



national policy and advocacy council on homelessness

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**Written Statement of the National Policy and Advocacy Council on Homelessness (NPACH)
submitted to the House Financial Services Committee Subcommittee on Housing and Community
Opportunity on "Housing Options in the Aftermath of Hurricanes Katrina and Rita."**

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The National Policy and Advocacy Council on Homelessness (NPACH) is a national grassroots organization whose primary concern is to ensure that national homelessness policy accurately reflects the needs of local communities. NPACH works to accomplish its mission through education, grassroots organizing, research and technical assistance. NPACH's Southern Regional Office (NPACH-SRO), located in New Orleans, works to coordinate Southern regional efforts with national strategies, and to help provide a direct connection between national advocacy and the experience of local service providers. In the aftermath of Hurricanes Katrina, Rita and Wilma such work is as critical as ever if we are to ensure a just, equitable and humane rebuilding of the Gulf Coast.

We wish to thank the Subcommittee for holding these important hearings in the City of New Orleans, Louisiana and in Gulfport, Mississippi, respectively. 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 as a nation, 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 equal parts relief, rebuilding and development guide our approach.

Moreover, Gulf Coast 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. Federal policy, in turn, should be centered on substantially increasing the supply of affordable housing and promoting the interests of publicly assisted households, market-based renters, and homeowners alike.

Housing Needs: Hurricanes Exacerbate Existing Housing Crisis

In the New Orleans area alone, Hurricane Katrina rendered an estimated 250,000 homes "unusable". Prior to Katrina, over 62,700 New Orleans metro area households paid more than 30% of income on housing, 21% of Orleans Parish residents had household incomes of less than \$10,000 per year, and the waiting list for Section 8 and Public Housing assistance in the City of New Orleans exceeded 17,000. The Housing Authority of New Orleans (HANO) reportedly operated 8,322 units of public housing and 9,646 authorized Section 8 vouchers. According to estimates by the National Association of Housing and Redevelopment Officials (NAHRO), throughout the affected region as many as 15,000 families living in public housing and 18,000 receiving housing choice voucher assistance may have been impacted by Katrina. These federally funded resources are indispensable long-term assistance for very low-income families, unavailable from any other source.

Emergency Housing Needs

Katrina Disaster Housing Assistance Program (KDHAP) and FEMA programs represent an important but inadequate emergency response to housing needs of displaced federally assisted residents and others. All KDHAP recipients should be identified and informed of their rights to return to New Orleans and what assistance and housing will be made available. Any proposed further changes to KDHAP (e.g., which could merge it into the voucher program) must be evaluated to ensure that KDHAP's major deficiencies are ameliorated. HUD must ensure that if a former resident is now under the KDHAP program in another city or under a FEMA temporary housing program in another city, that the family can be released immediately to go back to New Orleans if there is a unit available for them in a program operated by the Housing Authority of New Orleans (HANO).

Congress should address emergency housing needs by:

- Providing an additional \$174 million in HUD McKinney-Vento Homeless Assistance Programs to the Continuums of Care directly impacted by Hurricanes Katrina, Rita and Wilma 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 and Rita;
- 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;
- Ensuring vacant land owned by the Housing Authority is made available for use for trailers for former public housing tenants and Section 8 residents;
- Enacting a moratorium on the demolition of any HUD-subsidized housing units;
- 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

Preserving and expanding an adequate supply of affordable housing is key to the rebuilding of New Orleans and the Mississippi Gulf Coast. Without affordable housing, the city of New Orleans' economic engine cannot recover. Low-wage workers and low-income families must have housing before they can return home. Without a home to come back to, a "right to return" is meaningless.

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;
- Enacting legislation to create a “Gulf South Housing Recovery Fund” targeted toward the production of rental housing and homeownership opportunities to those with incomes 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. Housing assistance payment levels for KDHAP and Individuals and Households Program (IHP) are based upon HUD’s Fair Market Rents (FMRs), for approximately 500,000 households who were displaced due to Hurricanes Katrina, Rita and Wilma. Under KDHAP and IHP the rental assistance standard is 100 percent of the applicable FMR. HUD’s October 3, 2005 notice on 40th percentile FMRs, stated that the department’s past natural disaster policy has been to allow Housing Authorities in FEMA-designated disaster areas to request exception FMRs of 110 percent of published FMRs, and to allow them to retain use of those FMRs for a two-year period. The notice goes on to state that HUD is aware that the Katrina disaster is “much larger in scope than previous disasters.” Since that time HUD has not announced any changes to FMRs in light of the impacts of the hurricanes on the housing markets in impacted areas and receiving communities.
- State plans for the use of CDBG funds must require participation and collaboration with local governments with a requirement to set aside a majority of the funds to assist low-income residents and a portion of the funds to assist with the housing needs of renters,
- Allowing waivers of caps for use of Project-Based Section 8 Assistance from Section 8 funding allocations

Special Recommendations for the Housing Authority of New Orleans to Help Meet Long-Term Housing Needs

Both the public housing properties owned by the HANO and its Section 8 voucher program represent an extremely valuable resource of affordable housing to help our lower income families return home. The programs operated by nearby housing authorities, HUD-subsidized units operated by private owners, permanent housing units under the HUD McKinney-Vento Homeless Programs, and Low-Income Housing Tax Credit units also provide similar essential resources.

- These resources must be used immediately and to the fullest extent for those families that the housing is intended to serve and additional funds must be made available to assist displaced families who want to return home;
- As properties are rehabilitated or programs revised, the same overall number of units and at similar income levels of families must be assisted. For approval of any mixed-income development that would reduce the number of public housing units available on site, HANO must commit to rebuild simultaneously the remaining number of lost public housing units in the New Orleans area, with identified funding. Public housing residents and voucher participants should have preference in obtaining jobs for any rebuilding and rehabilitation work;
- Funds obtained from Congress and HUD to rebuild public housing and to pay for local vouchers must be targeted to assist the lowest income families.
- Tenants and others eligible for these assisted housing resources should have a guaranteed role in the decision-making concerning HANO programs, including rehabilitation, revitalization or rebuilding plans, so that these programs provide for a true range of housing and neighborhood choices

Recommendations regarding identification of and communication with displaced public housing residents and Section 8 voucher holders.

- HANO and HUD should make every effort to identify all displaced public housing and Section 8 voucher residents, whether or not the resident is getting housing aid under the special Katrina Disaster Housing Assistance Program
- HANO and HUD should make every effort to communicate at least monthly with all current and former public housing and voucher residents. The communication should inform families of all efforts to make available public housing and housing for voucher families in the greater New Orleans area. When applicable, the communication should provide an opportunity for comments from the families regarding policies that HANO is seeking to adopt or enforce.
- HANO should establish and publicize an ombudsperson office to receive questions and resolve housing assistance problems experienced by displaced.
- HUD and HANO should request FEMA, other Housing Authorities, and social service agencies currently serving large numbers of displaced HANO residents to make the weekly updates available to these residents
- HUD or HANO should create a list of all former HANO public housing tenants and voucher participants using resident characteristics reports and other data and update this contact information through FEMA and other sources. These tenants should receive updated information about available units or benefits.
- The list of available public housing units should focus first on those units most likely to be immediately reoccupied
- HANO should notify those tenants on existing waiting lists and allow former tenants to join the waiting list to reoccupy units.
- HANO should establish an easily accessible mechanism (web and 1-800 access) that displaced HANO families can use to determine their status with HANO, to update their contact information, and to determine their available housing options

Recommendations for Re-occupancy

- HUD should immediately establish the right of every former HANO-assisted public housing or voucher resident to return to New Orleans to a unit that is affordable, and inform every displaced HANO-assisted tenant of this right
- HANO must preserve the list of its public housing residents, voucher participants, and its waiting list for at least 3 years due to the severity of this disaster
- Displaced tenants should be provided with any necessary transportation assistance to enable their return. FEMA has stated that it will provide one-way transportation assistance to help get families home
- HANO should continue to make Section 8 voucher payments to a Section 8 landlord until HANO confirms that unit is not habitable or tenant will not return.
- HANO should determine the physical condition of each voucher unit and post that information and otherwise make that information available to the displaced Section 8 voucher tenant.
- HANO should adjust payment standards and re-determine rent reasonableness for each unit so as to retain current landlords; rent reasonableness should be reevaluated frequently in light of changing market conditions.
- HANO should request HUD to approve payment standards up to 150% of Fair Market Rents to ensure consistency with Post-Katrina market rents.

The level of destruction caused by the 2005 hurricane season was unprecedented in the history of the United States. While helpful legislation has been introduced, including the Congressional Black Caucus (CBC) Hurricane Katrina Recovery, Reclamation, Restoration, Reconstruction and Reunion Act of 2005

(HR 4197), the Louisiana Recovery Corporation Act (HR 4100), and the HIV/AIDS Emergency Hurricane Relief Act (HR 4633), a comprehensive response to the housing situation in the Gulf has not been enacted. The recommendations contained in NPACH's testimony should be included in any housing relief legislation that moves forward. NPACH appreciates the opportunity to submit these comments, and stands ready to assist the committee in the development and implementation of relief and recovery efforts.