



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**OFFICE OF THE SECRETARY**  
WASHINGTON, DC 20410-0001

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**HURRICANE KATRINA RESPONSE**

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**General HUD Information**

There are approximately 720,000 units of HUD-assisted or insured housing in the affected region (including Florida). This number includes 17,000 units of elderly housing and 1,300 units of housing for the disabled. The 12 Public Housing Agencies in the New Orleans Metropolitan Statistical Area (MSA) have an inventory of approximately 9,600 units and authority to issue 14,000 vouchers. The Housing Authority of New Orleans has the greatest number of units and vouchers with 8,421 public housing units and 9,560 vouchers.

HUD has established two toll-free hotlines to assist victims of Hurricane Katrina. The first, 888-297-8685, is to assist any displaced individual. The second, 800-955-2232, provides specialized help to Section 8 voucher holders and public housing residents. A live operator answers these lines from 8:00 am CDT to 8:00 pm CDT seven days a week.

HUD has established the Hurricane Recovery and Response Center (HRRC), an emergency management division chaired by Federal Housing Commissioner Brian Montgomery. The HRRC serves as a command post with staff from every program office including Housing, Public and Indian Housing, Community Planning and Development, General Counsel, and Public Affairs. The HRRC reports directly to the Secretary and is housed at HUD Headquarters. The HRRC has dispatched 45 HUD specialists with expertise on environmental abatement, manufactured housing, reconstruction, and community planning with plans to dispatch additional individuals.

In addition to the Joint Housing Solutions Center co-lead Hank Williams; the HRRC has dispatched A. Bryant Applegate to serve as lead in New Orleans. Sam Khichi and Ghislain de Kertanguy, of the Secretary's Office, will assist Mr. Applegate for two weeks.

In the immediate days following the disaster, Secretary Jackson contacted the United States Conference of Mayors (USCM) and the National Association of Counties (NACo) to seek their support in coordinating the identification of housing opportunities for the hurricane victims. The organizations have responded by establishing links on their websites for mayors, communities, and individuals to register housing assistance assets.

HUD continues to receive a tremendous response to this request, with numerous cities, counties, and Indian Tribes offering housing and transportation to displaced persons. For example, Detroit Mayor Kwame Kilpatrick and Philadelphia Mayor John Street telephoned the Secretary on September 1, 2005, to offer housing for over 1,000 displaced individuals. Allegheny County, Pennsylvania has also offered to house 1,000 persons and Miami-Dade County, Florida has

offered to house 3,000 persons. HUD is currently working with FEMA to match displaced individuals with vacant housing.

HUD has also received information from USCM and NACo on medical services being offered to the disaster victims. HUD has referred this information to FEMA and FEMA was able to utilize a portable hospital in New Orleans and a hospital that treated 900 evacuees in Beaumont, Texas.

HUD is working with FEMA to ensure HUD staff is present at the Disaster Recovery Centers, as well as with organizations that are setting up “one-stop” centers in locales with large congregations of displaced individuals e.g. Astrodome, Reunion Arena, D.C. Armory, etc. These centers allow HUD officials to meet with displaced individuals and determine how HUD can assist them in finding more appropriate temporary housing or permanent housing in the host city. HUD is staffing Disaster Recovery Centers and “One-Stop Centers” in several cities, including Tulsa, OK; Atlanta, GA; Birmingham, AL; Mobile, AL; Greensboro, NC; Memphis, TN; Fort Worth, TX; Dallas, TX; San Antonio, TX; Austin, TX; Monroe, LA; Shreveport, LA; Lafayette, LA; Alexandria, LA; Baton Rouge, LA; Belle Chasse, LA; Minden, LA; Plaquemine, LA; Little Rock, AR; Poplarville, MS; Waveland, MS; Moss Point, MS; Ocean Springs, MS; Biloxi, MS; Gulfport, MS; Pascagoula, MS; and Pensacola, FL. HUD Field Offices continue to work with FEMA to ensure there is HUD presence at all of the center locations.

On September 23, Secretary Alphonso Jackson and Secretary Michael Chertoff of the Department of Homeland Security announced the new Katrina Disaster Housing Assistance Program (KDHAP) to provide relief for those displaced families who would not normally be eligible for FEMA assistance. Displaced evacuees who were receiving HUD assistance and persons who were homeless before Hurricane Katrina will now be eligible to receive rental assistance for up to 18 months. Housing assistance provided through the HUD's Katrina Disaster Housing Assistance Program will be administered through the established network of over 2500 local public housing authorities (PHAs) across the country. After registering with FEMA, eligible individuals and households may contact local PHAs nationwide to participate in this program. Participants will receive housing assistance that can be used in any community at the discretion of the participant. Rents will be calculated at 100 percent of the HUD-determined Fair Market Rent (FMR) for the community to which the evacuee chooses to relocate. KDHAP was operational as of October 4, 2005. HUD has already received the first requests for assistance under this program.

Secretary Jackson traveled to Houston to commend Mayor Bill White and County Officials on their efforts to house evacuees on September 28, 2005. The Secretary announced and explained the Administration's Katrina Disaster Housing Assistance Program. Approximately 120 people attended the briefing. HUD employees, County and City employees, Houston Apartment Association executives, and the local media all attended the briefing.

Secretary Jackson visited Dallas on Thursday, September 29, 2005. Secretary Jackson met with local elected officials, Executive Directors of about 25 Public Housing Authorities (including HANO), and the Dallas Apartment Association President to explain KDHAP. The meeting was held at a Multi-Purpose Center on the campus of a Dallas Housing Authority development.

### **Public and Indian Housing (PIH)**

HUD has provided guidance to the nation's more than 3,000 Public Housing Authorities (PHAs) on how to assist displaced public housing residents. HUD's Guidance and Q and As for Public Housing Authorities (PHAs) and public housing residents are now posted on HUD's website. This document, titled "Guidance for Public Housing Agencies in Assisting Families Displaced by Hurricane Katrina," has also been distributed to all PHAs, HUD Field Office Directors and to HUD's Field Policy and Management staff (Regional Directors, Field Office Directors, etc).

HUD also presented a satellite broadcast for the public and assisted housing industry, interest groups, and field offices on HUD's Hurricane Katrina disaster response. The broadcast began with opening remarks by Secretary Alphonso Jackson and FHA Commissioner Brian Montgomery. The broadcast outlined the various actions HUD has taken at both the headquarters and field office level since the beginning of the disaster. The key component of the broadcast was the unveiling of the Katrina Disaster Housing Assistance Program (KDHAP), a HUD-FEMA initiative. KDHAP was explained outlining family eligibility, PHA responsibilities, and payments. HUD has also posted detailed guidance to PHAs on this program on its website.

On October 5th, HUD released interim operating procedures for KDHAP to provide up to 18 months of temporary rental housing to tens of thousands of families displaced by Hurricane Katrina. HUD and the network of public housing authorities will jointly administer KDHAP.

HUD has completed verifying which vacant public housing units are in livable condition and available for housing evacuees. Field office staff contacted every public housing agency in the nation to identify: the number of public housing units currently available, those that could be made ready for occupancy in five to seven days, and available vouchers. HUD has identified over 39,000 vacant public housing units and available vouchers nationwide.

All physical inspections of both public housing and multifamily properties in the impacted counties in Mississippi, Louisiana, Alabama, and Florida have been postponed.

HUD's Office of Native American Programs (ONAP) has consulted with all Native American Tribes that were affected by Hurricane Katrina. The Chitimacha Tribe of Charenton, LA and the Tunica-Biloxi Tribe of Marksville, LA are now housing displaced tribal families evacuated from New Orleans and destroyed areas of Mississippi. The Chickasaw Nation Housing Division, located in Ada, OK, is housing displaced families in various sections of their service area, most of whom are not tribal members.

An on-site inspection of the damage to tribal areas in Louisiana was conducted on September 19, 2005. The on-site inspection conducted in the MOWA Band of Choctaw area was completed on September 14, 2005.

Indian Community Development Block Grant (ICDBG) Imminent Threat (IT) funds in the amount of \$2.4 million are currently available for distribution to tribes affected by Hurricane Katrina. Requests are currently being processed for each tribe in need of assistance in the

amount of \$425,000 per tribe. These funds become available on a first-come, first-serve basis as soon as the request is received and approved by HUD.

ONAP is also in the process of publishing Q and As on Native American programs for Tribes and Tribally Designated Housing Entities. This will be made available on the HUD website in the first week of October.

Section 8 administrative fees set aside for emergencies (\$1.3 million) can be used for any administrative cost related to the Section 8 Program, including services to dislocated residents, staffing, the purchase of equipment and office furnishings and/or overtime for staff. These funds may not be used for vouchers and are available after an assessment of the requesting Housing Authority's needs and requirements.

The Public Housing Capital Fund has a Reserve for Emergencies and Natural Disasters in the amount of \$29.7 million for FY 2005. These funds can only be used to repair and replace existing public housing that was directly impacted by Hurricane Katrina. PHAs must submit applications to HUD for these funds.

The Housing Authority of New Orleans (HANO) requested a \$21,804,000 grant from the Capital Fund Reserve for Emergencies and Natural Disasters, which was approved on September 28, 2005. This request was for a preliminary grant until a full assessment of the damage and cost to repair and/or replace its public housing inventory is completed. These funds will be primarily used to:

- Make minimal repairs to 4 properties to make them habitable.
- Secure uninhabitable properties.
- Pay relocation costs for displaced families.

PIH awarded a contract for general disaster assistance within three days of the hurricane. The contract covers:

- Assessment of damage.
- General assistance to HUD staff, PHAs, and residents.
- Assistance in facilitating communication and transportation among HUD and PHA staff and other service providers.
- Assistance in identifying and coordinating temporary shelter for flood victims.
- Assistance in coordinating social services and other special needs activities for elderly, disabled and others.
- Assistance in facilitating space to coordinate HUD response activities.
- Other emergency activities as identified by site visits.

PIH set up two hotlines within days of Hurricane Katrina:

- The first hotline is for PHAs to verify the status of persons claiming to be displaced public housing residents or voucher holders.
- The second hotline is for public housing residents or voucher holders that need assistance and information on available public housing.

HUD assisted the Housing Authority of New Orleans (HANO), which has been under HUD receivership for several years, in quickly setting up headquarters operations in Houston, and a satellite office in Dallas. HUD worked closely with the Houston Housing Authority, which provided extensive facilities and assistance to HANO. HANO was able to set up a booth in the Astrodome to process HANO residents and voucher holders within the first week.

HUD is currently assisting HANO with finding temporary and permanent housing for HANO residents and voucher recipients. As of October 5, 2005, there were 2,238 HANO families verified as either public housing or housing choice voucher participants. Out of that number of HANO verified families, 1,017 have acquired permanent housing in the Dallas/Ft Worth (879) area and Houston (138).

The HANO Receiver reports that HANO currently has 23 staff working from the Fisher Community Center in the Algiers section of New Orleans on damage assessments of public housing. The goal is to have 100 HANO staff working there by the end of October.

Notice of a blanket waiver process has been posted on HUDclips and was published in the Federal Register on October 3, 2005. The PIH waivers will facilitate the administration of properties in the Hurricane Katrina declared disaster areas and relieve (PHAs) affected by the hurricane or assisting in hurricane relief of numerous administrative requirements. In all, 22 items can be suspended or requested for expedited waiver. Waivers include such items as: the granting of time extensions for submitting verification information, the use of previous year Public Housing Assessment System scores for certain PHAs, the deferral of Section Eight Management Assessment Program requirements for one year and the lifting of cost limitations for public housing until new total development costs are published. An expedited electronic submission system has been set up to receive notifications and requests.

### **Housing**

On August 31, 2005, HUD issued ML 2005-33 entitled "Underwriting and Servicing Policies to Assist Victims of Presidentially-Declared Major Disaster Areas". The Letter reminds lenders of the 203(h) disaster program and advises servicers that a moratorium on foreclosures on property directly affected by the disasters is in effect for a ninety (90) day period from the date the President declared a disaster to have existed. It also encourages lenders to delay foreclosure in counties declared federal disaster areas and to consider hurricane damage in the context of any requests for loss mitigation assistance.

Mortgagee Letter 2005-41, Update to General Servicing and Preservation and Protection Requirements for Presidentially-Declared Major Disaster Areas in Alabama, Louisiana, Mississippi and Texas, was released on **Monday, October 24, 2005**. This mortgagee letter encourages lenders to be sensitive to borrowers in affected areas by:

- Making customer service reps. readily available
- Not charging late fees for unsuccessful ACH or debit transactions
- Not charging fees for late payments
- Not report to credit agencies until a property goes into foreclosure;

The ML also addresses delinquency, servicing and loss mitigation matters including requiring lenders to explore all available loss mitigation options as well as special forbearance for hurricane affected mortgages. It further reminds lenders of the 90-day moratorium on foreclosures and offers guidance on property inspections in affected areas. The letter emphasizes the importance of preservation and protection of properties, particularly where owners have not returned.

The letter also addresses Hazard Insurance by encouraging mortgagees to make exceptional efforts to assist borrowers in gaining access to insurance funds as soon as possible by providing copies of policies, and other insurance information and to promptly release insurance proceeds and assure that hazard insurance claims are filed and settled expeditiously.

Finally, this ML provides guidance on conveyance of properties already in foreclosure prior to the hurricanes and disaster declarations.

HUD has reviewed vacant HUD-owned single-family homes within a 500-mile radius of the affected areas, and identified approximately 6,000 units that could be made available for temporary housing. Additionally, HUD has surveyed 47 states and there are approximately 42,000 rental housing units available nationwide.

HUD's Section 203(k) loan program enables homebuyers and homeowners who have lost their homes to finance both the purchase and/or refinancing of a house and the cost of its rehabilitation through a single mortgage. It also allows homeowners who have damaged houses to finance the rehabilitation of their existing single-family home. This program encourages lenders to make mortgages available to borrowers who would not otherwise qualify for conventional loans on affordable terms and to residents of disadvantaged neighborhoods.

On October 12, 2005, Secretary Jackson announced HUD's 203(h) mortgage financing program requires no downpayment for people whose homes have been destroyed or damaged due to Hurricanes Katrina. In addition to requiring no downpayment, potential homeowners can live anywhere they choose in the United States.

In addition, loans to nonprofits and government entities for purchase of Real-Estate Owned properties that could be sold to individuals are currently available (\$70 million).

Multifamily Housing will process all Section 8 payments (Housing Assistance Program contracts) through October 2005, with future payments subject to further review.

HUD waived the requirements of 24 CFR 203.37a (b)(2) of HUD's property flipping rules, to permit the insuring of dwellings purchased and resold within 90 days or less in certain counties and parishes in Alabama, Louisiana and Mississippi that were declared disaster areas resulting from Hurricane Katrina. This waiver was issued in recognition of the critical need for safe and affordable housing in areas hit by Hurricane Katrina. It can be reasonably expected that many of the properties acquired by investors and developers after Hurricane Katrina will be rehabilitated and sold within 90 days, and at amounts in excess of 100 percent of the purchase price. The waiver is effective for two years.

The Department has completed all physical assessments in Alabama. Of the 225 projects in Alabama, 19 have substantial damage. HUD is continuing to conduct assessments in Mississippi and expect to be completed within the next two weeks. Of the 422 projects, 26 have substantial damage to date. HUD has begun limited physical assessments in Louisiana and expects to be completed within the next four weeks.

### **Community Planning and Development (CPD)**

HUD has issued the following regulatory waivers (see attached):

- **Citizen participation and Consolidated Plan amendment** - Permits a grantee to immediately reprogram the use of funds by reducing the comment period for amendments from 30 days to 3 days. This applies to HOME, ESG, CDBG, and HOPWA Programs.
- **Source documentation for income determinations** - Permits a grantee to use income self-certification to qualify displaced persons who have registered with FEMA. This applies to HOME and HOPWA.
- **Rent standards for tenant-based rental assistance (TBRA)** - Permits a grantee to provide a more generous subsidy to displaced persons who must rent units with rent charges that exceed the grantee's normal TBRA standard, for a period of one year. Applies to HOME and HOPWA.
- **Property standards for tenant-based rental assistance** - Permits a grantee to use state and local safety codes, instead of HUD Housing Quality Standards (HQS), for a period of one year in order to qualify properties for occupancy by displaced persons who receive TBRA. Lead hazard safety requirements remain in effect. This applies to HOME and HOPWA.
- **Limitation on use of funds for administrative costs** - Permits a grantee to spend up to 20% of its FY 2004, 2005, 2006 HOME allocations, and program income for administration/planning costs.
- **Matching requirement** - Reduces match requirement by 100% for HOME funds expended during FY 2006 and 2007 and waives the requirement that a grantee submit a disaster declaration.
- **Maximum per-unit subsidy limit** - Removes the per-unit cap on HOME assistance.
- **Property standards** - Waives HOME and ADDI property standards for the repair of properties damaged by Hurricane Katrina and for units occupied by TBRA recipients that were displaced.
- **Tenant and participant protections** - Suspends for one year the requirement for a HOME-assisted rental-housing owner to adopt written tenant selection policies and procedures.
- **Homeownership maximum value/sales price limitation** - Suspends the 95% purchase price/post rehabilitation value limits for HOME properties.
- **CHDO set-aside** - Suspends the 15% CHDO set-aside requirement for a grantee's FY 2005 and 2006 HOME allocations.
- **ADDI first-time homebuyer requirement** - Suspends the first-time homebuyer requirements for households affected by Katrina. This applies to HOME and CDBG.
- **Per-unit limit on ADDI assistance** - Suspends the 6% of sales price or \$10,000 ADDI limit for households affected by Katrina.

- **Optional relocation assistance** - Waives the HOME requirement that a grantee provide equal levels of assistance to each class of displaced persons.
- **Section 104(d) one-for-one replacement** - Waives the HOME requirement that a grantee replace occupied and vacant units that are demolished or converted.
- **Replacement housing assistance** - Waives the HOME requirement to calculate replacement-housing payments based on 60 months, rather than 42 months.
- **Decent, safe, and sanitary standard** - Waives the HOME requirement that a tenant that relocates temporarily must occupy a decent, safe, and sanitary unit upon completion of the unit rehabilitation.
- **Suspension of 15% Public Service Cap** – Waives the 15% cap on public service expenditures for CDBG funds.
- **Definition of “emergency shelter”** – Waives the definition of this term so that private sector housing may count as emergency shelter for Emergency Shelter Grants Program.
- **Deadlines for using grant amounts** – Waives obligation and expenditure requirements for a year, and extends periods of availability, obligation, and expenditure of funds for affected areas. This applies to the Emergency Shelter Grant.

Deputy Assistant Secretary Patricia Carlile and David Vos, Director, Office of HIV/AIDS Housing, along with FEMA and HHS staff, participated at a meeting hosted by the National AIDS Minority Council on October 27, 2005. The 70 AIDS service organizations that operate in the hurricane disasters areas are recipients of HOPWA funds and health-care funds under the Ryan White CARE Act through HHS. HUD was complimented on its quick and helpful response. The panel addressed the housing support offered by the HUD KDHAP effort, and responded to participant’s comments on the special housing needs of displaced persons living with HIV/AIDS. Specifically, participants recommended ways in which the federal government agencies could better support Katrina affected organizations, e.g. flexibility with match and reporting requirements and reimbursement of additional expenditures incurred by Katrina.

### **Ginnie Mae**

Ginnie Mae issued, on August 30, 2005, a letter to all issuers of Ginnie Mae Mortgage-Backed Securities (MBS) identifying various forms of forbearance, including assistance in making payment to MBS investors where homeowners are unable to make payment, and delinquent loans in affected areas are not included in delinquency statistics used in risk monitoring. On September 15, 2005, Ginnie Mae advanced \$2,140,457,39 to Standard Mortgage Corporation of New Orleans to assist them in making their Ginnie Mae I pass-through payments. On September 20, 2005, Ginnie Mae advanced an additional \$478,454.66 to Standard Mortgage in order to pay Ginnie Mae II security holders. Standard's Ginnie Mae portfolio totals \$529 million and is comprised of 8,215 loans, of which 7,092 are located in the affected areas.

Ginnie Mae has extended its Targeted Lending Initiative (TLI) for new mortgage-backed securities (MBS) to areas designated as disaster areas due to Hurricane Katrina. The TLI program offers discounts on Ginnie Mae’s 6 basis point (6/100’s of 1%) guaranty fee ranging from 1 to 3 basis points, depending on the percentage of eligible loans within the security. Eligible loans are those contained within underserved areas, which include urban and rural areas designated by HUD as Empowerment Zones, Enterprise Communities, and Renewal Communities.



### **Fair Housing and Equal Opportunity**

FHEO has identified \$1.2 million in available Fair Housing Assistance Program (FHAP) funding to provide focused outreach and education activities on the Fair Housing Act to potential complainants, realtors, and landlords in and around the affected area and areas where displaced residents have relocated. In an effort to control the spread of violations and provide information to potential complainants, FHEO will initiate an extension outreach and education campaign. Activities will include Public Service Announcements (PSAs), distribution of pamphlets and flyers, and contracting with fair housing agencies to target the specific needs of their communities.

In addition, HUD's Office of Fair Housing and Equal Opportunity has staff in all disaster recovery centers. The office has implemented accelerated case processing procedures for all fair housing cases generated as a result of the aftermath of Hurricane Katrina.

Deputy Assistant Secretary for Enforcement Jon Gant traveled to Baton Rouge to meet with Fair Housing Assistance Program (FHAP) and Fair Housing Initiatives Program (FHIP) recipients and disability groups to assess issues and needs and review education and outreach strategy being developed to support Disaster Relief Centers (DRC) on fair housing and civil rights issues.

DAS Jon Gant has met with disability rights organizations in Baton Rouge, LA to discuss their concerns resulting from hurricane Katrina and informing them of HUD's efforts in this regard. These organizations are ARC of Louisiana, Louisiana Planning Council on Developmental Disabilities, Human Development Center, Governor's Office of Disability Affairs, Governor's Office of Elderly Affairs, LA Citizens for Action Now, and Families Helping Families.

HUD is working with its fair housing partners throughout the Gulf and surrounding region to inform evacuees of their fair housing rights. HUD has staff on the ground assisting in response to allegations of housing discrimination, and is working with the Ad Council to launch a Public Service Announcement campaign that will better inform evacuees of their rights and responsibilities under the Fair Housing Act. HUD has also distributed thousands of flyers to DRC's across the nation advertising those rights. President Bush is committed to ensuring that no one displaced by these storms is denied housing opportunities because of their race or nationality.

### **Center for Faith-based and Community Initiatives**

The Center for Faith-based and Community Initiatives has published a toolkit for faith-based and community organizations serving evacuees. The kit is being linked to HUD's Hurricane Katrina Resource Page. The Center is also preparing to publish the toolkit in hardcopy for distribution at HUD's one-stop centers serving evacuees.

The Center has scheduled a roundtable on the Unlocking Doors Initiative to bring together representatives of local governments, faith-based and community organizations and local affordable housing providers to assist them in creating networks that would result in the effective delivery of affordable housing. The Center will be inviting those entities in the Houston community who are involved in, or desire to become a part of, assisting Katrina evacuees.