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## CHANGES NEEDED IN KATRINA TRANSITIONAL HOUSING PLAN TO MEET FAMILIES' NEEDS

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### APPENDIX

#### Components of Administration's Transitional Housing Assistance Program for Katrina Evacuees\*

##### *FEMA Transitional Housing Assistance (Individuals and Households Program or IHP)*

*Eligibility* — To receive an expedited initial payment, households must have been displaced from residences in the five parishes near New Orleans or the three coastal counties in Mississippi that suffered the most damage from Hurricane Katrina. For other displaced households, FEMA must inspect their pre-disaster dwelling and certify that return is not currently possible before a family can be found eligible for temporary rental assistance.

*Benefits* — Initial payment is \$2,358 (\$786 per month) based on the average Fair Market Rent (FMR) nationally for a two-bedroom rental unit. FEMA decided to distribute the same amount initially to all qualifying households in order to avoid additional delay. Families that require higher monthly benefits because (1) the number of household members qualifies them for more than two bedrooms, or (2) their new unit is located in an area that costs more than the average can request an adjustment from FEMA based on the applicable FMR, which serves as the monthly maximum benefit. Funds may be used only for rent costs and not for tenant-paid utilities. No funds are provided for security deposits. Payment is by check or electronic funds transfer to a family. No household contribution is required. Families are responsible for all deposits, for utility costs not included in the rent, and for rental charges above the applicable Fair Market Rent.

*Duration* — There is a maximum duration of 18 months (possibly counted from August 29, 2005) and an overall limit of \$26,200 in assistance per family under the Individuals and Households Program. Families requesting “continuing assistance” after the initial payment must periodically demonstrate continued need and must show they have used the funds they have already received for permissible expenditures. The criteria to be applied to renters to determine “need” for continuing assistance, other than the lack of availability of their pre-disaster housing, are unclear. The lease term is up to the household and the landlord.

*Choice* — Families may select housing anywhere in the country and may move during the assistance period. No housing quality standards apply.

*Other assistance* — None directly connected to the program. FEMA has contracted for counseling assistance in some areas. FEMA will provide funds to Louisiana, Mississippi and Alabama to pay for a family to return to its home state.

*HUD Katrina Disaster Housing Assistance Program (KDHAP)*

*Eligibility* — Households must have been displaced from HUD-assisted housing in an area declared to be a major disaster as a result of Hurricane Katrina or have been homeless in such areas. Families that had tenant-based section 8 voucher assistance have the option of whether to lease new housing under the terms of the voucher program or to transfer (temporarily) to the KDHAP program.

*Benefits* — The maximum monthly benefit is the applicable Fair Market Rent or the unit rent, whichever is lower. The rent must be “reasonable.” This is a voucher program, not a cash assistance program. The local or state public housing agency (PHA) pays the subsidy directly to the landlord on behalf of a family, based on a contract between the agency and the landlord. The agency also will pay a security deposit and up to \$325 for utility deposits. No household contribution is required, but families are responsible for utility costs that are not included in the rent and for rental charges above the applicable FMR.

*Duration* — Maximum of 18 months. It appears that if a family’s former home is repaired or replaced in less than 18 months, KDHAP assistance will end. The initial lease term is 6 – 12 months, with extensions permitted.

*Choice* — Families may move to any location in which there is a state or local public housing agency that currently administers a section 8 voucher program and is willing to participate in the KDHAP program. Subsequent moves are permitted only within the jurisdiction of the initial administering agency. Housing units must meet federal Housing Quality Standards, but inspection may be performed up to 60 days after the lease is effective.

*Other assistance* — Counselors at KDHAP Referral Call Centers will help families select areas in which housing units are likely to be available and will assist families in obtaining FEMA-paid transportation if required. The PHAs are supposed to provide intensive housing search assistance, including locating one or more vacant units and providing needed transportation to look at units. The PHA will meet with the family quarterly in person or by telephone to verify that the family still needs KDHAP assistance (it is unclear precisely what this means) and to discuss the family’s future plans. The same assistance to enable displaced families to return to their home state will be provided as under the FEMA program.

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\* This summary, as well as the analysis in the paper, are based on the following sources: FEMA’s published regulations and guidebook on the Individuals and Households Program, which predated Katrina; a White Paper that Administration officials have circulated to Congressional staff; materials released related to the press briefing on September 23; answers to questions posted at <http://www.fema.gov/press/2005/katrinatranshousing.shtm> (September 28, 2005); and HUD’s detailed KDHAP “Interim Operating Requirements” and form contracts on its website at <http://www.hud.gov/offices/pih>. We also have reviewed testimony from the Administration and interviews with FEMA staff.