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**U.S. House of Representatives**  
**Committee on Financial Services**  
2129 Rayburn House Office Building  
Washington, DC 20515

October 18, 2005

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STAFF DIRECTOR

Honorable Alphonso Jackson  
Secretary  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410

Dear Mr. Secretary:

I am writing to request that you take a number of steps to address the unnecessary diversion of scarce housing voucher resources to Katrina evacuees at a time when FEMA funds are available to assist such families.

In the first several weeks after Katrina hit, HUD took a number of actions to encourage public housing agencies (PHAs) to use existing vouchers and public housing units to assist families displaced by Hurricane Katrina.

I strongly support a vigorous program of rental assistance to Katrina evacuees. I also see the benefit of making vacant public housing units available to Katrina evacuees in areas where there is no waiting list. And, I understand HUD's early inclination to encourage PHAs to assist Katrina evacuees, since FEMA generally failed to provide critically needed housing assistance in the first few weeks after Katrina hit.

However, on September 23<sup>rd</sup>, HUD and FEMA jointly announced that FEMA funds were being made broadly available to assist Katrina evacuees. In light of the availability of such FEMA funds, I believe that it would be a great mistake to shift resources from existing voucher and public housing programs to serve Katrina evacuees.

I was pleased to receive an assurance from HUD representatives, at a September 29<sup>th</sup> briefing, that rental assistance to displaced families should be in addition to - not in place of - rental assistance available under existing voucher and public housing programs.

Therefore, I was disturbed to see documents on HUD's web site late last week that appear to continue to encourage PHAs to use existing vouchers and public housing units to assist Katrina evacuees.

During a phone call between my staff and Scott Keller and senior HUD Congressional staff, we were reassured that such encouragement does not reflect current HUD policy. HUD staff indicated that they would remove outdated material from the web site that

reflects such encouragement and would make more prominent guidance to PHAs stating that KDHAP funding can be used to pay 100% of the cost of existing vouchers that have been used to assist Katrina evacuees previously receiving HUD assistance, thus freeing up such vouchers for use by local families.

I ask that you send me a letter reaffirming HUD's current position that it does not encourage PHAs to use existing vouchers and public housing units to bypass local families on waiting lists in order to serve Katrina evacuees. I also ask that you make this policy clear through proactive communications to public housing agencies.

Finally, I request that HUD ask FEMA to reimburse PHAs for the cost of providing vouchers to Katrina evacuees that were not HUD-assisted at the time Katrina hit. As noted above, HUD has already reached an agreement with FEMA to reimburse PHAs for the cost of vouchers provided to previously HUD-assisted families. It would be consistent with this policy to provide reimbursement for Katrina evacuees that had not been previously assisted by HUD –since FEMA would otherwise be providing rental assistance to such families through its Transitional Housing Assistance Program.

Such reimbursement would free up critically needed vouchers that would otherwise go to local needy families. This would also avoid the unintended consequence of punishing localities that were generous in making such vouchers available early on, and ensure that families living in such areas that have been on a waiting list for some time are not denied a voucher as a result of such generosity.



BARNEY FRANK