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BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
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Good morning Chairwoman Norton and distinguished members of the Committee. I am Frederick Tombar, Senior Advisor to the Secretary at the U.S. Department of Housing and Urban Development (HUD). Thank you for inviting me to testify today.

As I begin my statement, on behalf of Secretary Donovan, I want to express HUD's commitment to seeing the Gulf Coast recovery through. From the very beginning of this Administration, the Secretary has devoted a great deal of time and energy to the recovery. That effort began with our plan to ensure that participants of the Disaster Housing Assistance Program (DHAP) were able to make a smooth transition off the program into a more permanent housing solution. We worked with the Congress and FEMA to provide additional assistance to families through August 31, giving them more time to transition out of DHAP, either to self-sufficiency or other federal or state housing programs, including HUD's Housing Choice Voucher (HCV) program. Also, on March 5, the Secretary joined Senator Landrieu and Secretary Napolitano on a trip to the Gulf Coast to see recovery first hand, and to begin a coordinated effort to boost recovery in that area. President Obama, along with the other members of his Administration, is absolutely committed to helping the Gulf Coast achieve a full recovery.

The Department continues to work closely with the Federal Emergency Management Agency (FEMA), state and local governments, and public housing agencies to assist families impacted by Hurricanes Katrina and Rita. This includes families that resided or currently reside in FEMA's Temporary Housing Units or THUs.

The THU program for families impacted by Hurricanes Katrina and Rita officially ended on May 1, 2009. But according to FEMA data, as of May 14, 2009, approximately 4,000 families currently reside in these units in Louisiana (2,562) and Mississippi (1,484).

FEMA offered each family residing in a THU at least three rental resources that met their individual housing needs, such as number of bedrooms, accessibility considerations, and units within a reasonable commuting distance. All of these resources were within the Fair Market Rent rate established by HUD for the area.

As part of these efforts, FEMA offered each THU family a referral to DHAP operated by HUD. Under DHAP, the Department provided rental assistance and case management services to over 30,000 families displaced by Hurricanes Katrina and Rita, including many THU families that agreed to participate in the program. Every family that resided in a FEMA THU was offered this assistance, but some chose not to participate in DHAP and currently remain in FEMA THUs.

FEMA THU families that agreed to participate in the DHAP, and were receiving rental assistance through this program in February 2009 are also eligible for Transitional Rental Payments (TRP) under the DHAP-Katrina Transitional Closeout Plan. As part of this program, and at the request of the State of Louisiana, nearly $7 million was also allocated to support the Louisiana Recovery Authority (LRA) with DHAP Closeout Case Management for Louisiana participants. The State of Mississippi provided case management services to families under FEMA's Disaster Case Management Pilot, but has not requested a case management funding under the DHAP-Katrina Transitional Closeout Plan. HUD and FEMA are providing this additional assistance to families to give them more time to transition out of DHAP, either to self-sufficiency or other federal or state housing programs, including the Department's Housing Choice Voucher (HCV) program.

Although current THU families that turned down DHAP are no longer eligible for assistance under this program, the Department has worked with states to identify alternative resources to aid in the disaster recovery. The two primary sources of funding that can be used to support families currently in THUs are the Department's HOME Investment Partnerships program (HOME) and Community Development Block Grant (CDBG) program. States can use their annual HOME funds to provide temporary rental assistance to eligible THU families or request a re-allocation of CDBG funds for temporary rental assistance.

Mississippi and Louisiana both receive annual HOME allocations to increase the affordable housing stock in their states. Each state has a significant amount of unexpended HOME funds in their HOME accounts. Nearly half (43%) of these funds have not been committed by the states to a HOME activity or unit of local government and may be available for HOME-funded tenant-based rental assistance (TBRA) programs.

Assuming that a state allocated $10 million of HOME funds to TBRA and provided an average annual per-family subsidy of $4,500, it could fund HOME TBRA vouchers for over 2,200 families. Using these same assumptions, assisting 5,000 families per year would cost $22.5 million.

The Gulf Coast states also received CDBG disaster funding for long-term rebuilding and recovery. Mississippi and Louisiana both currently have a significant amount of CDBG disaster funding remaining that has been awarded but not disbursed.

Beyond CDBG and HOME, the Department has also awarded or is in the process of awarding additional voucher funding to Gulf Coast states. In the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009, HUD received an additional $50 million for Project-Based Vouchers for areas impacted by Hurricanes Katrina and Rita. These funds will increase the affordable housing stock within the region by more than 6,500 units. Under separate funding, the Department also awarded

$23 million in Project-Based Vouchers (PBV) to the Louisiana Recovery Authority. This funding is anticipated to provide approximately 2,500 vouchers in the State of Louisiana.

In addition to this funding, the majority of public housing agencies in Mississippi and Louisiana have a preference category on their housing choice voucher waiting list that allows them to prioritize disaster-impacted families, including those residing in FEMA THUs.

Thank you for the opportunity to discuss resources that could be used to provide housing assistance to FEMA THU families in Louisiana and Mississippi. The Department is committed to working closely with FEMA, state and local governments and public housing agencies throughout the Gulf Coast region to address the long term housing needs of families displaced by Hurricanes Katrina and Rita. I'm now happy to take any questions you have and again want to thank Chairwoman Norton and the Members of the Committee for the opportunity to speak with you today.