



BILL WHITE
MAYOR

OFFICE OF THE MAYOR
CITY OF HOUSTON
TEXAS

April 27, 2006

Via email and First Class Mail

Honorable David Paulison, Director
U.S. Department of Homeland Security
Federal Emergency Management Agency
Washington, D.C. 20472

Re: Houston Housing Program

Dear Director Paulison,

We had a productive meeting with Mr. Walke and other employees of FEMA last week. Several decisions were made in response to our concerns. I write because we may need FEMA's help on policy and operational issues, consistent with the decisions made last week.

Transition To Individual Assistance

About 10% of the evacuees residing in apartments administered by the Joint Houston Housing Task Force have leases of six months, rather than twelve months. These leases were made before mid-October, before the magnitude of needed apartments was fully appreciated by FEMA and others.

FEMA proposes to pay these evacuees directly in May for rent and utilities for the summer months. With our help we think most, but not all, apartment owners will agree to this transition.

Those individuals who will now be making rent payments directly were those placed in this program during its first six weeks, when we selected the most vulnerable of the evacuees – many seniors and single women with children – to get the first apartments. A smooth transition is critical.

The City of Houston has consistently believed that central disbursement of these amounts to landlords would be more administratively efficient, less confusing to the evacuees, and less likely to cause lease terminations. However, we are complying with FEMA's direction and are notifying landlords of this transition. Yesterday we met with many landlords to obtain their support.

Requested Action by FEMA:

- For those individuals who are now expected to pay rent and utilities themselves and whose leases are terminated by landlords on existing terms, FEMA needs to arrange for alternative shelter. We suggest that FEMA make funds available to HUD or UMCOR or some other social service agency referred to in your last letter to me, to whom these individuals will be referred, so they can have necessary time to prepare for alternative housing arrangements.

Those Determined To Be Ineligible

Several weeks ago someone at FEMA preliminarily determined that almost one out of every four of these households, representing over 20,000 people, are ineligible for FEMA assistance. We strongly believe that many of these individuals in fact do meet statutory criteria for FEMA assistance. We have reviewed over 200 of these cases, selected in a random fashion. They are renters whose residences were underwater. Their former residences are either no longer habitable or have been rented out to someone else at much higher rents, often by a FEMA contractor.

We have an excellent understanding of the evacuees housed in approximately 34,000 apartments by the Joint Houston Housing Task Force. We processed them at the FEMA-managed Disaster Recovery Center; we transported them to their apartments; we respond to their inquiries daily; we work daily with non-profits serving them; and we survey the population using the Zogby national surveying firm. The overwhelming majority come from New Orleans; are African-American; live in the zip codes that were underwater and received damage; were renters; and were working poor or retired. The majority came from just over eight zip codes. They will be in dire circumstances if they lose their apartments here.

We appreciate the action of Mr. Walke and Texas Transitional Recovery Office Director Butch Smith in having a team review the information on each evacuee determined to be ineligible. We understand that a thorough review should be completed by the end of this week. We repeatedly have asked someone for a breakdown of reasons for ineligibility, but have not yet received information in sensible form.

In many cases, this ineligibility determination appears to be a result of some missing information in the evacuees' files or some misunderstanding of facts. Communications have been confusing. A letter earlier this month to people notifying them of ineligibility did not give them a good explanation of the reasons for ineligibility. It referred them to a website. Those who had internet access were referred by the website to a December letter. The December letter referred to an 800 number.

Last week we were told that some large number of the ineligibility determinations were made on the basis that the individual did not need or request housing assistance, yet by definition all the people we are talking about requested housing assistance in person at the Disaster Recovery Center.

We believe that some decisions made by FEMA last fall, for good reason at the time, have contributed to the determinations of ineligibility. Specifically, in September and October various members of evacuee households would call 800 numbers or log on to the internet and be assigned new evacuee numbers. At the Houston Disaster Recovery Center, we would encounter households that had multiple validated FEMA identification numbers. Our personnel asked FEMA how to handle this situation, and FEMA told the Task Force to use any valid number because FEMA could not merge information on the files at that time without losing valuable information. Please understand that in many, many cases, people in New Orleans who lived in one residence, encompassing several generations with multiple adults, have been split among two or more apartments simply because of the shortage of apartments with more than two bedrooms. People were encouraged to split up and move from hotels to units available. We believe that FEMA needs procedures to adjust the individual assistance and consolidate family units, or to redefine households, rather than declaring certain people ineligible for any assistance and making homeless some portion of an extended family.

Mr. Director, FEMA must be very careful about this ineligibility determination. If we send thirty-day notices of termination of our contracts to landlords and inform them that the household has been determined to be ineligible for further assistance by FEMA, these evacuees will lose these apartments. There will not be a home

for them to return to in Louisiana, since only several hundred apartments are available in the New Orleans area today and those are priced far higher than the HUD reimbursement rate. Most lost their jobs with Katrina and are actively seeking employment or are retired. If their paperwork is later completed or their eligibility is reinstated later, it will be too late.

Requested Action by FEMA:

- No notice should be given by FEMA to the City of Houston to terminate apartments on grounds of ineligibility until some qualified caseworker has reviewed all aspects of the reason for termination and the recommendation of ineligibility has been made on substantive grounds (i.e., not some technical basis or missing paperwork, as opposed to grounds such as citizenship or lack of residence in devastated areas) by a designated FEMA official, such as the Director of Texas Transitional Recovery Office.
- Lists of those with valid FEMA registration numbers when placed in apartments who are now determined to be ineligible should be released to the City of Houston in phases or groups of no more than 500/week. This will allow orderly termination of utilities and, if necessary, evictions; we cannot implement 8,000 utility disconnects in any one day. Planning the termination of benefits in batches also permits both better quality control of ineligibility determinations and orderly transitions to alternative shelter. I have personally made this request twice and received no meaningful reply.
- FEMA should work with social service agencies to make sure that each ineligible evacuee whose lease is terminated has a caseworker and a place to shelter. If necessary, Red Cross Shelters should be established in Louisiana and FEMA should provide transportation.
- FEMA needs to institute some procedure for consolidating evacuee numbers into a household number, where the extended household has been split into several apartments. People should not be

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determined to be ineligible based on the claim being covered by another household with a valid FEMA registration number until all data has been merged under one evacuee number and an appropriate level of assistance for housing has been set covering all members of the household. Alternatively, multiple registration numbers should be assigned to different members of a household under separate roofs.

- FEMA should not categorize as ineligible people whose former residence is now rented to others.

Thank you in advance for your careful consideration of these specific requests.

Sincerely,



Bill White
Mayor

cc: Michael Jackson, Under Secretary, Department of Homeland Security
James Walke, FEMA, Chief, Public Assistance, Recovery Division
Sandy Coachman, Federal Coordinating Officer, Region VI
Dennis Lee, Senior FEMA Official, Houston, Texas
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