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UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
"STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES END"

MAY 22, 2009

INTRODUCTION

Thank you, Chairwoman Norton and distinguished members of the Committee, for the opportunity to share with you my perspective on the implications of a final shutdown of the Disaster Housing Assistance Program (DHAP) and its impact on the people of our state. I also want to thank you for your continued concern and compassion for the most vulnerable of the hurricane survivors on the Gulf Coast, who have faced unnecessary obstacles and affronts to their dignity as they have struggled to return home. It is my hope that you will hear the pleas of our people for respect and understanding, and that you will agree with me that we will only be able to make appropriate decisions about 'when housing responsibilities end' once we focus on lives and communities instead of thinking in terms of programs and administrative deadlines.

My name is Bishop Charles Jenkins. I am the tenth bishop of the Episcopal Diocese of Louisiana and have served in this capacity since 1998. Our diocese comprises 54 congregations in southeast Louisiana with a communicant strength of 20,000 prior to the 2005 hurricanes.

Our Diocese began its hurricane relief and recovery work in the early days following hurricane Katrina, in response to the humanitarian crisis occasioned by the storm and levee breaches and exacerbated by injustices in the federal response. Including our relief efforts following hurricanes Gustav and Ike, we have served in East Baton Rouge, Iberville, Jefferson, Lafourche, Plaquemines, St. Bernard, St. John the Baptist, St. Tammany and Terrebonne Parishes. Today, our programs are concentrated primarily in Orleans Parish and metro New Orleans. We are also working regionally in south Louisiana through the Rebuilding Lives coalition, of which I serve as Chair, and across the Gulf Coast as members of the Equity and Inclusion Campaign.

Starting in fall 2005, and with the generous support of Episcopal Relief & Development and churches, schools, and individuals across the country, we provided immediate relief, cleaning supplies, and basic necessities to 190,000 people. As the recovery progressed, we concentrated our efforts on the primary needs of tens of thousands of storm survivors: affordable housing, case management, and—because of the impediments to attaining dignified stability for our most vulnerable neighbors – community organizing and advocacy to help address these housing and case management needs.

Thanks to our 9,200 volunteers from all over the country, we have enabled nearly 3,500 families in the New Orleans area to return home:

- Our Rebuild program has gutted almost 900 houses and rebuilt more than 50 homes owned by low-income, elderly, and disabled residents who lack the resources to complete the work on their own;
- The separately incorporated Jericho Road Episcopal Housing Initiative has built and sold 20 affordable new homes in the Central City neighborhood; and,
- Our case managers, working both under the Katrina Aid Today program and independently, have helped another 2,500 families to put their households and lives back together.

Homecoming Centers operated in partnership with St. Paul's Church and Beacon of Hope in Lakeview and Gentilly, as well as St. Luke's Church in the Treme, have provided resources to almost 55,000 neighbors, including youth. The Diocese's mobile respite unit provided pastoral care and now offers mental health services as the bi-weekly Talk It Out Van in partnership with St. Thomas Wellness Center and the St. Anna's Medical Mission.

The Diocese has also supported additional post-Katrina initiatives in our congregations and neighborhoods, including:

- Feeding ministries that have served 109,000 people;
- Primary health care through grants to the St. Thomas Community Health Center and the St. Anna's Mobile Medical Unit, which has served over 11,500 patients;
- Affordable day care at Grace Church and St. Andrew's Church;
- A Latino Apostolate at St. Anna's and Grace;
- Legal assistance; and,
- Suicide counseling and prevention, which has touched 8,830 lives to date.

Our work has not been limited to providing direct services. Recognizing the impact of federal, state, and local policies on the wellbeing of those whom we serve, we have focused on promoting citizen participation in recovery planning and policy-making by supporting community organizing as well as conducting advocacy on issues affecting recovery and return. From organizing to ensure a representative process for the 2006 Unified New Orleans Plan (UNOP), to working with residents in the Renaissance Village trailer park in Baker, LA, to the creation of the Rebuilding Lives Coalition in 2008, we have sought to amplify the voices of the most marginalized storm survivors.

With the exception of a portion of our case management program, the above activities have been exclusively privately funded, principally by grants from Episcopal Relief & Development that total more than $10 million over 3.5 years.

IMPACT OF DHAP CLOSURE

Through our case management and Rebuild programs, as well as through our community organizing, the Episcopal Diocese comes in daily contact with the most vulnerable of those affected and displaced by hurricane Katrina as well as by more recent storms. In fall 2008, outreach organizers for Rebuilding Lives conducted 1,000 surveys – traveling into homeless shelters, hotels, food pantries, and discount stores to find homeless and transient storm survivors and capture data on their predicaments. Survey respondents included pre-storm renters, homeowners, DHAP participants and those deemed ineligible for housing assistance.

As is indicated by these survey results and the stories we hear each day, very few of the people we serve will be able to sustain themselves after the DHAP program closure on August 31 of this year. Others will be unable even to make the incrementally increasing monthly rent contributions. We understand that of the approximately 17,000 families on DHAP in the state of Louisiana, almost 60% are expected to qualify to transfer to permanent housing vouchers. This is a much-needed help, and we are grateful to HUD for expanding access to these permanent vouchers. We remain concerned, however, for the approximately 7,000 remaining households who will not qualify for a voucher but who are at grave risk of becoming homeless without further assistance.

Consider the case of Ms. S., a single mother whose home in St. Bernard Parish was wiped out by Katrina. She is working on rebuilding, and has "the shell of a house" completed, but is out of funds to do the rest of the work. She received less Road Home money than expected, and is still fighting with her insurance company over the paltry settlement. She and her son were in a FEMA trailer but were moved 6 months ago due to the health problems he had developed. She also suffers from severe migraines. Any extra money they have goes to cover medical costs (the father does not pay child support). They have been living in a DHAP-supported apartment, and do not know where they will go if their home is not completed at the end of the DHAP program.

Through the Rebuilding Lives campaign, we have spoken with dozens of residents who have been informed that they will be ineligible to transition to the Housing Choice Voucher program. Many of these residents are employed but have not yet been able to accrue sufficient savings to afford to pay full rent on their own. Others lost jobs as a result of the hurricane Gustav evacuation. For many, a lack of transportation and the non-availability of job training have been barriers to obtaining or keeping work. Attached as an addendum to this testimony are excerpts from interviews with several New Orleans area residents.

THE SHORTAGE OF AFFORDABLE HOUSING

The above stories illustrate that deadlines for disaster housing programs cannot be determined in isolation from the larger context of recovery. Not only are jobs and transportation essential components of housing self-sufficiency, but so is the availability of affordable housing. This is a commodity in very short supply in south Louisiana and indeed across the storm-affected Gulf Coast.

Hurricane Katrina alone caused major or severe damage to 82,000 rental units in Louisiana, of which 52,000 were affordable. Federally-funded rental housing recovery programs were intended to replace only 23,000 of these units. Yet to date, these programs have produced a mere fraction of the intended units.

The Small Rental Property Program is one example. As of May 4, 2009, the program had produced a total of 1,237 rental units, of which 1,069 were affordable to families earning less than 80% of Area Median Income. At best, the program expects to produce 3,500 rental units by the end of the year, and 9,200 by this time next year. Yet, the DHAP program will end many months before these units become available. There has been no effort to synchronize the closeout dates of disaster housing assistance programs with the production and availability of affordable rental units.

Just as the economic downturn has touched the lives and stolen the jobs of the people whose stories are shared above, the financial crisis has stalled the state's ability to produce rental units that were to be funded through low-income housing tax credit programs. In spite of this, Louisiana's request to be able to exchange its unused (and, in the current economic climate, unusable) Go Zone tax credits for cash value under the American Recovery and Reinvestment Act was recently denied by the U.S. Treasury.

Due to high demand for existing units, the high costs of repairs and insurance, and even the high bar set by federal housing vouchers, rents remain elevated well out of reach of the average worker. Until there are more units on the market, and specifically more affordable units, 'housing self-sufficiency' will remain an unattainable goal for many families.

INADEQUACY OF REBUILDING FUNDS, AND THE LOOMING TRAILER DEADLINE

Many DHAP recipients who are homeowners are still working on rebuilding their homes and will be unable to pay both rent and a mortgage note. Like Ms. S, above, they will be faced with the prospect of resigning themselves to renting for the indefinite future—leaving their unfinished houses sitting vacant—or squatting in their own unrepaired homes while they save the money needed to rebuild.

Katrina caused major or severe damage to 122,000 homes in Louisiana, of which 38,000 were owned by low-to-moderate income owners. We are rebuilding homes with many of these low-income owners, who have depleted their available insurance proceeds or Road Home grants, or who have been the victims of contractor fraud. The homeowners with whom we work are most often elderly, disabled, or both. They therefore do not qualify for construction loans. Without assistance, they will never be able to move back in to their homes.

Many of these homeowners are among the remaining 3,427 FEMA trailer residents in Louisiana. In just one week, they will face eviction from their trailers. Although today we are discussing the end of the DHAP program, I am equally concerned about the fate of these trailer residents. In Orleans Parish, about 75% of the remaining 1,000 trailer

residents are homeowners struggling to rebuild, and 25% are renters searching for affordable housing.

Just next week, our volunteers will be gutting the home of Mr. Earnest Hammond, whose story you perhaps read in the May 8 *New York Times* article, "Ready or Not, Katrina Victims Lose Temporary Housing." Mr. Hammond has been living in a FEMA trailer and collecting cans in order to save enough money to repair his home, a triplex that was ineligible for a Road Home grant. At the rate at which he is saving, he might have had enough money in another three or four years to begin work on his home—but only if he did not also have to pay rent. We expect to be able to rebuild his home in three to four months; but until it is completed, where will Mr .Hammond live without his trailer?

Another couple with whom we are working, Mr. & Mrs. B., are struggling to survive in their trailer but are reluctant to move away from their property for fear that their supplies will be stolen. The couple's Road Home application has been repeatedly denied, so we are using donated funds to complete the work. He is a disabled Vietnam veteran who suffered a massive stroke in 2006 and now requires round-the-clock care. Mrs. B. stopped working in order to tend to his needs, and has to unplug various appliances in their FEMA trailer in order to use his medical equipment when needed. He is getting bedsores because the trailer is too small to accommodate the type of bed he should have. We are in the process of modifying their home in order to make it handicap accessible. They do not know where they will go if their trailer is repossessed at the end of the month.

We believe that trailer residents whose incomes are below 50% of AMI should be eligible for Housing Choice Vouchers, just as DHAP clients are. Moreover, in order to qualify those who ought to be eligible but currently are not, HUD should grant a waiver under the definition of income for the value of a Katrina-damaged home. By not doing so currently many families who need and deserve assistance are disqualified from voucher programs. Emergency rental assistance should also be made available to those homeowners who need additional time to complete their rebuilding projects or those renters seeking alternative housing. The May 31 deadline cannot be imposed without regard to these considerations, and I strongly urge an extension of the deadline.

LACK OF EFFECTIVE, INTENSIVE CASE MANAGEMENT

To date, there has been no effective case management provided to Katrina and Rita victims to assist with the transitions from FEMA housing to DHAP nor from these housing assistance programs to self-sufficiency. In principle, case management was provided to DHAP clients but we repeatedly hear the refrains, "I never saw a case manager…I was never able to reach a case manager … I was given a list of phone numbers to call and that was the last I heard from my case manager."

And yet, the families remaining in trailers and on DHAP are among the most vulnerable members of our community. They are elderly, disabled, often seriously ill, and are without a support system to become stably housed. It will be the quality of the case management they receive, and the humaneness of the interactions with their case managers, that will determine whether or not these individuals establish a secure

household and thrive. We recently completed an evaluation of our programs, including case management. The people we have served reported the various material ways in which their life situation had improved through case management. Yet, it was the respect and the kindness they were shown that they singled out as making the greatest difference in their recovery. It is this human and spiritual element that, coupled with intensive and effective case management, will make all of the difference.

Not only have we not seen this kind of quality case management on a scale large enough to meet the challenge before us, but case management for Katrina and Rita victims has been virtually absent from Louisiana since the end of the Katrina Aid Today (KAT) program in March 2008.

As a KAT participant, between November 2006 and March 2008 the Diocese assisted 1,285 families to re-establish a measure of stability in their lives, whether by securing housing, appliances and basic furnishings, transportation, employment, or other necessary components of a healthy life.

Anticipating the humanitarian crisis that would be precipitated by the end of KAT case management, eight months prior to the KAT deadline the Diocese began to advocate for the extension of FEMA Disaster Case Management, investing significant funds and capacity to win an extension on behalf of the entire state. At the 11th hour, an extension was granted, and FEMA supplied a small amount of funding through the Cora Brown fund in April and May 2008.

The much-anticipated Disaster Case Management Pilot (DCM-P) program, however, was never launched in Louisiana. As negotiations wore on between FEMA and the State of Louisiana, potential nonprofit partners were asked to revise their applications and budgets again and again to satisfy FEMA's latest requirements. With each passing month of bureaucratic delay the numbers of people eligible to be served under DCM-P was steadily whittled away. Whether or not this was an intentional stalling tactic, the net result was a reduction in the amount of funding for disaster case management allocated by FEMA to the state and a failure to provide appropriate case management. While Louisiana was originally eligible for $32 million in spring 2008, when the state finally received its award letter from FEMA in February 2009, the revised amount for a three-month program to assist a remaining 3,944 households was $8,372,992.

Even had DCM-P been launched, there would have been major limitations to the success of the program. The original $32 million proposed by FEMA was intended to serve households still in trailers after the closure of most of the group trailer sites. The majority of those households were in trailers because they could not access funds to repair their homes. Without accompanying direct service dollars to close this gap, DCM-P case management would have been highly ineffective. Even today, 3,528 of the remaining 3,944 households in trailers are waiting for resources to rebuild their homes. Although the Louisiana Recovery Authority recently announced the creation of a $5 million pool for rebuilding gap financing—a much-needed and much-appreciated resource—this sum

is less than a quarter of what is needed just to address the most pressing unmet rebuilding needs.

More recently, even after the recent DHAP extension, the State, FEMA, and HUD were unable to agree upon a common platform for case management for all remaining DHAP- and FEMA-supported households. FEMA's failure until quite recently even to share with the state its data and lists of the population in need is unconscionable. I am saddened to think that the kind of institutional intransigence and bureaucratic wrangling that has characterized the entire Katrina recovery continues into 2009, and hope that we will soon see new levels of cooperation and collaboration.

Although we reluctantly chose to shrink our case management program rather than pursue funding we did not think would permit us to serve our clients well—and which ultimately never materialized in Louisiana—the Diocese has continued to provide services with support from Episcopal Relief & Development and private resources. Although at its peak our program consisted of 15 staff, there are currently 4 staff members working on the program. The budget under the Diocese's 16-month Katrina Aid Today grant was just over $1 million, with the Diocese providing almost equivalent private funds to meet clients' direct needs. Currently the privately-funded Diocesan case management budget is $226,303 annually exclusive of direct service dollars raised; on this budget, the Diocese has served 672 households since the end of Katrina Aid Today. Despite a decrease in staff capacity, we have continued to serve to the best of our ability.

INELIGIBILITY

The needs of DHAP clients and trailer residents are pressing. Yet there are tens of thousands of additional families whose recovery needs are not met, and who are not receiving housing assistance. From the beginning, FEMA's methodology for determining eligibility was flawed. The decision to award one FEMA number to a single head of household did not fit the reality of many household situations in the New Orleans area, where multi-generational extended families often lived together. Following the massive evacuation across the country, these family groups were often split apart, yet only one adult was allowed to register with FEMA. Some people were denied assistance because their addresses were considered duplicates of existing addresses, even if the properties were subdivided into separate apartments (half-addresses, lettered apartments, etc.). Others were denied assistance because of a simple data-entry error on the part of a poorly trained intake worker.

More recently, even more families were deemed ineligible during the transitions from one housing program to another. For example, there were over 73,000 households receiving FEMA housing assistance prior to the three-phase transition to DHAP in 2007 and 2008. While many of these households have successfully attained stable housing, there were inevitably households incorrectly determined to be ineligible in each successive phase of the program.

It has been difficult to get FEMA to reconsider its eligibility determinations, and was difficult for nonprofits like ours to assist people with their FEMA appeals due to privacy

laws and the challenges of gaining access to FEMA representatives with decision-making authority. Yet, the fact that households in need have been determined to be FEMA-ineligible does not absolve us from the responsibility of working to help them. Indeed, it has been a special concern for this population in perpetual limbo that has motivated much of the Diocese's work.

A State of Perpetual Crisis

I have witnessed the mental strain and anxiety caused in our people by a series of looming deadlines followed by last-minute extensions, none of which are adopted in the context of a comprehensive plan for housing recovery. We fear that if the DHAP deadline is imposed as planned, prior to the production of additional affordable housing units or the creation and implementation of a reasonable housing and case management plan, we will certainly face a new and larger wave of homelessness in our communities. We also risk re-traumatizing the most disadvantaged of our citizens: persons who lost everything they owned, their livelihoods, and even members of their families.

The August 31 deadline is yet another example of arbitrary, illogical and random deadlines that have been selected without first devising a plan and timeline scenario for what it will take to achieve the restoration of housing stability. I can appreciate that FEMA understands its housing mission to be a temporary one. Yet we must ask: should deadlines be determined based solely on an agency's wish to conclude dealings in a particular state? Or according to the satisfactory attainment of a minimum level of housing stability?

The pattern to date has been as follows: deadlines are set, and *then* the process of developing a plan to meet the deadline begins. Stalemates ensue between FEMA, HUD, and the state. Programs are not launched, and people are not served. Meanwhile the clock is ticking, and progress fails to be made. So another arbitrary deadline is set.

This pattern rewards a lack of cooperation on the part of FEMA, the state, and HUD. None ultimately assume responsibility for doing what is necessary—nor for footing the bill. Meanwhile, lives hang in the balance. For those of us in the non-profit sector, attempting to partner with government to find effective solutions, and working with anxious, terrified, and vulnerable people every day, it is maddening to be locked in this kind of a circular stalemate.

Recommendations

What is needed is a new, more rational and more humane approach. The only way to resolve the predicaments of thousands of struggling storm survivors is to ensure the production of the safe and affordable housing that is needed, and to provide the systematic, comprehensive, reliable and consistent support to place them stably in this housing. Until scenario planning occurs that that fully assesses household needs and identifies a path to success, roles for each of the agencies involved, action steps, timetable, budgets, and accountability measures, it is illogical to set deadlines for evacuation of FEMA trailers and the end of DHAP assistance.

While this kind of scenario planning can certainly be completed in several months' time—indeed, the Louisiana Legislature's recent SCR 118 report offers several key analyses and recommendations—I find it implausible that any such plan would be successfully implemented prior to the August 31 DHAP deadline.

The challenges before us can only be met with:

1) Sincere motivation of all responsible parties to meet effectively the needs of all disaster-impacted families, especially those in the most difficult circumstances;
2) Acceptance that this is going to cost a certain amount of money and there is no way to avoid the expenditure;
3) Acknowledgement that funds will have to come from all three key parties: FEMA, HUD, and the state;
4) A rejection of the tactics of intransigence and delay, which only increase costs over time;
5) Demand from those with oversight authority that all parties immediately work out and present an adequate plan, with the assistance of an independent mediator if necessary;
6) Close monitoring of meetings between parties by an independent observer with legal authority; and,
7) Strict deadlines for short-term progress enforced by Congress, and accountability hearings held frequently to ensure benchmarks are met.

Case management is absolutely necessary. It must be made available to trailer residents and DHAP clients, and it should be provided to those who have been lost in the shuffle. Additionally, the barriers to the production of affordable housing units—which have been widely documented—should be addressed. Where bureaucratic red tape and unacceptable delays merit investigation, then such investigations should be launched. Where institutional parties complain that funds are nonexistent, there should be an investigation of whether all awarded and allocated funds have actually been spent, and how.

Thank you for your attention today, and I look forward to the opportunity to work together to ensure that all of our citizens struggling to return home will be able to do so in safety and in dignity.

ADDENDUM: SURVEY & INTERVIEW EXCERPTS

Tameka Domino
1024 Tennessee St.
New Orleans, LA 70117

Ms. Domino is a 26-35 year old woman with children. She works, but only recently got on the DHAP program and has not been able to save enough to afford rent on her own. She reports that she has never received any real case management, and says that she needs training in order to land a better-paying job. "Can we get some help? Does anybody care?"

Arthur B. Evans
1521 Conti Ave
New Orleans, LA 70115

Mr. Evans is a 25 year old man. He is unemployed and is trying to go back to school. He says, "I need transportation. I could find work if I had transportation. Put us to work!" Without DHAP, he will be homeless.

Phyllis Penn
1810 Gallier St.
New Orleans, LA 70117

Ms. Penn is a 46-55 yr old woman who is a single head of household. She lost her job, and says, "I can never get to a case manager. I need transportation. I need a job. I can't possibly afford my rent without DHAP."

George Weatherby
4311 MacArthur Blvd
New Orleans, LA 70131

Mr. Weatherby is a 51 year old male. "I got a job but can't afford my rent. I don't know where I will go" without DHAP.

Larry Paul Sceau
5525 Elysian Fields
New Orleans, LA 70112

Mr. Sceau is a 58 year old male. He is working, but not making enough to afford the rent. He does not have a clue what he will do if DHAP is not extended. "This was supposed to be the Land of Opportunity, where is it? We are the nuts and bolts of this city...why can't we get jobs to build the inner city? Would we be treated this way if this was Maine, Connecticut or New Hampshire?"

Treniece Lee

4053 S. Chipwood Dr
Harvey, LA 70117

Ms. Lee is a 36-45 year old woman with kids. She is working, but needs help to pay her high rent that she is being charged. She got on DHAP only in late 2008 and "now it's ending. We need help, everyone promised us help; why can't we get it?"

Dawanda Michelle Thompson
2534 St. Philip St B
New Orleans, LA 70119

Ms. Thompson is a single mother, and head of a household with kids. "I am unemployed. Transportation would help me get a job. I can't afford the rent without DHAP. I don't know what I will do if it is cut out. New Orleans doesn't need any more homeless. Give us a chance."

Jamie Brown
7815 Buffalo St.
New Orleans, LA 70128

Mr. Brown had a job but lost it because he was unable to get back quickly from the Gustav evacuation. He does not know what he will do without DHAP. "I might become homeless. Why can't we get jobs rebuilding New Orleans?"

Jason B. Wiley
611 N. Rampart St..
New Orleans, LA 70112

Mr. Wiley is a twenty-five year old man who is married with 2 children. He is unemployed and has no transportation, which makes a successful job search difficult. Without DHAP, he says, "I will be forced to move in with relatives....[They] do not have space for me and my family...[It's] not a long term solution. I don't know what I will do. We need more time to get on our feet. We need jobs...we want to work!"

Demetrase Lionell Smith
2534 St. Philip St. A
New Orleans, LA 70119

Mr. Smith is a 24 year old male with 2 kids. He is unemployed, and has no transportation. "Can't find work without it, without work can't pay for transportation. I heard people in Texas was able to get used vehicles so that they could find work and get back on their feet. Why can't we?"

Terrasina Thomas

7531 Hansbroug Avenue
New Orleans, LA 70122

Ms. Thomas is a 36-45 year old woman. She lost her job. "I don't know how I will pay rent without DHAP. Transportation would help me get a job and get straight. We need help."

Latoya Honeycutt
2695 Bartholemew
New Orleans, LA 70117

Ms. Honeycutt is a 24 year old woman with children. She says: "I lost my job. I haven't been able to get another one. I can't afford my rent. I will have to move back in with family and that's a very difficult situation. Help us—we need jobs, we need more time to get it together."

Quindell J. Quinn
2736 Lavender
New Orleans, LA 70122

Ms. Quinn is a 25 year old single mom with kids. "I don't have a job. I want one bad. I need training for better jobs. I need a chance to get things together. We need more time."