

Reconstruction After Hurricanes Katrina, Rita and Wilma – Housing Needs and Policy Recommendations

Democratic Reconstruction: Those Affected Must Guide the Process

As the nation responds to the crisis of Hurricanes Katrina, Rita and Wilma we must remember the hundreds of thousands of people in Florida, Texas, Alabama, Mississippi, and Louisiana who have lost everything and are now hungry, homeless, out of work, and without health care. Already, we devote inadequate resources to the provision of these most basic needs. To humanely and effectively respond to the crisis, we must significantly increase our efforts to strengthen communities. The unprecedented level of destruction and scope of the tragedy dictates that international models and principles of disaster response – equal parts relief, rebuilding and development – guide our approach.

Moreover, while significant Federal investment is critical, residents of the affected areas must actively participate and lead the rebuilding effort. A democratic reconstruction must be governed by and for the people most victimized by the storms and their aftermath. Toward that end, all residents of affected areas should have a right to return to their homes and neighborhoods and contribute to rebuilding as held in the *United Nations Guiding Principles on Internally Displaced Persons*. To protect this right, appropriate state and local authorities should implement an indefinite moratorium on evictions, establish rent control, and ensure mass participation and oversight of any condemnation proceedings. Furthermore, at least seventy-five percent of reconstruction work must be done by regional businesses with local employees and pay livable wages.

Housing Needs: Hurricanes Exacerbate Existing Housing Crisis

In the New Orleans area alone, an estimated 250,000 homes were rendered “unusable” by Hurricane Katrina, with only approximately one third covered under any flood or homeowners insurance. Throughout the entire Gulf Coast region, an estimated 400,000 units of housing were lost and as many as 15,000 families living in public housing and 18,000 receiving housing choice voucher assistance may have been impacted by Katrina. Already the waiting list for Section 8 and Public Housing assistance in the City of New Orleans exceeded 19,000. Prior to Katrina, over 62,700 New Orleans metro area households paid more than 30% of income on housing and 21% of Orleans Parish residents had household incomes of less than \$10,000 per year.

We call upon Congress to address both the emergency and long term housing needs of the victims of the hurricanes.

Emergency Housing Needs

Congress should address emergency housing needs by:

- Providing an additional \$174 million in HUD McKinney-Vento Homeless Assistance Programs to the affected Continuums of Care in the region and an additional \$50 million nationally in order to provide emergency shelter, rental assistance, transitional housing, and services support to people experiencing homelessness. Such funds should supplement current appropriation levels. Service providers and communities receiving McKinney-Vento grants for affected areas must be given program flexibility in order to continue using Federal funds to serve people and rebuild program facilities as effectively as possible;
- Providing expedited maximum housing assistance allowable (\$26,200) under the Robert T. Stafford Relief and Emergency Assistance Act to all people displaced by Hurricanes Katrina, Rita and Wilma;
- Providing an additional \$200 million to FEMA’s Emergency Food and Shelter Program for short term assistance to prevent eviction;
- Protecting existing subsidies for approximately 18,000 displaced voucher holders;

- Appropriating funds for 250,000 new incremental vouchers for previously un-assisted households displaced by the Hurricanes;
- Appropriating an additional \$10 billion for the HOME program for one year, with adjustments in income targeting and eligible uses. At least 50% of funds should be used for households with incomes at the Federal poverty level or below, 25% of funds should be used for incomes at or below 30% of the area median (AMI), and up to 25% can be used for households at up to 80% of AMI. A minimum of 75% of funds should be used for the production of new rental housing and the rehabilitation of existing rental housing stock. HOME production should be part of a package of Federal incentives to be developed to stimulate the redevelopment of infrastructure and rejuvenation of the economies in the declared disaster areas. Adequate funding for CDBG on the order of \$15 billion is also essential for enabling infrastructure recovery at the local level;
- Expanding availability of federal surplus property for emergency, transitional and permanent housing. Urge the General Services Administration (GSA) to make federal property quickly available for homeless assistance when there is an approved applicant under Title V of the McKinney-Vento Homeless Assistance Act. Except where there are environmental or other public health or safety issues requiring remediation for the property to be habitable, require the GSA to assign property within 4 weeks of application approval by the Department of Health and Human Services (HHS) under Title V of the McKinney Act and for lease or deeds to be executed within 6 weeks of assignment.

Long-term Housing Needs

Congress should address long-term housing needs by:

- Protecting existing subsidies for public housing residents by authorizing a \$1.5 billion public housing production program, which allows for acquisition, substantial rehabilitation or new construction to replace the public housing units lost. Units should be restored in the jurisdictions that have lost them;
- Following an assessment to determine the cost of hurricane-related repairs to public housing units that are salvageable, appropriations to the public housing Capital Fund should be made for distribution to the affected PHAs in order to cover the cost of these repairs;
- Passing legislation enacting a national housing production program targeted toward those with incomes at 30% or below area median with special emphasis on housing affordable for households at or below the Federal poverty line;
- Appropriating an additional \$1 billion for USDA Section 515 housing, \$250 million for Section 514/516, and increase available funds for Section 521 rent subsidies;
- Conducting rental market analyses for storm-impacted communities in order to quantify the changes in fair market rents. The federal government should provide higher housing assistance payments in the areas in which rents are higher than the Fair Market Rent.

Improved Federal Coordination

The Bush Administration should:

- Establish a centralized Federal authority responsible for administering the housing and personal assistance program in order to ensure that individuals and families who qualify for such benefits receive them. Rather than requiring people to go back and forth between HUD and FEMA, hurricane victims should be able to call one number or visit one federal drop-in center and get all of the information and the assistance to which they are entitled.
- Convene a working group comprised of representatives from the federal agencies involved in hurricane assistance, as well as representation from both national and local housing, homeless and education organizations.

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