD estimates that 65,000 households will be eligible for KDHAP. KDHAP is paid for through a mission assignment with FEMA.

FEMA's housing assistance program will serve all other eligible households displaced by Hurricane Katrina. This program is authorized by Section 408 of the Stafford Act and becomes known as “Section 408 housing.” Households

receive checks of \$2358, meant to cover three months of rental payments. They can continue to receive such payments, if they can prove continuing need, up until the statutory cap of \$26,200.

**September 30, 2005** – In a letter to President Bush, Senator Sarbanes urges that HUD have a more central role in responding to evacuees' housing needs. Thousands of families will need long-term housing assistance, wrote Senator Sarbanes, and such assistance should not come from an emergency response agency such as FEMA.

**October 12, 2005** – Six weeks after Hurricane Katrina made landfall, 22,847 people remain in emergency shelters, while 576,136 people are living in motels, and 6,306 individuals are living on cruise ships. At this time, only 7,819 travel trailers and mobile homes are occupied.

**October 18, 2005** - Representative Nydia Velázquez (D-NY), a member of the Housing and Community Opportunity Subcommittee of the House Financial Services Committee, writes to President Bush expressing concerns about the Administration's wasteful spending and uncoordinated efforts to house victims of Katrina. She advocates the use of emergency Section 8 vouchers to meet the housing needs of displaced households.

**October 28, 2005** – HUD announces a new disaster housing sub-program for those evacuated households that were homeless prior to the disaster, persons with HIV/AIDS, or persons who were permanently housed in HUD Special Needs housing units: Katrina Disaster Housing Assistance Program - Special Needs (KDHAP-SN). The program would have the same benefits as the original KDHAP but be administered through a community's Continuum of Care (CoC) structure. This program never gets off the ground.

**November 2, 2005** – FEMA announces it will give the full \$26,200 to 60,000 households that lived in the most damaged areas of New Orleans. Few people receive this check and FEMA subsequently denies having made such an announcement.

**November 3, 2005** - Widespread reports from the Gulf indicate that many households in need of rental assistance from FEMA are not receiving their checks. Many are being denied assistance for no obvious reason.

**November 4, 2005** – The provision of 350,000 emergency Section 8 vouchers is dropped in conference committee from the final FY06 appropriations bill.

**November 10, 2005** – A class action lawsuit is filed against FEMA, (*McWaters vs. FEMA*), asserting that large numbers of households in need remain unhoused because of FEMA's poor handling of the housing program.

**November 15, 2005** – FEMA announces that on December 1, immediately after the Thanksgiving holiday, it will stop paying the room costs for more than 150,000 displaced people living in more than 53,000 hotel and motel rooms across the country. FEMA said such a move is necessary to make evacuees more "self-reliant" and to help them "reclaim some normalcy." At this time, only 27,842 travel trailers and mobile homes are occupied, out of an estimated need of over 100,000 trailers. Over 2,000 people remain in shelters and almost 7,000 people continue to be housed on cruise ships.

FEMA also announces that as of March 1 they will no longer reimburse cities and states for households in the housing assistance programs that FEMA encouraged the cities and states to create.

**November 15 – 18, 2005** - Governor Rick Perry of Texas, Governor Haley Barbour of Mississippi, the congressional delegation of South Carolina, San Francisco Mayor Gavin Newsome, three city agencies in New York and numerous advocacy organizations appeal to FEMA to reconsider the deadline for motel room payments.

**November 22, 2005** – Amidst criticism from national and state leaders as well as countless advocates, FEMA announces it will continue to pay for the hotel rooms of hurricane evacuees until December 15. FEMA says that displaced residents in ten states with the largest number of evacuees still in hotel or motel rooms have an opportunity to extend that deadline until January 7.

**December 2, 2005** – National housing advocates hold a press conference, calling on the Administration and Congress to improve the federal government's re-housing performance. They recommend that a unified and comprehensive program of housing assistance be established for all displaced households, relying primarily on the existing federal

housing programs.

**December 9, 2005** – The House Financial Services Committee holds hearing to investigate FEMA and HUD's housing response to the disaster. HUD declines to attend, causing Ranking Member Barney Frank to threaten to issue a subpoena for Secretary Jackson to testify.

At the hearing, Representative Maxine Waters says, "We cannot express how dissatisfied we are, how upset we are, how embarrassed we are, [at the response to evacuees' housing needs.] ...FEMA is not working," said Ms. Waters. "The federal government's response to the housing needs of displaced people seems to be a case of the right hand doesn't know what the left hand is doing," said Representative Nydia Velazquez. "Individuals don't know how to navigate the system to get assistance, so at end of the day, they aren't getting any."

Representative Barney Frank said, "The announcement of the hotel deadline on the eve of the Thanksgiving holiday was one of the most heartless actions I have ever seen government do." Representative Artur Davis (D-AL) called it "one of the dumbest decisions that has ever been made in government."

**Also on December 9, 2005** – In testimony before the House Financial Services Committee, FEMA further explains their March 1 deadline for reimbursing cities and states for their housing programs. By March 1, FEMA expects to have a clear idea of where each household being housed under a state-administered program is, and what its needs are. If eligible, the household will be transferred to the FEMA Transitional Housing Program (Section 408).

**Also on December 9, 2005** – In written testimony to the Senate Committee on Homeland Security and Governmental Affairs, Scott Wells, Federal Coordinating Office for FEMA Joint Field Office in Baton Rouge, LA, testifies that FEMA's Individual Assistance process must be reformed. "It is too complicated, which often results in confusion and delays in timely delivery of cash and assistance to individuals." He specifically notes as problematic sending checks separately from letters explaining eligible expenditures.

**Also on December 9, 2005** – Senator Sarbanes sends a letter the Chairman and Ranking Member of the Senate Appropriations Committee, proposing that the Committee require that FEMA guarantee at least 12 months of rental assistance for families displaced by Katrina. The letter says that rental assistance would be much more effectively administered by HUD. The letter also asks the Committee to require that FEMA reimburse state and local governments for rental payments for Katrina victims made pursuant to existing leases for up to one year. Finally, the letter urges that the Committee require that FEMA reimburse local housing authorities for the cost of the vouchers used to house Katrina evacuees.

**December 10, 2005**– Senator Susan Collins, Chair of the Senate Committee on Homeland Security and Governmental Affairs tells the Washington Post, "I have long believed that it would have been far more effective at this stage for FEMA to have given vouchers for housing and to assist people in finding private-sector housing. I think it still is a possibility."

**December 12, 2005** – U.S. Judge Stanwood Duval, Jr. of the U.S. District Court for the Eastern District of Louisiana issues a ruling that temporarily stops FEMA from ending its hotel/motel subsidy program on December 15. After calling the disaster agency "numbingly insensitive" and "unduly callous," Judge Duval orders FEMA to continue its short-term lodging program until at least January 7, 2006 for all evacuees nationwide still in hotels and motels. Judge Duval further rules that those individuals who have yet to receive any assistance may remain in their federally subsidized hotel/motel rooms until February 7, 2006.

**December 14, 2005** – HUD testifies before the House Financial Services Committee. Representative David Scott questions whether the "call that individuals and housing advocates are increasingly raising, for FEMA's housing responsibilities to be transferred to HUD" should be answered. Brian Montgomery, HUD Assistant Secretary for Housing and FHA Commissioner, responds, "I am aware of that idea, but it is a decision for others to make."

**December 15, 2005** – The House Financial Services Committee approves H.R. 4100, the Hurricane Katrina Response Act by a vote of 50-9. The bill authorizes \$2.5 billion of funding for emergency Section 8 vouchers, among other things.

**December 16, 2005** – By mid-December, 653,531 households displaced by Hurricane Katrina are receiving FEMA

rental assistance.

**December 18, 2005** – In an FY06 Appropriations bill, Congress authorizes \$390 million for a Disaster Voucher Program, to be administered by HUD. By early February, HUD transitions the KDHAP program into the DVP program, allowing households previously assisted by HUD or previously homeless to receive Section 8-like vouchers.

In the same bill, Congress directs FEMA to provide written guidelines for transitioning evacuees into longer-term assistance by January 13, 2006. FEMA does not comply.

**December 25, 2005** - Corporate Lodging Consultants (CLC), the firm contracted by FEMA to manage the hotel program, sends notices to hotels across the country asking them to participate in an Evacuee Census. Hotel managers are asked to provide FEMA with the number of evacuees lodging in their hotels. They also distribute flyers to hotel managers stating that, “The (hotel lodging) program will continue for all evacuees in all states until further notice pending the resolution of certain issues now in litigation.”

**December 30, 2005** – Hundreds of thousands of people remain on waiting lists for trailers and mobile homes. Only 53,429 trailers have been occupied to date.

**January 2, 2006** – FEMA extends the deadline to end the hotel program until further notice. FEMA acknowledges that they still do not know the identities of all displaced households currently living in hotels, nor do they know the location of the hotels housing evacuees.

**January 12, 2006** - Judge Duval directs FEMA to extend hotel stays for hurricane evacuees if they are registered with FEMA for temporary housing assistance and they have obtained a hotel authorization code by January 30. For these evacuees, the hotel deadline is extended until two weeks after they have received (or been rejected for) temporary housing assistance. The Judge rules that the earliest evacuees can be terminated from the hotel program is February 13; those living in hotels (and who have registered with FEMA and have a hotel authorization code) in New Orleans or Jefferson parish cannot be terminated from the program until after March 1.

**January 13 and 14, 2006** - The Housing and Community Opportunity Subcommittee of the House Financial Services Committee hold field hearings in New Orleans, Louisiana and Gulfport, Mississippi. Mr. Scott Wells, the Louisiana Federal Coordinating Officer for FEMA testified that that FEMA is beginning to investigate new methods of meeting the demand for temporary housing in Louisiana. The agency announces it is looking into renting an entire apartment complex in New Orleans, in order to place eligible applicants into apartments. But, said Mr. Wells, “The cold, hard fact is that people may not be able to move back to their communities for months or years, because the housing stock does not exist.”

Mr. Wells said that, soon after the storm, FEMA was putting 30 trailers online each day; they have ramped up to the current average of 500 trailers per day. Mr. Wells acknowledged that this rate is still not fast enough to meet the overwhelming demand, and said that his agency is working to further increase the number of trailers installed.

Representative Maxine Waters (D-CA), Subcommittee Ranking Member, said, “We are hearing about a lot of bureaucratic nonsense in the siting of these trailers.” Indeed, Ms. Elise Boyer, an evacuee currently living in a hotel for lack of a trailer, later testified that FEMA has refused to place a trailer in the driveway of her 9th Ward home because the trailer would go four inches over her property line, even though she has obtained permission from her neighbor to do so.

**January 20, 2006** –HUD Secretary Alphonso Jackson responds to concerns of local officials from Houston, Texas over how rent will be paid for the city’s 150,000 evacuees when FEMA stops reimbursing the city’s emergency rental vouchers on March 1. Mr. Jackson says, “If they have not been able to find any other housing, FEMA will switch them over to our program, and we will take up that process for the rest of the time that they’ll be on the program,” he said. “We’re not going to cut anybody off,” he said.

**February 1, 2006** – During a press conference, U.S. Comptroller General David Walker says, “Housing beyond short-term shelters also...remains a major problem, especially for victims who either cannot return to their community or require housing options in their community if they do return.”

**February 3, 2006** - Several House Democrats send a letter to Department of Homeland Security Secretary Michael Chertoff, expressing “exasperation with the failure of FEMA to comply with a Congressional directive to issue timely guidance with respect to eligibility for housing assistance under the Section 408 program...FEMA’s continued failure to issue guidance clarifying criteria for ongoing eligibility for FEMA rental housing under the Section 408 program is unconscionable.”

**February 7, 2006** - 10,777 fully furnished, unoccupied manufactured homes are being stored at the Hope, Arkansas airport. To avoid having the homes sink into the muddy ground, FEMA orders jacks for all homes, and begins accepting bids to gravel 293 acres under the homes at an estimated cost of \$6 - \$8 million. The homes cannot be placed where they are most needed, in Louisiana and Mississippi, because FEMA’s own rules prevent it from siting manufactured homes in flood zones. This rule was not considered when the homes were ordered.

**February 8, 2006** - House Minority Leadership holds hearing on the post-Katrina housing crisis. Referring to the need for emergency Section 8 vouchers, House Minority Leader Nancy Pelosi said, “We did that successfully after Northridge earthquake in California in 1994. If it was good enough for the California earthquake, it’s good enough for Katrina.”

**February 15, 2006** - The House Select Committee to Investigate the Preparation for and Response to Hurricane Katrina released its final report, “A Failure of Initiative.” One of the Committees findings states that FEMA “failed to take advantage of HUD’s expertise in large scale housing challenges.”

The report notes that, although FEMA has provided rental assistance to over 500,000 households, a key problem with the provision of such assistance was households receiving their rental assistance checks days, and sometimes weeks, before receiving guidance as to how and on what the money should be used. “Use of a voucher system similar to the one administered by HUD could have prevented this mistake...FEMA failed to take full advantage of HUD’s expertise and perspective on large-scale housing challenges, such as the agency’s experience with voucher programs. HUD and public housing authorities have the expertise and infrastructure to help non- HUD clients during disasters.”

**Also on February 15, 2006** – HUD testifies before the Senate Banking, Housing and Urban Affairs Committee that it’s initial estimate of 65,000 households eligible for KDHAP was too high; HUD now estimates that 24,000 to 32,000 households are eligible for its Disaster Voucher Program (DVP).

**February 17, 2006** - A group of disability rights advocates file suit against FEMA, challenging FEMA’s failure to provide accessible temporary housing.

**February 23, 2006** - The White House releases “The Federal Response to Hurricane Katrina: Lessons Learned.” The report finds that HUD, “with extensive expertise and perspective on large-scale housing challenges and its nation-wide relationships with State public housing authorities,” was mistakenly not engaged in the housing response by FEMA until “late in the effort.” Noting that “HUD’s expertise lies in the provision of mid and long-term housing...for those in need,” the report recommends that HUD be designated the lead Federal agency for the provision of temporary housing.

**Also on February 23, 2006** – FEMA announces it will once again extend the hotel/motel subsidy program that has been providing shelter for hurricane evacuees. FEMA says it will continue to pay for the hotel/motel rooms of evacuees in Louisiana and Mississippi for two additional weeks, until March 15, citing a “severely depleted” housing stock in those states. Only 69,775 trailers and mobile homes are occupied at this time.

**March 3, 2006** – To date, 35,631 households in need of continuing rental assistance have been denied by FEMA.

**March 8, 2006** – To date, 17,260 households have received Disaster Vouchers from HUD, though only about half have successfully leased apartments with the vouchers. HUD estimates that an additional 9,351 DVP-eligible households are instead receiving some form of FEMA temporary housing assistance. Of the tens of thousands of people believed to have been homeless prior to the disaster, only 20 are receiving disaster vouchers, despite their eligibility for the program.

**March 14, 2006** - Senate Homeland Security Committee Chair Susan Collins (R-ME) and Ranking Member Joseph

Lieberman (D-CT) send a joint letter to Homeland Security Secretary Michael Chertoff expressing concern about FEMA's shortfalls in providing temporary housing assistance to survivors of Hurricane Katrina.

"Almost six months after Hurricane Katrina ravaged the Gulf Coast, housing remains among the most pressing challenges facing thousands of residents in the region," wrote the Senators as they cited problems with FEMA's implementation of the hotel/motel program, delivery of mobile homes and provision of Transitional Housing Assistance.

**March 15, 2006** – Families continue to wait for needed trailers and mobile homes. 90,547 have been occupied to date.

**March 26, 2006** – 5 days before the originally announced deadline, FEMA extends state and local housing programs until May 31.

**May 3, 2006** – To date, 51,486 families that applied to FEMA for continuing rental assistance have been denied any further assistance.

**May 16, 2006** - Representatives Richard Baker (R-LA) and Barney Frank (D-MA) introduce H.R. 5393, the Natural Disaster Housing Reform Act of 2006. The bill would establish HUD as the lead agency for long-term housing needs resulting from disasters, among other things. Senator Mary Landrieu (D-LA) introduces companion legislation on May 23.

**May 19, 2006** – A new class action lawsuit is filed, *Watson vs. FEMA*, to stop FEMA from ending rent assistance to some 17,000 families on May 31, 2006.

**May 25, 2006** - 62 Democratic Members of the U.S. House of Representatives file an amicus curiae brief in support of *Watson vs. FEMA*. Representatives Regarding FEMA, the amicus brief states that, "the agency continues to engage in a process that is marked by inefficiency, a lack of discernable standards, and seeming disregard for the plight of the vulnerable survivors who are depending on the aid that FEMA is statutorily obligated to provide."

**May 29, 2006** – FEMA extends the deadline for 10 local rental assistance programs in Texas, through June 30.

**May 30, 2006** - U.S. District Court Judge David Hittner refuses to order federal officials to continue emergency housing programs for Hurricane Katrina evacuees through June 30.

**June 16, 2006** – Judge Duval issues his decision in *McWaters vs. FEMA*. The Judge states, "The Court hesitates to seemingly 'reward' FEMA for what could be considered cagey behavior with regards to FEMA's ever-changing requirements. As the Court has previously found, FEMA's indecision and internal bureaucratic bumbling has strained even the most patient of citizens."

**June 16, 2007** - The House Financial Services Committee approves by voice vote sending H.R. 5393, The Natural Disaster Housing Reform Act of 2006, out of Committee with a favorable recommendation.

**July 13, 2006** - Judge Hittner grants a preliminary injunction in *Watson v. FEMA* ordering FEMA to pay amounts for utilities for all recipients of Temporary Housing Assistance under the Section 408 program, among other things.

**July 25, 2006** – The Sierra Club releases results from its findings of FEMA trailers: 83% of the trailers tested show a high level of formaldehyde, a toxic gas that could pose both immediate and long-term health risks

**July 26, 2006** - FEMA's new Director of Recovery, John D'Araujo, Jr., issues a memorandum changing FEMA's recertification policies for households transitioning from the 403 Emergency Sheltering Apartment Program to the 408 Temporary Housing Program.

According to Mr. D'Araujo, the "difficult transition has created some communication and program challenges that require immediate 408 assistance processing modifications...as a result of the multiple and varying 403/408 communications made to State/local governments, landlords and individual evacuees, FEMA has determined that an extension of the 408 recertification period is warranted," but only for households transitioning from 403 to 408.

FEMA has been requiring all 408 recipients to show proof of their continued need for temporary housing assistance

every three months. However, under the new guidelines issued in the memorandum, those households that recently made the transition from the 403 program after being determined eligible for 408 temporary housing will only have to recertify once in order to have their assistance extended through October 31, 2006. Evacuees eligible for this extension who do not meet FEMA's recertification requirements prior to October 31 will not be eligible for additional assistance beyond that date. Those households that do meet the requirements may be eligible for an additional recertification period ending February 28, 2007.

**August 1, 2006** – Travel trailers and mobile homes reach their peak occupancy rate: 119,625 occupied.

**October 12, 2006** - FEMA extends rental housing assistance for some evacuees of Hurricanes Katrina and Rita. The extension applies to households that originally received rental assistance through a city- or state-administered program, funded through FEMA's Section 403 program, and have successfully transitioned to receiving rental assistance under FEMA's Section 408 rental assistance program. Households displaced from Hurricane Katrina will have their rental assistance extended, without need for recertification, through February 24, 2007. Before the extension, these households were required to recertify for continuing assistance by October 31.

**October 17, 2006** - 92 national and Gulf Coast housing and poverty advocacy groups write a letter to Department of Homeland Security (DHS) Secretary Chertoff, HUD Secretary Jackson and FEMA Director Paulison, urging the agencies to address the impending expiration of FEMA's transitional housing programs and subsequent displacement of almost 300,000 households. The letter requests an extension of housing assistance through February 2008.

The letter states, "The scope of the assistance programs still does not match the scale of this catastrophic disaster. Without adjustments to these programs, many families who survived Hurricanes Katrina and Rita are likely to find themselves homeless within the next four to five months. This mass displacement will severely tax the already-stretched resources of Gulf Coast communities trying to rebuild and cities like Houston that generously received and are still hosting over 100,000 displaced families. For the families themselves, another displacement could dismantle any progress gained after last year's hurricanes. Waiting until the last minute to extend deadlines and ensure continued funding, as FEMA infamously did for households living in motels, will impede proactive recovery activities and put more families at risk in the coming months."

**November 29, 2007** - U.S. District Judge Richard Leon rules that FEMA must resume rental assistance payments and pay three months of retroactive payments to certain households denied continuing rental assistance from February through August 2006. The agency must continue rental assistance to these households until FEMA can provide clear reasons for a denial of continuing assistance and an opportunity for households to appeal the denial.

Judge Leon ruled in favor of the plaintiffs, agreeing with their claim that letters sent to those denied continuing assistance were "ambiguous and unintelligible," and often gave contradictory information. "It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights," Judge Leon wrote. "FEMA's notice provisions are unconstitutionally vague and uninformative, and a more detailed statement of FEMA's reasons for denying long-term housing benefits...must be provided in order to...free these evacuees from the 'Kafkaesque' application process they have had to endure."

**December 3, 2006** – FEMA assures Congressional staff that an extension of the 18-month deadline for FEMA housing assistance will be announced sometime during the month of December.

**December 5, 2006** – Mississippi Governor Haley Barbour sends a letter to FEMA Director Paulison, urging FEMA to extend housing assistance to households displaced by Katrina through February 2008. He receives no answer.

**December 22, 2006** - The US Court of Appeals grants FEMA's request to stay part of US District Judge Richard Leon's order against the agency in the case of *ACORN vs. FEMA*. This means that, contrary to Judge Leon's order, FEMA does not have to reinstate housing benefits for 4,200 Katrina evacuees until after the appeal of the ruling is heard. The Court of Appeals is not likely to take up the case until March.

**January 3, 2007** – FEMA tells reporters and Congressional staff that they plan on maintaining the February 28 deadline for assistance for the 33,000 households remaining in FEMA's rental assistance program. FEMA states it will

consider extensions of assistance for the 95,000 households living in FEMA trailers and mobile homes, on a case-by-case basis. No official announcement is made.

**January 9, 2007** – The Louisiana Congressional delegation sends a letter to FEMA Director Paulison, urging FEMA to extend housing assistance to households displaced by Katrina through February 2008.

**January 12, 2007** – Congressional members meet with FEMA Director Paulison, urging an extension of the deadline for temporary housing assistance. During the meeting, Mr. Paulison states that he will meet with the President later that day, to request an extension for all FEMA housing assistance programs. According to reports from the meeting, Mr. Paulison is optimistic that the President will approve the extension. Mr. Paulison acknowledges the urgency of the matter and says he hopes to announce an extension sometime the week of January 22.

**January 12, 2007** – Representative Al Green (D-TX) sends a letter to FEMA Director Paulison, urging FEMA to extend temporary housing assistance to households displaced by Katrina.

**January 17, 2007** – Louisiana Governor Kathleen Blanco sends a letter to FEMA Director Paulison, urging FEMA to extend housing assistance to households displaced by Katrina through February 2008.

**January 19, 2007** – FEMA staff inform Congressional offices that the President has granted a six month extension, through August 31, 2007, for all temporary housing programs. No formal announcement is made. FEMA staff indicate an awareness that temporary housing needs will likely remain in August, and plans to talk with HUD staff about longer-term solutions.

**January 29, 2007** - In written testimony before the Senate Homeland Security Committee, Gil Jamieson, FEMA Deputy Director for Gulf Coast Recovery, affirms that President Bush has directed FEMA to provide an extension, through August 31, of direct housing and financial assistance programs supporting victims of Hurricanes Katrina and Rita. “This extension will give us additional time to work with disaster victims, Federal, State and local partners, and volunteer organizations, to transition victims to more permanent housing solutions,” Mr. Jamieson says.

FEMA has still made no formal announcement of the 6-month extension, leaving many questions unanswered.

**January 31, 2007** – After successfully reinstating more than 1000 households to FEMA’s rental assistance program, ACORN dismisses its lawsuit against FEMA. A full 25% of households covered by the lawsuit were found to have been wrongfully terminated by FEMA. “Despite the government’s promises to care for the hurricane victims they failed to protect during the storms, thousands of evacuees were literally left out in the cold by FEMA,” said Michael Kirkpatrick, a lawyer for Public Citizen who litigated the case. “Our lawsuit has held the agency accountable for its failures and resulted in about \$6 million in additional benefits to flow to the hurricane survivors.”



### Declaration of Susanne Seré

1. My name is Susanne Seré. I am an attorney licensed to practice law in the State of Texas. My State Bar Number is 18032340. I also am licensed to practice law in the United States District Courts for the Southern District of Texas.

2. I am employed by Lone Star Legal Aid as the Attorney Manager for the Public Benefits and Special Projects Units, Houston office. As part of my duties with Lone Star Legal Aid, I supervised seminars designed to provide hurricane evacuees with assistance in the preparation of pro se letters to appeal FEMA's denial of eligibility for Section 408 housing assistance. We have assisted hundreds of evacuees from Hurricanes Katrina and Rita.

3. Based on discussions with the evacuees, it was clear that very few, if any, knew the criteria for Section 408 housing assistance eligibility. The overwhelming majority is completely confused by the circumstances, did not understand the reason(s) for the denials of housing assistance and did not know what information must be provided to establish eligibility. Many evacuees had entered into 12 month leases and did not know why their assistance and their leases are being terminated.

4. Many evacuees received several letters from FEMA. Some evacuees had a series of letters resulting in multiple reasons for denial. Evacuees had letters that were confusing and at times appeared to be contradictory. For example, one evacuee received a denial letter based on "insufficient damage"; approximately one month later she received another letter stating that the basis for denial is that "applicant withdrew voluntarily". At least one evacuee received a letter from FEMA stating that she was eligible for Section 408 assistance and then received a subsequent letter stating that she was ineligible.

5. Many evacuees received vague denial letters from FEMA. Some letters gave the reason for denial as "other" or "other reason". Some letters stated that FEMA was "sending this letter to help clarify the termination of FEMA's subsidy of your current rental unit" but gave no reason for the denial. Evacuees' attempts to obtain clarification from FEMA frequently resulted in further confusion.

6. One evacuee who had been denied on the basis that he had withdrawn his request for assistance called FEMA to discuss his denial. When he explained that he had not withdrawn his application, he was advised that the denial might be based on "insufficient damage" because he failed to meet the inspector at his pre-disaster residence.

7. Several evacuees believed the reason for their denials was because of a failure to meet with an inspector to assess damages to their pre-disaster residences. One evacuee was in the hospital at the time of the scheduled inspection and so notified FEMA. Another evacuee had met with an inspector to survey the damage but failed to meet with a second inspector when notified of the inspection at the time it was in progress over 100 miles away. Many evacuees simply were unable to travel the distance to return to their pre-disaster residences and were unaware that they could request a representative to act on their behalf.

8. Several evacuees that we have seen were denied on the basis that they are receiving other housing assistance, but the only housing assistance they are receiving is the Section 403 assistance that is being terminated. Another evacuee was advised by FEMA that she would need to obtain a statement from HUD indicating that she is not receiving housing assistance from HUD.

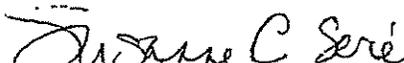
9. I have been with legal aid for over 27 years. After meeting with these evacuees and listening to their stories, I have to conclude that their plight with FEMA may be the most confusing and chaotic circumstances I have seen.

10. FEMA has scheduled the termination of the 403 program for the majority of evacuees in Houston for August 31, 2006 based on FEMA's position that a final determination regarding 408 eligibility has been made. It is my understanding that approximately 1800 evacuee households will continue to receive 403 rental assistance for the month of September because FEMA has not made a "final" determination regarding 408 eligibility. Because many of the evacuees have little income, they will undoubtedly face eviction when September rent is due.

11. In Texas, the eviction process is very short. A landlord first needs to give a three day notice to vacate (or one day if the lease allows). After the notice to vacate expires, the landlord can file the eviction case with the justice court. The justice court schedules an appearance within six to ten days. If the court rules for the landlord, the writ of possession can be issued after five days. However, once a tenant defaults, a landlord does not have to accept the rent and can instead choose to evict the tenant. In my experience, landlords that end up filing eviction cases usually do not want the rent, but instead require the tenant to vacate.

12. Unless FEMA is required to provide proper explanations of denials to evacuees and is required to continue the 403 program until they do, many evacuees that would otherwise be entitled to housing assistance will likely be evicted.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

  
SUSANNE SERÉ

Date: 8/30/2006





5. FEMA's system, even now, has been the most difficult system to deal with compared to all the other systems I navigate. FEMA appears to change the guidelines, deadlines and definitions of what they require in mid stream. It is frustrating and very demeaning for the residents of the Gulf Coast to have to continue to prove they are worthy of these benefits when they are victims of a natural disaster.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Michelle A Akers Date: 9/5/06

Michelle A. Akers, LSW, MA

ReEntry Case Manager

Caritas of Austin

479-4610 Ext #242

makers@caritasofaustin.org



Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

  
Date: 9-8-06  
Zeynep Klein, LCSW  
Hurricane Relief Team Case Manager  
Caritas of Austin



timely. The current system wastes valuable time and places an unfair burden on evacuee families. FEMA's system has been confused from the beginning and has yet to be improved. I am hoping something can be done to prevent another family from becoming homeless that should not be.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

  
Date: 9/6/06

Nova McGiffert



Applicant A lived with her mother in New Orleans. They were separated after the hurricane and Client A ended up in Austin, TX and mother in Atlanta, GA. Both have acquired jobs in their respective cities and Client A is supporting her 17-year-old brother who is enrolled in school in Austin, TX. An appeal is written to explain. Several weeks later, another call to FEMA is made, and now there is a problem with the mother having flood insurance and there being no landlord-tenant relationship between the mother and Client A. None of the FEMA notices explain this, what to do, or how to address the problem. The notices are so vague FEMA uses them to claim a multitude of problems, one after another. There is no transparency, and information is being withheld which drags out the process of appeal and leads to evictions and homelessness.

4. The process of finding out what documentation is needed by FEMA can be extremely difficult. Applicant B has written three housing plans (a requirement for continued rent assistance FEMA says), all deemed inadequate by FEMA. The FEMA hotline representative is unable or unwilling to tell the survivor or me why the housing plan is inadequate. After waiting two weeks for the housing plan to be processed each time, Applicant B is now in court being evicted. Now she will not be eligible for HUD's Public Housing either. FEMA withheld information that was needed by my client, and has done so in many other cases. This is wrong. Disaster victims should know what is needed from them. These are only two examples amongst 25. As I stated earlier, I trust FEMA Helpline employees on the phone to be straightforward with the information that they have available to them. The problem may lie here---the complete information is not available to them either, and it is certainly not available to the evacuees or their advocates. Of course I cannot imagine what evacuees face without assistance from a caseworker. FEMA's system is extremely difficult with assistance from a caseworker like me who has an office, internet access and a fax machine. It must be even more difficult for a survivor without help. FEMA's notices must be improved at the very least so the process is fair for everyone.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

  
Kirsten Mindrum

Date:



## **Principles for Redevelopment of Public Housing Damaged by Hurricanes Katrina and Rita**

The need for rental housing affordable to the lowest income people is acute in the communities affected by Hurricanes Katrina and Rita. *HUD and local public housing authorities (PHA) have an obligation to repair and reopen as much public housing as possible as soon as possible.*

Some public housing in the Gulf Coast affected areas has been reoccupied by its residents or the residents never evacuated. Given the acute shortage of rental housing that is affordable to the lowest income people in the Gulf Coast affected areas, *HUD should declare a moratorium on any demolition, disposition, or redevelopment of public housing that is currently occupied in the Gulf Coast affected areas for the foreseeable future.*

However, for those *public housing buildings that are currently closed and where it is independently determined that partial or complete redevelopment is required* to assure the long term sustainability of housing affordable to the people who lived there prior to evacuation, the following principles should apply.

1. No redevelopment of public housing damaged by Hurricanes Katrina and Rita will result in a net loss of the number of physical publicly assisted rental units, including accessible units, that were in the jurisdiction prior to Katrina or Rita nor will any redevelopment result in a net loss of any rental housing units that were in the jurisdiction prior to Katrina and Rita that are affordable and targeted to extremely low income households. New development will not decrease the number of rental units with three or four bedrooms needed by large families.
2. Redevelopment must take place with all deliberate speed, so that residents can return home and reoccupy units as soon as possible.
3. All residents of public housing in good standing at the time of evacuation must have the absolute right to return to a publicly assisted housing unit that is at least comparable to, and preferably an improvement of, the unit from which the household evacuated.
4. If the exact unit from which the household evacuated is not habitable, the household must be offered the following choices:
  - for a household living outside of the jurisdiction where its public housing unit is located:
    - the household can continue to occupy the unit it is currently in with guaranteed continued Disaster Voucher assistance (DVP) until such time as its new unit in its home jurisdiction is ready for occupancy. If the PHA in the jurisdiction where the household is now living is not participating in DVP, HUD shall provide an alternative means by which the household can participate in DVP. HUD shall obtain an extension of the 18 month limitation on use of DVP assistance.
    - the household can return to its home jurisdiction and reside in another rental unit that the PHA will provide (either public housing or private housing rented with continued Disaster Voucher

assistance) until such time as its new unit is ready for occupancy. HUD shall obtain an extension of the 18 month limitation on use of DVP assistance.

- the household can opt to receive a portable Housing Choice Voucher (HCV) and give up its lease on its public housing unit. If at a later point, a household who has given up its public housing lease returns to its original jurisdiction and wishes to live in public housing, the household will be given a preference on the public housing waiting list.
  - for a household living in the jurisdiction where its public housing unit is located:
    - the household can continue to occupy the unit it is currently in with guaranteed continued Disaster Voucher assistance until such time as its new unit in its home jurisdiction is ready for occupancy. HUD shall obtain an extension of the 18 month limitation on use of DVP assistance.
    - the household can opt to receive a portable Housing Choice Voucher and give up its lease on its public housing unit. If at a later point, a household who has given up its public housing lease returns to its original jurisdiction and wishes to live in public housing, the household will be given a preference on the public housing waiting list.
5. Every displaced public housing head of household must be informed of his or her housing choices now and provided with appropriate counseling and other support services needed to make the best possible choice for his or her household. If the household has reconfigured, the current head of household must be provided with the appropriate counseling.
  6. Every displaced adult public housing resident, wherever he or she may be, whose household makes the choice to return to redeveloped public housing must be offered a genuine opportunity to be an active participant in the redevelopment planning including the design of the new homes and projects.
  7. When a household gives up a lease, thereby creating a public housing vacancy, the PHA must first offer the unit to another displaced public housing household and then go its waiting list if there are no other displaced public housing households who are interested. The offer of a unit shall be on the same conditions as outlined in #4 above. If the PHA exhausts all names of displaced public housing households who want to return and of applicants on its waiting list and still has vacancies, it must open up a new round of applications and offer eligible applicants the same choices outlined in #4 above until all vacancies are filled.
  8. HUD must provide or assure sufficient funding to fully implement these requirements.

9. HUD must provide all public housing households displaced by Hurricanes Katrina and Rita with timely and complete information about these and other policies and about the status of public housing redevelopment in the jurisdictions from which they evacuated.

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Catholic Charities USA  
ENPHRONT (Everywhere Now Public Housing Residents Organizing Nationally Together)  
Enterprise Community Partners  
Florida Legal Services  
From the Lake to the River: The New Orleans Coalition for Legal Aid and Disaster Relief  
Lawyers Committee for Civil Rights Under Law  
National AIDS Housing Coalition  
National Alliance to End Homelessness  
National Community Reinvestment Coalition  
National Fair Housing Alliance  
National Housing Conference  
National Housing Law Project  
National Housing Trust  
National Law Center on Homelessness and Poverty  
National Low Income Housing Coalition  
New Orleans Legal Assistance  
New Orleans Neighborhood Development Collaborative  
Oxfam America  
PolicyLink  
Providence Community Housing, New Orleans  
Technical Assistance Collaborative  
Texas Low Income Housing Information Service  
U.S. Jesuit Conference