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GULF COAST HURRICANE HOUSING RECOVERY ACT OF 2007

MARCH 16, 2007.—Ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial Services, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 1227]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 1227) to assist in the provision of affordable housing to low-income families affected by Hurricane Katrina, having considered the same report favorably thereon with an amendment and recommend that the bill as amended do pass.

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59–006

AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gulf Coast Hurricane Housing Recovery Act of 2007".

TITLE I—COMMUNITY DEVELOPMENT BLOCK GRANTS

SEC. 101. FLEXIBILITY OF FEDERAL FUNDS FOR ROAD HOME PROGRAM.

(a) FLEXIBILITY OF FUNDS.—Subject to subsection (b) and notwithstanding any other provision of law, of the amounts previously made available to the State of Louisiana under the Hazard Mitigation Grants program of the Federal Emergency Management Agency, $1,175,000,000 of such unexpended amounts shall be made available as provided in this section. The amount specified in subsection (c) shall be available as provided in such subsection and the remainder shall be considered to have been made available to such State under the terms of the heading relating to "Department of Housing and Urban Development—Community Planning and Development—Community Development Fund" in chapter 9 of title II of Public Law 109–234 (120 Stat. 472) and approved by the Secretary of Housing and Urban Development for use under the Road Home Program of such State.

(b) MONTHLY REPORTS ON PROGRAM.—

(1) IN GENERAL.—The State of Louisiana shall submit reports under this subsection regarding the Road Home Program to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate. Each report under this subsection shall describe and analyze the implementation, status, and effectiveness of the Road Home Program and shall include the following information, for the applicable reporting period and for the entire period of the program:

(A) The number of applications submitted for assistance under the program.

(B) The number of households for which assistance has been provided under the program.

(C) The average amount of assistance provided for each household under the program and the total amount of assistance provided under the program.

(D) The number of personnel involved in executing all aspects of the program.

(E) Actions taken to improve the program and recommendations for further such improvements.

(2) REPORTING PERIODS.—The first report under this subsection shall be submitted not later than the expiration of the 30-day period that begins upon the date of the enactment of this Act and reports shall be submitted not later than the expiration of each successive 30-day period thereafter during the term of the program.

(c) NEW ORLEANS REDEVELOPMENT AUTHORITY PILOT PROGRAM.—

(1) AVAILABILITY OF AMOUNTS.—Of the unexpended amounts referred to in subsection (a), the Secretary of Housing and Urban Development shall make $15,000,000 available to the New Orleans Redevelopment Authority (in this subsection referred to as the "Redevelopment Authority"), subject to paragraph (3), only for use to carry out the pilot program under this subsection.

(2) PURPOSE.—The pilot program under this subsection shall fund, through the combination of amounts provided under this subsection with public and private capital from other sources, the purchase or costs associated with the acquisition of individual parcels of land in New Orleans, Louisiana, by the Redevelopment Authority to be aggregated, assembled, and sold for the purpose of development by private entities only in accordance with, and subject to, the Orleans Parish Recovery Plan, developed and adopted by the City of New Orleans.

(3) CERTIFICATIONS.—The Secretary of Housing and Urban Development may make amounts available pursuant to paragraph (1) to the Redevelopment Authority only upon the submission to the Secretary of certifications, sufficient in the determination of the Secretary to ensure that the Redevelopment Authority—

(A) has the authority to purchase land for resale for the purpose of development in accordance with the pilot program under this subsection;

(B) has bonding authority (either on its own or through a State bonding agency) or has credit enhancements sufficient to support public/private financing to acquire land for the purposes of the pilot program under this subsection;

(C) has the authority and capacity to ensure clean title to land sold under the pilot program and to indemnify against environmental and other liabilities;

(D) will provide a first right to purchase any land acquired by the Redevelopment Authority to the seller who sold the land to the Redevelopment Authority; and

(E) has in place sufficient internal controls to ensure that funds made available under this subsection may not be used to fund salaries or other administrative costs of the employees of the Redevelopment Authority.

(4) DEVELOPMENT REQUIREMENTS.—In carrying out the pilot program under this subsection, the Redevelopment Authority shall—

(A) sell land acquired under the pilot program only as provided in paragraph (2);

(B) use any proceeds from the sale of such land to replenish funds available for use under the pilot program for the purpose of acquiring new parcels of land or to repay any private financing for such purchases;

(C) sell land only—

(i) to purchasers who agree to develop such sites for sale to the public; or

(ii) to purchasers pursuant to paragraph (3)(D); and

(D) in the case of a purchaser of land pursuant to paragraph (3)(D), ensure that the developer of any adjacent parcels sold by the Redevelopment Authority makes an offer to the purchaser to develop such land for a fee.

(5) INAPPLICABILITY OF STAFFORD ACT LIMITATIONS.—Any requirements or limitations under or pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act relating to use of properties acquired with amounts made available under such Act for certain purposes, restricting development of such properties, or limiting subsequent alienation of such properties shall not apply to amounts provided under this subsection or properties acquired under the pilot program with such amounts.

(6) GAO STUDY AND REPORT.—Upon the expiration of the 2-year period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study of the pilot program carried out under this subsection to determine the effectiveness and limitations of, and potential improvements for, such program. Not later than 90 days after the expiration of such period, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the results of the study.

(d) ONGOING GAO REPORTS ON USE OF AMOUNTS.—

(1) QUARTERLY REPORTS.—During the period that amounts made available under subsection (a) are being expended under the Road Home Program of the Louisiana Recovery Authority, the Comptroller General of the United States shall submit reports on a quarterly basis to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, and to the Secretary of Housing and Urban Development. Such reports shall describe and account for the use of all such amounts expended during the applicable quarterly period and identify any waste, fraud, or abuse involved in the use of such amounts.

(2) MONITORING.—The Comptroller General shall monitor the total amount made available under subsection (a) that has been expended by such Authority and, pursuant to such monitoring—

(A) upon determining that at least two percent of such amount has been expended, shall include in the first quarterly report thereafter a written determination of such expenditure; and

(B) upon determining, at any time after the determination under subparagraph (A), that the portion of such total amount expended at such time that was subject to waste, fraud, or abuse exceeds 10 percent, shall include in the first quarterly report thereafter a certification to that effect.

(3) ACTIONS IN RESPONSE TO WASTE, FRAUD, AND ABUSE.—If at any time the Comptroller General submits a report under paragraph (1) that includes a certification under paragraph (2)(B)—

(A) the Committees referred to paragraph (1) shall each hold hearings within 60 days to identify the reasons for such waste, fraud, and abuse; and

(B) the Comptroller General shall submit a report to such Committees and the Secretary of Housing and Urban Development within 90 days recommending actions to be taken to prevent further waste fraud and abuse in expenditure of such amounts.

SEC. 102. TREATMENT OF BENEFITS FROM OTHER PROGRAMS UNDER ROAD HOME PROGRAM.

Notwithstanding any other provision of law, to the extent that amounts made available under the heading "Department of Housing and Urban Development-Community Planning and Development—Community Development Fund" in chapter 9 of title I of Division B of Public Law 109–148 (119 Stat. 2779), under such heading in chapter 9 of title II of Public Law 109–234 (120 Stat. 472), and under section 101 of this title, are used by the Louisiana Recovery Authority under the Road Home program, the procedures preventing duplication of benefits established pursuant to the penultimate proviso under such heading in Public Law 109–148 (119 Stat. 2781) and the 15th proviso under such heading in Public Law 109–234 (120 Stat. 473) shall not apply with respect to any benefits received from hazard insurance, flood insurance, or disaster payments from the Federal Emergency Management Agency, except to the extent that the inapplicability of such procedures would result in a windfall gain under the Road Home Program to any person.

SEC. 103. ELIMINATION OF PROHIBITION OF USE FOR MATCH REQUIREMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law, any amounts made available before the date of the enactment of this Act for activities under the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) for expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the areas impacted or distressed by the consequences of Hurricane Katrina, Rita, or Wilma in States for which the President declared a major disaster, or made available before such date of enactment for such activities for such expenses in the areas impacted or distressed by the consequences of Hurricane Dennis, may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program.

(b) EFFICIENT ENVIRONMENT REVIEW.—Notwithstanding any other provision of law, when a State, unit of general local government, or Indian tribe, or Department of Hawaiian Home Lands uses amounts referred to in subsection (a), the release of which would otherwise be subject to environmental reviews under the procedures authorized under section 104(g) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(g)), to match or supplement the federal assistance provided under sections 402, 403, 406, 407, or 502 of Robert T. Stafford Disaster Relief and Emergency Assistance Act, and the Director of the Federal Emergency Management Agency conducts an environmental review that encompasses all activities assisted by such matching funds, the Director's environmental review shall satisfy all of the environmental responsibilities that would otherwise be assumed by the State, unit of general local government, Indian tribe, or Department of Hawaiian Home Lands under such section 104(g), and the requirements and procedures of such provision, including assumption of environmental review responsibilities and submission and approval of a request for release of funds and certification, shall be inapplicable, if, prior to its commitment of any matching funds for such activities, the State, unit of general local government, Indian tribe, or Department of Hawaiian Home Lands notifies the Director and the Secretary of Housing and Urban Development that it elects to defer to the Director's environmental review responsibilities. If a deferral is elected under this subsection, the Director shall be the responsible party for any liability under the applicable law if the environmental review as described in the preceding sentence is deficient in any manner.

SEC. 104. REIMBURSEMENT OF CDBG AMOUNTS USED FOR RENTAL HOUSING ASSISTANCE.

There are authorized to be appropriated, from any amounts made available before the date of the enactment of this Act under any provision of law to the Federal Emergency Management Agency for disaster relief under the Robert T. Stafford Disaster Relief and Emergency Assistance Act relating to the consequences of Hurricane Katrina, Rita, or Wilma that remain unobligated, and from any amounts made available before such date of enactment under any provision of law to such Agency for such disaster relief relating to the consequences of Hurricane Dennis that remain unobligated, such sums as may be necessary for the Secretary of Housing and Urban Development to provide assistance under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) to metropolitan cities and urban counties that used amounts previously made available under such title to pro-

vide rental housing assistance for families residing in such city or county pursuant to evacuation from their previous residences because of such hurricanes in the amount necessary to provide each such city and county with an amount equal to the aggregate amount of previous assistance under such title so used.

TITLE II—PUBLIC HOUSING

SEC. 201. SURVEY OF PUBLIC HOUSING RESIDENTS.

(a) SURVEY.—The Secretary of Housing and Urban Development shall provide for the conducting of a survey, using appropriate scientific research methods, by an independent entity or organization, to determine, of the households who as of August 28, 2005, resided in public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) operated or administered by the Housing Authority of New Orleans, in Louisiana—

(1) which and how many such households intend to return to residences in dwelling units described in section 202(d) of this Act, when presented with the options of—

(A) returning to residence in a repaired public housing or comparable dwelling unit in New Orleans; or

(B) continuing to receive rental housing assistance from the Federal Government; and

(2) when such households intend to return.

(b) PARTICIPATION OF RESIDENTS.—The Secretary shall solicit recommendations from resident councils and residents of public housing operated or administered by such Housing Authority in designing and conducting the survey under subsection (a).

(c) PROPOSED SURVEY DOCUMENT.—The Secretary shall submit the full research design of the proposed document to be used in conducting the survey to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not less than 10 business days before the commencement of such survey.

(d) REPORT.—The Secretary shall submit a report the Committees referred to in subsection (c) detailing the results of the survey conducted under subsection (a) not later than 60 days after the date of the enactment of this Act.

SEC. 202. RIGHT OF RETURN FOR PREVIOUS RESIDENTS OF PUBLIC HOUSING.

(a) REQUIREMENT TO PROVIDE DWELLING UNITS.—Not later than August 1, 2007, the Housing Authority of New Orleans shall make available for occupancy, subject to subsection (b), a number of dwelling units (including those currently occupied) described in subsection (d) that is not less than the greater of—

(1) 3,000; or

(2) the number of households who have indicated, in the survey conducted pursuant to section 201, that they intend to return to residence in public housing operated or administered by such public housing agency.

(b) RIGHT OF RETURN.—

(1) IN GENERAL.—Subject only to subsection (c), the Housing Authority of New Orleans shall make available, upon the request of any household who, as of August 28, 2005, was a tenant of public housing operated or administered by such public housing agency, occupancy for such household in a dwelling unit provided pursuant to subsection (a). As a condition of exercising a right under this paragraph to occupancy in such a dwelling unit, not later than August 1, 2007, a tenant shall provide notice to such Housing Authority of intent to exercise such right and shall identify a date that the tenant intends to occupy such a dwelling unit, which shall not be later than October 1, 2007.

(2) PREFERENCES.—In making dwelling units available to households pursuant to paragraph (1), such Housing Authority shall provide preference to each such household for occupancy in a dwelling unit in the following locations, in the following order:

(A) A dwelling unit in the same public housing project occupied by the household as of August 28, 2005, if available.

(B) A dwelling unit in the same census tract in which was located the public housing dwelling unit occupied by the household as of August 28, 2005, if available.

(C) A dwelling unit in a census tract adjacent to the census tract in which was located the public housing dwelling unit occupied by the household as of August 28, 2005, if available.

(D) A dwelling unit in the neighborhood in which was located the public housing dwelling unit occupied by the household as of August 28, 2005, if available.

(c) PROHIBITION OF EXCLUSION.—The Housing Authority of New Orleans, and any other manager of replacement dwelling units set forth in this section shall not, including through the application of any waiting list or eligibility, screening, occupancy, or other policy or practice, prevent any household referred to in subsection (b)(1) from occupying a replacement dwelling unit provided pursuant to subsection (a), except to the extent that any other provision of Federal law prohibits occupancy or tenancy of such household in the type of housing of the replacement dwelling unit provided for such household.

(d) REPLACEMENT DWELLING UNITS.—A dwelling unit described in this subsection is—

(1) a dwelling unit in public housing operated or administered by the Housing Authority of New Orleans; or

(2) a dwelling unit in other comparable housing for which the amount required to be contributed by the tenant for rent is comparable to the amount required to be contributed by the tenant for rental of a comparable public housing dwelling unit.

(e) RELOCATION ASSISTANCE.—The Housing Authority of New Orleans shall provide, to each household provided occupancy in a dwelling unit pursuant to subsection (b), assistance under the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (42 U.S.C. 4601 et seq.) for relocation to such dwelling unit.

SEC. 203. ONE-FOR-ONE REPLACEMENT OF ALL PUBLIC HOUSING DWELLING UNITS.

(a) CONDITIONS ON DEMOLITION.—After the date of the enactment of this Act, the Housing Authority of New Orleans may not demolish or dispose of any dwelling unit of public housing operated or administered by such agency (including any uninhabitable unit and any unit previously approved for demolition) except pursuant to a plan for replacement of such units in accordance with, and approved by the Secretary of Housing and Urban Development pursuant to, subsection (b).

(b) PLAN REQUIREMENTS.—The Secretary may not approve a plan that provides for demolition or disposition of any dwelling unit of public housing referred to in subsection (a) unless—

(1) such plan is developed with the active participation of the resident councils of, and residents of public housing operated or administered by, such Housing Authority and with the City of New Orleans, at every phase of the planning and approval process, through a process that provides opportunity for comment on specific proposals for redevelopment, demolition, or disposition;

(2) not later than 60 days before the date of the approval of such plan, such Housing Authority has convened and conducted a public hearing regarding the demolition or disposition proposed in the plan;

(3) such plan provides that for each such dwelling unit demolished or disposed of, such public housing agency will provide an additional dwelling unit through—

(A) the acquisition or development of additional public housing dwelling units; or

(B) the acquisition, development, or contracting (including through project-based assistance) of additional dwelling units that are subject to requirements regarding eligibility for occupancy, tenant contribution toward rent, and long-term affordability restrictions which are comparable to public housing units;

(4) such plan provides for the implementation of a right for households to occupancy housing in accordance with section 202;

(5) such plan provides priority in making units available under paragraph (3) to residents identified in section 201;

(6) such plan provides that the proposed demolition or disposition and relocation will be carried out in a manner that affirmatively furthers fair housing, as described in subsection (e) of section 808 of the Civil Rights Act of 1968; and

(7) to the extent that such plan provides for the provision of replacement or additional dwelling units, or redevelopment, in phases over time, such plan provides that the ratio of dwelling units described in subparagraphs (A) and (B) of paragraph (3) that are provided in any such single phase to the total number of dwelling units provided in such phase is not less than the ratio of the aggregate number of such dwelling units provided under the plan to the total number of dwelling units provided under the plan.

(c) INAPPLICABLE PROVISIONS.—Subparagraphs (B) and (D) of section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) shall not apply with

respect to vouchers used to comply with the requirements of subsection (b)(3) of this section.

(d) MONITORING.—The Secretary of Housing and Urban Development shall provide for the appropriate field offices of the Department to monitor and supervise enforcement of this section and plans approved under this section and to consult, regarding such monitoring and enforcement, with resident councils of, and residents of public housing operated or administered by, the Housing Authority of New Orleans and with the City of New Orleans.

SEC. 204. PROTECTION FOR PUBLIC HOUSING RESIDENTS IN HURRICANE AREAS.

(a) CONDITIONS ON TRANSFER.—During the two year period beginning on the date of the enactment of this Act, a public housing agency may not transfer ownership of any public housing dwelling units described in subsection (h) unless the transferee enters into such binding commitments as the Secretary of Housing and Urban Development considers necessary to maintain, for the longest feasible period, the requirements regarding eligibility for occupancy in such dwelling units and tenant contribution toward rent for such dwelling units that are applicable to such units as public housing dwelling units.

(b) CONDITIONS ON DEMOLITION.—After the date of the enactment of this Act, a public housing agency may not dispose or demolish any dwelling units described in subsection (h), except pursuant to a plan for replacement of such units in accordance with, and approved by the Secretary of Housing and Urban Development pursuant to, subsection (c).

(c) PLAN REQUIREMENT.—The Secretary of Housing and Urban Development may not approve a plan that provides for demolition or disposition of any dwelling unit of public housing described in subsection (h) unless such plan complies with the requirements under paragraphs (1), (2), (3), (6), and (7) of section 203(b), except that such paragraphs shall be applied for purposes this subsection by substituting "the public housing agency" and "applicable unit of general local government" for "such Housing Authority" and "City of New Orleans", respectively.

(d) RELOCATION ASSISTANCE.—A public housing agency shall provide, to each household relocated pursuant to a plan under this section for demolition or disposition, assistance under the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 for relocation to their new residence.

(e) RIGHT OF RETURN.—A public housing agency administering or operating public housing dwelling units described in subsection (h) has the obligation—

(1) to use its best efforts to locate tenants displaced from such public housing as a result of Hurricane Katrina or Rita; and

(2) to provide such residents occupancy in public housing dwelling units of such agency that become available for occupancy, and to ensure such residents a means to exercise such right of return.

(f) INAPPLICABILITY OF CERTAIN PROJECT-BASED VOUCHER LIMITATIONS.—Subparagraphs (B) and (D) of section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) shall not apply with respect to any project-based vouchers used to comply with the requirements of a plan under subsection (c).

(g) PROHIBITION ON DISPLACEMENT FROM HABITABLE UNITS.—A public housing agency may not displace a tenant from any public housing dwelling unit described in subsection (h) that is administered or operated by such agency and is habitable (including during any period of rehabilitation), unless the agency provides a suitable and comparable dwelling unit for such tenant in the same local community as such public housing dwelling unit.

(h) COVERED PUBLIC HOUSING DWELLING UNITS.—The public housing dwelling units described in this subsection are any such dwelling units located in any area for which major disaster or emergency was declared by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of Hurricane Katrina or Rita of 2005, except that such dwelling units shall not include any public housing dwelling units operated or administered by the Housing Authority of New Orleans.

SEC. 205. REPORTS ON PROPOSED CONVERSIONS OF PUBLIC HOUSING UNITS.

Not later than the expiration of the 15-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a detailed report identifying all public housing projects located in areas impacted by Hurricane Katrina or Rita of 2005, for which plans exist to transfer ownership to other entities or agencies. Such report shall include the following information for each such project:

(1) The name and location.

(2) The number of dwelling units.

(3) The proposed new owner.
(4) The existing income eligibility and rent provisions.
(5) Duration of existing affordability restrictions.
(6) The proposed date of transfer.
(7) Any other relevant information regarding the project.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS FOR REPAIR AND REHABILITATION.

There are authorized to be appropriated such sums as may be necessary to carry out activities eligible for funding under the Capital Fund under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) for the repair, rehabilitation, and development of public housing of the Housing Authority of New Orleans, and for community and supportive services for the residents of public housing operated or administered by the Housing Authority of New Orleans.

SEC. 207. COMPLIANCE OF EXISTING REQUESTS FOR PROPOSALS.

Each request for qualification or proposal issued before the date of the enactment of this Act with respect to any public housing operated or administered by the Housing Authority of New Orleans shall, notwithstanding any existing terms of such requests, be subject to and comply with all provisions of this title and, to the extent necessary to so comply, such Housing Authority shall reissue such requests.

SEC. 208. REPORTS ON COMPLIANCE.

Not later than the expiration of the 30-day period beginning on the date of the enactment of this Act and not later than the expiration of each calendar quarter thereafter, the Secretary of Housing and Urban Development shall submit a detailed report regarding compliance with the requirements of this title, including the resident participation requirement under section 203(b)(1), to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, the resident councils of, and residents of public housing operated or administered by, the Housing Authority of New Orleans, and the City of New Orleans.

SEC. 209. REQUIREMENTS REGARDING PUBLIC HOUSING CONSTRUCTION WORKERS.

Any entity that receives any Federal funds made available pursuant to this title for construction, development, rehabilitation, or repair of public housing shall verify that all workers employed by such entity and engaged in such activities—

(1) have an immigration status that allows them to legally be so employed; and

(2) have a valid form of identification or documentation indicating such immigration status.

TITLE III—DISASTER VOUCHER PROGRAM AND PROJECT-BASED RENTAL ASSISTANCE

SEC. 301. EXTENSION OF DVP PROGRAM.

Notwithstanding any other provision of law, the Disaster Voucher Program of the Department of Housing and Urban Development, established pursuant to Public Law 109–148 (119 Stat. 2779) and the authority of the Secretary of Housing and Urban Development to waive requirements under section 8 of the United States Housing Act of 1937 in administering assistance under such program, shall be extended until January 1, 2008.

SEC. 302. CLARIFICATION OF VOUCHER ALLOCATION FORMULA FOR FISCAL YEAR 2007.

In carrying out section 21033 of the Continuing Appropriations Resolution, 2007, to provide renewal funding for tenant-based rental housing assistance under section 8 of the United States Housing Act of 1937 for each public housing agency, the Secretary of Housing and Urban Development shall make, for any public housing agency impacted by Hurricane Katrina, Rita, or Wilma, such adjustments as are appropriate to provide adequate funding to adjust for reduced voucher leasing rates and increased housing costs arising from such hurricanes.

SEC. 303. PRESERVATION OF PROJECT-BASED HOUSING ASSISTANCE PAYMENTS CONTRACTS FOR DWELLING UNITS DAMAGED OR DESTROYED.

(a) TOLLING OF CONTRACT TERM.—Notwithstanding any other provision of law, a project-based housing assistance payments contract for a covered assisted multifamily housing project shall not expire or be terminated because of the damage or destruction of dwelling units in the project by Hurricane Katrina or Rita. The expiration date of the contract shall be deemed to be the later of the date specified in

the contract or a date that is not less than three months after the dwelling units in the project or in a replacement project are first made habitable.

(b) OWNER PROPOSALS FOR REUSE OR RE-SITING.—The Secretary of Housing and Urban Development shall promptly review and shall approve all feasible proposals made by owners of covered assisted multifamily housing projects submitted to the Secretary, not later than October 1, 2007, that provide for the rehabilitation of the project and the resumption of use of the assistance under the contract for the project, or, alternatively, for the transfer, pursuant to subsection (c), of the contract or, in the case of a project with an interest reduction payments contract, of the remaining budget authority under the contact, to another multifamily housing project.

(c) TRANSFER OF CONTRACT.—In the case of any covered assisted multifamily housing project, the Secretary of Housing and Urban Development shall—

(1) in the case of a project with a project-based rental assistance payments contract described in subparagraph (A), (B), or (C) of subsection (d)(2), transfer the contract to another appropriate and habitable existing project or a project to be constructed (having the same or a different owner); and

(2) in the case of a project with an interest reduction payments contract pursuant to section 236 of the National Housing Act, use the remaining budget authority under the contract for interest reduction payments to reduce financing costs with respect to dwelling units in other habitable projects not currently so assisted, and such dwelling units shall be subject to the low-income affordability restrictions applicable to projects for which such payments are made under section 236 of the National Housing Act.

A project to which a project-based rental assistance payments contract is transferred may have a different number of units or bedroom configuration than the damaged or destroyed project if approximately the same number of individuals are expected to occupy the subsidized units in the replacement project as occupied the damaged or destroyed project.

(d) DEFINITIONS.—For purposes of this section:

(1) COVERED ASSISTED MULTIFAMILY HOUSING PROJECT.—The term "assisted multifamily housing project" means a multifamily housing project that—

(A) as of the date of the enactment of this Act, is subject to a project-based rental assistance payments contract (including pursuant to subsection (a) of this section); and

(B) that was damaged or destroyed by Hurricane Katrina or Hurricane Rita of 2005.

(2) PROJECT-BASED RENTAL ASSISTANCE PAYMENTS CONTRACT.—The term "project-based rental assistance payments contract" includes—

(A) a contract entered into pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(B) a contract for project rental assistance pursuant to section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(2));

(C) a contract for project rental assistance pursuant to section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2)); and

(D) an interest reduction payments contract pursuant to section 236 of the National Housing Act (12 U.S.C. 1715z–1).

SEC. 304. TENANT REPLACEMENT VOUCHERS FOR ALL LOST UNITS.

There is authorized to be appropriated for fiscal year 2008 such sums as may be necessary to provide tenant replacement vouchers under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for the number of households that is equal to—

(1) the number of assisted dwelling units (whether occupied or unoccupied) located in covered assisted multifamily housing projects (as such term is defined in section 303(d) of this Act) that are not approved for reuse or re-siting by the Secretary; plus

(2) the number of public housing dwelling units that, as of August 28, 2005, were located in areas affected by Hurricane Katrina and were considered for purposes of allocating operating and capital assistance under section 9 of the United States Housing Act of 1937 (whether occupied or unoccupied), that will not be put back into use for occupancy; plus

(3) the number of public housing dwelling units that, as of September 24, 2005, were located in areas affected by Hurricane Rita and were considered for purposes of allocating operating and capital assistance under section 9 of the United States Housing Act of 1937 (whether occupied or unoccupied), that will not be put back into use for occupancy; minus

(4) the number of previously awarded enhanced vouchers for assisted dwelling units and tenant protection vouchers for public housing units covered under this section.

Any amounts made available pursuant to this section shall, upon the request of a public housing agency for such voucher assistance, be allocated to the public housing agency based the number of dwelling units described in paragraph (1) or (2) that are located in the jurisdiction of the public housing agency.

SEC. 305. VOUCHER ASSISTANCE FOR SUPPORTIVE HOUSING.

There are authorized to be appropriated such sums as may be necessary to provide 4,500 vouchers for project-based rental assistance under section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) for use for supportive housing dwelling units for elderly families, persons with disabilities, or homeless persons. The Secretary of Housing and Urban Development shall make available to the State of Louisiana or its designee or designees, upon request, 3,000 of such vouchers. Subparagraphs (B) and (D) of section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) shall not apply with respect to vouchers made available under this section.

SEC. 306. TRANSFER OF DVP VOUCHERS TO VOUCHER PROGRAM.

(a) TRANSFER TO SECTION 8 VOUCHER PROGRAM.—There are authorized to be appropriated, for tenant-based assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), such sums as may be necessary to provide vouchers for such assistance for each household that, as of the termination date of the Disaster Voucher Program referred to in section 301 of this Act, is assisted under such program, for the period that such household is eligible for such voucher assistance. Such voucher assistance shall be administered by the public housing agency having jurisdiction of the area in which such assisted family resides as of such termination date.

(b) TEMPORARY VOUCHERS.—If at any time a household for whom a voucher for rental housing assistance is provided pursuant to this section becomes ineligible for further such rental assistance—

(1) the public housing agency administering such voucher pursuant to this section may not provide rental assistance under such voucher for any other household;

(2) the Secretary of Housing and Urban Development shall recapture from such agency any remaining amounts for assistance attributable to such voucher and may not reobligate such amounts to any public housing agency; and

(3) such voucher shall not be taken into consideration for purposes of determining any future allocation of amounts for such tenant-based rental assistance for any public housing agency.

SEC. 307. IDENTIFICATION AND NOTIFICATION OF DVP-ELIGIBLE HOUSEHOLDS NOT ASSISTED.

The Secretary of Housing and Urban Development shall make a good faith effort to identify all households who, as of the date of the enactment of this Act, are eligible for assistance under the Disaster Voucher Program referred to in section 301 but are not assisted under such program. Upon identification of each such household, the Secretary shall—

(1) notify such household of the rights of the household to return a public housing or other assisted dwelling unit; and

(2) to the extent that the family is eligible at such time of identification, offer the household assistance under the Disaster Voucher program.

TITLE IV—DAMAGES ARISING FROM FEMA ACTIONS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS TO REIMBURSE LANDLORDS FOR DAMAGES DUE TO FEMA MANAGEMENT OF CITY LEASE PROGRAM.

There are authorized to be appropriated, from amounts made available before the date of the enactment of this Act under any provision of law to the Federal Emergency Management Agency for disaster relief under the Robert T. Stafford Disaster Relief Emergency Assistance Act, such sums as may be necessary for the Secretary of Housing and Urban Development to provide reimbursement to each landlord who participated in the city lease program of the Federal Emergency Management Agency pursuant to section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b) in the amount of actual, documented damages in-

curred by such landlord as a result of abrogation by such Agency of commitments entered into under such program.

TITLE V—FHA SINGLE FAMILY HOUSING

SEC. 501. TREATMENT OF NON-CONVEYABLE PROPERTIES.

Notwithstanding any other provision of law, in the case of any property consisting of 1- to 4-family residence that is subject to a mortgage insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.) and was damaged or destroyed as a result of Hurricane Katrina or Rita of 2005, if there was no failure on the part of the mortgagee or servicer to provide hazard insurance for the property or to provide flood insurance coverage for the property to the extent such coverage is required under Federal law, the Secretary of Housing and Urban Development—

(1) may not deny conveyance of title to the property to the Secretary and payment of the benefits of such insurance on the basis of the condition of the property or any failure to repair the property;

(2) may not reduce the amount of such insurance benefits to take into consideration any costs of repairing the property; and

(3) with respect to a property that is destroyed, condemned, demolished, or otherwise not available for conveyance of title, may pay the full benefits of such insurance to the mortgagee notwithstanding that such title is not conveyed.

TITLE VI—FAIR HOUSING ENFORCEMENT

SEC. 601. FAIR HOUSING INITIATIVES PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a), in each of fiscal years 2008 and 2009, such sums as may be necessary, but not less than $5,000,000, for areas affected by Hurricanes Katrina and Rita, of which, in each such fiscal year—

(1) 60 percent shall be available only for private enforcement initiatives for qualified private enforcement fair housing organizations authorized under subsection (b) of such section, and, of the amount made available in accordance with this paragraph, the Secretary shall set aside an amount for multi-year grants to qualified fair housing enforcement organizations;

(2) 20 percent shall be available only for activities authorized under paragraphs (1) and (2) of subsection (c) of such section; and

(3) 20 percent shall be available only for education and outreach programs authorized under subsection (d) of such section.

(b) LOW FUNDING.—If the total amount appropriated to carry out the Fair Housing Initiatives Program for either fiscal year 2008 or 2009 is less than $50,000,000, not less than 5 percent of such total amount appropriated for such fiscal year shall be available for the areas described in subsection (a) for the activities described in paragraphs (1), (2), and (3) of such subsection.

(c) AVAILABILITY.—Any amounts appropriated under this section shall remain available until expended.

TITLE VII—IMPROVED DISTRIBUTION OF FEDERAL HURRICANE HOUSING FUNDS FOR HURRICANE RELIEF

SEC. 701. GAO STUDY OF IMPROVED DISTRIBUTION OF FEDERAL HOUSING FUNDS FOR HURRICANE RELIEF.

(a) STUDY.—The Comptroller General of the United States shall conduct a study to examine methods of improving the distribution of Federal housing funds to assist States covered by this Act with recovery from hurricanes, which shall include identifying and analyzing—

(1) the Federal and State agencies used in the past to disburse such funds and the strengths and weakness of existing programs;

(2) the means by and extent to which critical information relating to hurricane recovery, such as property valuations, is shared among various State and Federal agencies;

(3) program requirements that create impediments to the distribution of such funds that can be eliminated or streamlined;

(4) housing laws and regulations that have caused programs to be developed in a manner that complies with statutory requirements but fails to meet the housing objectives or needs of the States or the Federal Government;

(5) laws relating to privacy and impediments raised by housing laws to the sharing, between the Federal Government and State governments, and private industry, of critical information relating to hurricane recovery;

(6) methods of streamlining applications for and underwriting of Federal housing grant or loan programs; and

(7) how to establish more equitable Federal housing laws regarding duplication of benefits.

(b) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report describing the results of the study and any recommendations regarding the issues analyzed under the study.

TITLE VIII—COMMENDING AMERICANS FOR THEIR REBUILDING EFFORTS

SEC. 801. COMMENDING AMERICANS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) over 500,000 individuals in the United States have volunteered their time in helping rebuild the Gulf Coast region in the aftermath of Hurricane's Katrina and Rita;

(2) over $3,500,000,000 in cash and in-kind donations have been made for hurricane victims;

(3) 40,000,000 pounds of food have been distributed by Catholic Charities' Food Bank through hurricane relief efforts;

(4) almost 7,000,000 hot meals have been served by Salvation Army volunteers in hurricane relief efforts;

(5) over 10,000,000 college students have devoted their spring and fall breaks to hurricane relief efforts;

(6) almost 20,000 families displaced as a result of the hurricanes have been supported by Traveler's Aid volunteers;

(7) faith-based organizations, such as Jewish Family Services, Lutheran Disaster Response, the United Methodist Committee on Relief, Presbyterian Disaster Assistance, the National Baptist Convention of America, Inc., the Progressive National Baptist Convention, the Southern Baptist Convention, and the African Methodist Episcopal Church have contributed tens of thousands of manhours for hurricane relief; and

(8) community-based organizations, such as the Boys and Girls Club of America, Junior League, Boy and Girl Scouts of America, and the YMCA, have had thousands of members volunteer with the cleanup in the Gulf States.

(b) COMMENDATION.—The Congress hereby commends the actions and efforts by the remarkable individuals and organizations who contributed to the hurricane relief effort and recognizes that the rebuilding of the Gulf Coast region rests on the selfless dedication of private individuals and community spirit.

PURPOSE AND SUMMARY

H.R. 1227 includes a number of provisions designed to speed up the repair and rebuilding of homes and affordable rental housing in areas affected by Hurricanes Katrina, Rita, and Wilma, to ensure continued rental assistance for both families that have moved back to their home areas and for families displaced by such hurricanes, and to provide reimbursements to communities and landlords that were generous in providing assistance to hurricane evacuees in the aftermath of the storms.

BACKGROUND AND NEED FOR LEGISLATION

Hurricanes Katrina and Rita hit landfall in 2005. In the immediate aftermath of the storms, Congress provided substantial sums through the Federal Emergency Management Administration (FEMA), to address emergency needs arising from the devastation

that the storms created, and to provide a housing safety net for families who lost their homes or were otherwise displaced. Later in 2005 and in the summer of 2006, Congress approved two emergency spending bills providing more than $16 billion in CDBG funds for affected states, to provide assistance for home repairs and reconstruction and for repair and rebuilding of a depleted stock of affordable rental housing. Congress also appropriated $390 million for the Disaster Voucher Program, which provides voucher assistance to formerly HUD-assisted families that have been displaced by these Hurricanes.

However, some 18 months after these storms, the pace of recovery of housing repair and reconstruction is not as robust in many areas as many had hoped. The pace of home repair, particularly in areas within Louisiana, has been slow. The repair or rebuilding of many damaged federally subsidized public and assisted housing units, affordable to lower income families, has still not taken place. And, tens of thousands of federally assisted evacuees from these hurricanes face impending deadlines later this year for continued eligibility for rental assistance.

The Financial Services Committee has held a number of hearings over the past year and a half, including two in September 2005, two in December 2005, two in January 2006, one in February 2006, and three in February 2007 to explore the pace of the housing recovery effort in the Gulf Coast. The hearings included representatives of Federal agencies, State and local government officials, housing developers, nonprofit organizations, and representatives of low income housing. Witnesses testified as to the current state of the housing recovery in various communities in the Gulf Coast and offered legislative suggestions for addressing housing problems in those areas. The bill ultimately reported out of the Financial Services Committees relies extensively on the hearing record and these suggestions.

Flexibility

H.R. 1227 includes a number of provisions designed to improve flexibility with respect to previously appropriated funds for hurricane recovery efforts on the Gulf Coast. The bill would free up for use $1.175 billion in funds previously made available for use to the State of Louisiana under the Hazard Mitigation Grant Program, but which has been held up by FEMA. Louisiana has proposed combining these funds with CDBG funds under its Road Home program for grants to homeowners, but FEMA will not approve use of the funds because of Road Home provisions that provide incentives for homeowners to commit to returning to the state to live. Under the program, homeowners would receive a 40 percent reduction in any Road Home grant money if they leave the state. However, this provision excepts homeowners over the age of 65. The bill would transfer such funds to CDBG, to expedite the availability of such funds.

The bill eliminates an unduly restrictive "duplication of benefits" provision that has resulted in homeowners in Louisiana receiving less than the funds they need to rebuild under the Road Home Program, while instating a prohibition against any person receiving a "windfall gain" from assistance under that program.

The bill eliminates a provision from a previous CDBG appropriations bill that prohibits CDBG funds from being used as a match for other Federal programs, a change that could help cash strapped communities without a tax base that are unable to meet these other match requirements.

The bill provides that $15 million in CDBG funds made available to the State of Louisiana shall be transferred to the New Orleans Redevelopment Agency, for a pilot program to leverage private capital to assemble, redevelop and resell parcels of land in New Orleans.

Finally, the bill expedites the handling of loss claims for lenders in the case of FHA insured 1- to 4-unit properties where there are problems with the conveyance of title.

Preservation of Affordable Housing

H.R. 1227 includes a number of provisions designed to preserve the supply of rental housing that is affordable for low income families. The bill requires HUD to give timely approval of all feasible requests to restore project-based rental assistance or transfer such assistance to another site, in the case of damaged or destroyed federally assisted housing developments. The bill authorizes 4,500 new housing vouchers for the purpose of project based assistance for supportive housing units for seniors, disabled persons, and the homeless. The bill requires HUD to provide replacement vouchers for every public housing and assisted housing unit that is not brought back on line.

Similarly, with respect to public housing, the bill provides resident protections and preserves the availability of public housing units in hurricane affected areas by preventing the transfer of such units without preserving long term affordability requirements. It also conditions demolition of public housing units on providing alternative housing units for residents of the units being demolished and on replacing such units either with other public housing or with comparable units providing comparable affordability for low income residents.

Specifically, with respect to the Housing Authority of New Orleans, the bill also requires the Authority to survey pre-Katrina residents to identify which residents want to return and when, and to provide public housing or comparable units to those residents that want to return, but in any case no less than 3,000 units by August 1st. Funding is also authorized for repair, rehabilitation, and development of HANO public housing units.

The bill also authorizes $5 million in each of the next two years for Fair Housing activities, to ensure that housing activities in areas affected by Hurricanes Katrina and Rita are carried out in a manner that furthers fair housing.

Rental Housing Assistance

Faced with a looming September deadline for the cutoff of some 12,000 families currently receiving Disaster Voucher Program (DVP) assistance, H.R. 1227 extends this deadline through at least the end of the year, and authorizes replacement vouchers to affected families when the program terminates, which will continue as long as the family is eligible for voucher assistance. These vouchers are attached to each individual and family and will "dis-

appear" when the individual or family is no longer eligible for the assistance. The bill also provides a clarification that HUD should make adjustments in the voucher formula funding allocation changes made in the Continuing Resolution, so that Gulf Coast housing agencies will not be adversely impacted by the Hurricanes. The Continuing Resolution provided such authority for HUD to make such adjustments, and this bill requires the adjustments be made. Finally, the bill requires HUD to make a good faith effort to identify families that are eligible for Disaster Voucher Assistance but are not receiving such assistance, and make such assistance available.

Oversight

H.R. 1227 includes a number of provisions to ensure that Federal funds are used efficiently, effectively, and legally. The bill requires the State of Louisiana to submit monthly reports on the progress of the Road Home program in making funds available to homeowners. The bill requires the General Accountability Office (GAO) to complete quarterly reports identifying any waste, fraud, and abuse in connection with the program. And, the bill requires a GAO study to examine methods of improving the distribution of Federal housing funds to assist states with hurricane recovery efforts.

Finally, the bill requires that any funds used under Title II with respect to public housing construction or repair must have verification that all workers have an immigration status that allows them to be legally employed.

Reimbursement for Communities and Landlords that Assisted Evacuees

A number of communities and private sector landlords throughout the country played a critical role in providing housing assistance to evacuees in the aftermath of Hurricanes Katrina and Rita. This assistance was critical at a time when housing was in short supply and hundreds of thousands of families were displaced. It is important to encourage such actions in future disasters.

Therefore, H.R. 1227 authorizes funding for reimbursement of localities that used their own CDBG funds to provide rental housing assistance to such evacuees. The bill also authorizes reimbursement to landlords who participated in the FEMA Section 403 program under which local communities co-signed private lease agreements—but who suffered financial losses arising from FEMA subsequently breaking their agreement to provide reimbursements under this program.

HEARINGS

The Committee on Financial Services held a hearing entitled "Federal Housing Response to Hurricane Katrina" on February 6, 2007. The following witnesses testified:

Panel One

The Honorable Gene Taylor
The Honorable William J. Jefferson
The Honorable Charles W. Boustany, Jr.
The Honorable Charlie Melancon

Panel Two

The Honorable Roy A. Bernardi, Deputy Secretary, U.S. Department of Housing and Urban Development

Mr. David Garratt, Acting Director of Recovery, Federal Emergency Management Agency

Mr. Walter Leger, Chairman, Housing and Redevelopment Task Force, Louisiana Recovery Authority

Mr. Gray Swoope, Executive Director, Mississippi Development Authority

Panel Three

Ms. Sheila Crowley, President, National Low Income Housing Coalition

Mr. Kirk H. Tate, Chief Executive Office, Orion Real Estate Services, on behalf of National Multi Housing Council

Mr. Ghebre Selassie Mehreteab, Co-Chairman & CEO, NHP Foundation

Mr. James H. Perry, Executive Director, Greater New Orleans Fair Housing Action Center

Mr. Edgar Bright, III, President, Standard Mortgage Corporation (New Orleans) on behalf of Mortgage Bankers Association

Dr. James A. Richardson, John Rhea Professor of Economics, E.J. Ourso College of Business, Louisiana State University

Panel Four

Ms. Doris Koo, President & CEO, Enterprise Community Partners

Mr. Derrick Johnson, President, Mississippi State Conference NAACP

Mr. James R. Kelly, Chief Executive Officer, Catholic Charities Archdiocese of New Orleans

Ms. Margery Austin Turner, Director, Metropolitan Housing and Communities, The Urban Institute

Ms. Judith A. Browne-Dianis, Co-Director, Advancement Project

Ms. Martha J. Kegel, Executive Director, UNITY of Greater New Orleans

Ms. Julie Andrews, Spokesperson for Residents United and a Public Housing Resident

The Subcommittee on Housing and Community held a field hearing entitled "Solving the Affordable Housing Crisis in the Gulf Coast Region Post Katrina: Why no progress and what are the obstacles to success?" in New Orleans, Louisiana, on February 22, 2007. The following witnesses testified:

Panel One

The Honorable Kathleen Babineaux Blanco, Governor, State of Louisiana

The Honorable William J. Jefferson, Member of Congress

Panel Two

The Honorable C. Ray Nagin, Mayor, City of New Orleans

The Honorable Oliver Thomas, President, New Orleans City Council

Panel Three

Ms. Dominique Blom, Deputy Assistant Secretary, Office of Public Housing Investments, U.S. Department of Housing and Urban Development
Mr. Gil Jamieson, Deputy Director for Gulf Coast Recovery, Federal Emergency Management Agency
Mr. Walter J. Leger, Jr., Chairman, Housing and Redevelopment Task Force, Louisiana Recovery Authority
Dr. Edward Blakely, Director of Recovery, City of New Orleans
Mr. C. Donald Babers, Board Chairman, Housing Authority of New Orleans

Panel Four

Mr. James H. Perry, Greater New Orleans Fair Housing Action Center, E.D.
Mr. James R. Kelly, Chief Executive Officer, Catholic Charities
Mr. Steve Bradberry, Association of Community Organizations for Reform Now
Dr. Sherece West, Executive Director, Louisiana Disaster Recovery Foundation
Ms. Gloria Williams, Tenant
Ms. Donna Johnigan, Tenant
Mr. Ben Dupuy, The Cypress Group
Ms. Emelda Paul, Tenant

Panel Five

Ms. Isabel Reiff, Senior Vice President, ICF International, Inc.
Mr. Mark Rodi, President-elect of the Louisiana Realtors Association
Ms. Tracie L. Washington, Director, NAACP Gulf Coast Advocacy Center
Mr. Paul R. Taylor, President, SRP Development

The Subcommittee on Housing and Community Opportunity held a second field hearing on February 23, 2007, in Gulfport, Mississippi. The following witnesses testified:

Panel One

The Honorable Gene Taylor, Member of Congress
Mr. Jeffrey Bonds, Representative of the Mayor of Gulfport, Mississippi

Panel Two

Mr. Gil Jamieson, Deputy Director for Gulf Coast Recovery, Federal Emergency Management Agency
Ms. Donna Sanford, Director Disaster Recovery Division, Mississippi Development Authority
Mr. Delmar Robinson, Biloxi Housing Authority
Mr. Chuck Benvenutti, Chairman of the Governors Commission, Hancock County, MS

Panel Three

Mr. Derrick Evans, Executive Director, Turkey Creek Initiative

Mr. Jason Mackenzie, North Gulfport Community Land Trust

Ms. Lillie Bender, Unity Homes Project

Mr. H. Rodger Wilder, President, Gulf Coast Community Foundation

Mr. Jon Jopling, Mississippi Center for Justice

Mr. William J. Bynum, Chief Executive Officer, Enterprise Corporation of the Delta

Ms. Diane Collier, Tenant

Mr. Brian Sanderson, Gulf Coast Business Council

Mr. Walter O. Hendrix, President & CEO, DASH Neighborhood Revitalization, Inc.

Mr. Rodger Clark, Paralyzed Veterans of America

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on March 6 and 7, 2007, and ordered reported H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act, as amended, favorably reported to the House by a record vote of 50 yeas and 16 nays.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. A motion by Mr. Frank to report the bill, as amended, to the House with a favorable recommendation was agreed to by a record vote of 50 yeas and 16 nays (Record vote no. FC–13). The names of Members voting for and against follow:

RECORD VOTE NO. FC–13

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank	X		Mr. Bachus	X	
Mr. Kanjorski	X		Mr. Baker	X	
Ms. Waters	X		Ms. Pryce (OH)	X	
Mrs. Maloney	X		Mr. Castle	X	
Mr. Gutierrez	X		Mr. King (NY)	X	
Ms. Velázquez	X		Mr. Royce		X
Mr. Watt	X		Mr. Lucas		X
Mr. Ackerman	X		Mr. Paul		X
Ms. Carson	X		Mr. Gillmor		
Mr. Sherman	X		Mr. LaTourette	X	
Mr. Meeks	X		Mr. Manzullo		X
Mr. Moore (KS)	X		Mr. Jones	X	
Mr. Capuano			Mrs. Biggert	X	
Mr. Hinojosa	X		Mr. Shays	X	
Mr. Clay	X		Mr. Miller (CA)		X
Mrs. McCarthy	X		Mrs. Capito	X	
Mr. Baca	X		Mr. Feeney		X
Mr. Lynch	X		Mr. Hensarling		X
Mr. Miller (NC)	X		Mr. Garrett (NJ)	X	
Mr. Scott	X		Ms. Brown-Waite		X
Mr. Green	X		Mr. Barrett (SC)		X
Mr. Cleaver	X		Mr. Renzi	X	
Ms. Bean	X		Mr. Gerlach	X	
Ms. Moore (WI)	X		Mr. Pearce		X

RECORD VOTE NO. FC–13—Continued

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Davis (TN)	X		Mr. Neugebauer		X
Mr. Sires	X		Mr. Price (GA)		
Mr. Hodes	X		Mr. Davis (KY)	X	
Mr. Ellison	X		Mr. McHenry		X
Mr. Klein	X		Mr. Campbell		X
Mr. Mahoney (FL)	X		Mr. Putnam		
Mr. Wilson	X		Mrs. Blackburn		X
Mr. Perlmutter	X		Mrs. Bachmann		X
Mr. Murphy	X		Mr. Roskam		X
Mr. Donnelly	X				
Mr. Wexler	X				
Mr. Marshall	X				
Mr. Boren	X				

The following amendments were disposed of by record votes. The names of Members voting for and against follow:

An amendment by Mr. Neugebauer, No. 5, striking section 306 (relating to transfer of DVP vouchers to permanent voucher program), was not agreed to by a record vote of 28 yeas and 35 nays (Record vote No. FC–6).

RECORD VOTE NO. FC–6

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus	X	
Mr. Kanjorski		X	Mr. Baker	X	
Ms. Waters		X	Ms. Pryce (OH)		
Mrs. Maloney		X	Mr. Castle	X	
Mr. Gutierrez		X	Mr. King (NY)	X	
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul	X	
Ms. Carson		X	Mr. Gillmor	X	
Mr. Sherman		X	Mr. LaTourette	X	
Mr. Meeks			Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones		
Mr. Capuano		X	Mrs. Biggert	X	
Mr. Hinojosa		X	Mr. Shays	X	
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito	X	
Mr. Baca		X	Mr. Feeney		
Mr. Lynch			Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	
Mr. Scott		X	Ms. Brown-Waite	X	
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi	X	
Ms. Bean		X	Mr. Gerlach		
Ms. Moore (WI)		X	Mr. Pearce	X	
Mr. Davis (TN)		X	Mr. Neugebauer	X	
Mr. Sires		X	Mr. Price (GA)	X	
Mr. Hodes		X	Mr. Davis (KY)	X	
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam	X	
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam		
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall		X			
Mr. Boren		X			

An amendment by Ms. Brown-Waite, No. 8, changing the use of Road Home funds to hazard mitigation, was not agreed to by a record vote of 27 yeas and 39 nays (Record vote No. FC–7).

RECORD VOTE NO. FC–7

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus	X	
Mr. Kanjorski		X	Mr. Baker		X
Ms. Waters		X	Ms. Pryce (OH)		
Mrs. Maloney		X	Mr. Castle		X
Mr. Gutierrez		X	Mr. King (NY)	X	
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul	X	
Ms. Carson		X	Mr. Gillmor	X	
Mr. Sherman		X	Mr. LaTourette	X	
Mr. Meeks			Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones	X	
Mr. Capuano		X	Mrs. Biggert		X
Mr. Hinojosa		X	Mr. Shays	X	
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito	X	
Mr. Baca		X	Mr. Feeney		
Mr. Lynch		X	Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	
Mr. Scott		X	Ms. Brown-Waite	X	
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi	X	
Ms. Bean		X	Mr. Gerlach		
Ms. Moore (WI)		X	Mr. Pearce	X	
Mr. Davis (TN)		X	Mr. Neugebauer	X	
Mr. Sires		X	Mr. Price (GA)	X	
Mr. Hodes		X	Mr. Davis (KY)	X	
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam	X	
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam	X	
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall		X			
Mr. Boren		X			

An amendment by Mr. McHenry, No. 16, striking section 304 (relating to tenant replacement vouchers for all lost units), was not agreed to by a record vote of 30 yeas and 37 nays (Record vote No. FC–8).

RECORD VOTE NO. FC–8

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus	X	
Mr. Kanjorski		X	Mr. Baker	X	
Ms. Waters		X	Ms. Pryce (OH)	X	
Mrs. Maloney		X	Mr. Castle	X	
Mr. Gutierrez		X	Mr. King (NY)	X	
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul	X	
Ms. Carson		X	Mr. Gillmor	X	
Mr. Sherman		X	Mr. LaTourette	X	
Mr. Meeks		X	Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones	X	

RECORD VOTE NO. FC–8—Continued

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Capuano			Mrs. Biggert	X	
Mr. Hinojosa		X	Mr. Shays		X
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito	X	
Mr. Baca		X	Mr. Feeney	X	
Mr. Lynch		X	Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	
Mr. Scott		X	Ms. Brown-Waite	X	
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi	X	
Ms. Bean		X	Mr. Gerlach	X	
Ms. Moore (WI)		X	Mr. Pearce	X	
Mr. Davis (TN)		X	Mr. Neugebauer	X	
Mr. Sires		X	Mr. Price (GA)		
Mr. Hodes		X	Mr. Davis (KY)	X	
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam		
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam	X	
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall		X			
Mr. Boren		X			

An amendment by Mr. Price (GA), No. 27, requiring budget neutrality, was not agreed to by a record vote of 28 yeas and 34 nays (Record vote No. FC–9).

RECORD VOTE NO. FC–9

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus	X	
Mr. Kanjorski		X	Mr. Baker	X	
Ms. Waters		X	Ms. Pryce (OH)	X	
Mrs. Maloney		X	Mr. Castle	X	
Mr. Gutierrez		X	Mr. King (NY)	X	
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul	X	
Ms. Carson		X	Mr. Gillmor		X
Mr. Sherman		X	Mr. LaTourette	X	
Mr. Meeks			Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones	X	
Mr. Capuano			Mrs. Biggert	X	
Mr. Hinojosa		X	Mr. Shays	X	
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito	X	
Mr. Baca			Mr. Feeney	X	
Mr. Lynch		X	Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	
Mr. Scott		X	Ms. Brown-Waite	X	
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi	X	
Ms. Bean		X	Mr. Gerlach		
Ms. Moore (WI)		X	Mr. Pearce		
Mr. Davis (TN)		X	Mr. Neugebauer	X	
Mr. Sires		X	Mr. Price (GA)		
Mr. Hodes		X	Mr. Davis (KY)	X	
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam		

RECORD VOTE NO. FC–9—Continued

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam	X	
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall					
Mr. Boren		X			

An amendment by Mr. Hensarling, No. 28, striking such sums authorization for repair and rehabilitation, was not agreed to by a record vote of 30 yeas and 35 nays (Record vote No. FC–10).

RECORD VOTE NO. FC–10

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus	X	
Mr. Kanjorski		X	Mr. Baker	X	
Ms. Waters		X	Ms. Pryce (OH)	X	
Mrs. Maloney		X	Mr. Castle	X	
Mr. Gutierrez		X	Mr. King (NY)	X	
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul	X	
Ms. Carson		X	Mr. Gillmor	X	
Mr. Sherman		X	Mr. LaTourette	X	
Mr. Meeks			Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones	X	
Mr. Capuano			Mrs. Biggert	X	
Mr. Hinojosa		X	Mr. Shays	X	
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito	X	
Mr. Baca		X	Mr. Feeney	X	
Mr. Lynch		X	Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	
Mr. Scott		X	Ms. Brown-Waite	X	
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi	X	
Ms. Bean		X	Mr. Gerlach		
Ms. Moore (WI)		X	Mr. Pearce	X	
Mr. Davis (TN)		X	Mr. Neugebauer	X	
Mr. Sires		X	Mr. Price (GA)		
Mr. Hodes		X	Mr. Davis (KY)	X	
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam		
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam	X	
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall		X			
Mr. Boren		X			

An amendment by Mr. Hensarling, No. 29, inserting work requirements for recipients of vouchers, was not agreed to by a record vote of 18 yeas and 47 nays (Record vote No. FC–11).

RECORD VOTE NO. FC–11

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus		X
Mr. Kanjorski		X	Mr. Baker	X	

RECORD VOTE NO. FC–11—Continued

Representative	Aye	Nay	Representative	Aye	Nay
Ms. Waters		X	Ms. Pryce (OH)		X
Mrs. Maloney		X	Mr. Castle		X
Mr. Gutierrez		X	Mr. King (NY)		X
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul		X
Ms. Carson		X	Mr. Gillmor		
Mr. Sherman		X	Mr. LaTourette		X
Mr. Meeks		X	Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones	X	
Mr. Capuano			Mrs. Biggert		X
Mr. Hinojosa		X	Mr. Shays		X
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito		X
Mr. Baca		X	Mr. Feeney	X	
Mr. Lynch		X	Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	
Mr. Scott		X	Ms. Brown-Waite		X
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi	X	
Ms. Bean		X	Mr. Gerlach		
Ms. Moore (WI)		X	Mr. Pearce	X	
Mr. Davis (TN)		X	Mr. Neugebauer	X	
Mr. Sires		X	Mr. Price (GA)		
Mr. Hodes		X	Mr. Davis (KY)		X
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam		
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam	X	
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall		X			
Mr. Boren		X			

An amendment by Mr. Price (GA), No. 30, striking section 102 (relating to elimination of prohibition of use for match requirement) was not agreed to by a record vote of 16 yeas and 50 nays (Record vote No. FC–12).

RECORD VOTE NO. FC–12

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Frank		X	Mr. Bachus		X
Mr. Kanjorski		X	Mr. Baker		X
Ms. Waters		X	Ms. Pryce (OH)		X
Mrs. Maloney		X	Mr. Castle		X
Mr. Gutierrez		X	Mr. King (NY)		X
Ms. Velázquez		X	Mr. Royce	X	
Mr. Watt		X	Mr. Lucas	X	
Mr. Ackerman		X	Mr. Paul	X	
Ms. Carson		X	Mr. Gillmor		
Mr. Sherman		X	Mr. LaTourette		X
Mr. Meeks		X	Mr. Manzullo	X	
Mr. Moore (KS)		X	Mr. Jones		X
Mr. Capuano			Mrs. Biggert		X
Mr. Hinojosa		X	Mr. Shays		X
Mr. Clay		X	Mr. Miller (CA)	X	
Mrs. McCarthy		X	Mrs. Capito		X
Mr. Baca		X	Mr. Feeney	X	
Mr. Lynch		X	Mr. Hensarling	X	
Mr. Miller (NC)		X	Mr. Garrett (NJ)	X	

RECORD VOTE NO. FC–12—Continued

Representative	Aye	Nay	Representative	Aye	Nay
Mr. Scott		X	Ms. Brown-Waite	X	
Mr. Green		X	Mr. Barrett (SC)	X	
Mr. Cleaver		X	Mr. Renzi		X
Ms. Bean		X	Mr. Gerlach		X
Ms. Moore (WI)		X	Mr. Pearce	X	
Mr. Davis (TN)		X	Mr. Neugebauer		X
Mr. Sires		X	Mr. Price (GA)		
Mr. Hodes		X	Mr. Davis (KY)	X	
Mr. Ellison		X	Mr. McHenry	X	
Mr. Klein		X	Mr. Campbell	X	
Mr. Mahoney (FL)		X	Mr. Putnam		
Mr. Wilson		X	Mrs. Blackburn	X	
Mr. Perlmutter		X	Mrs. Bachmann	X	
Mr. Murphy		X	Mr. Roskam		X
Mr. Donnelly		X			
Mr. Wexler		X			
Mr. Marshall		X			
Mr. Boren		X			

The following other amendments were also considered by the Committee:

An amendment by Mr. Frank, No. 1, manager's technical amendments, was agreed to by voice vote.

An amendment by Mr. Baker, No. 2, regarding treatment of benefits from other programs under Road Home program, was agreed to by voice vote.

An amendment by Mr. Baker, No. 3, providing for the New Orleans redevelopment Pilot Program, was agreed to by voice vote.

An amendment by Mr. Scott (GA), No. 4, regarding treatment of non-conveyable properties, was agreed to by voice vote.

An amendment by Mr. Al Green (TX), No. 6, authorizing the Fair Housing Initiative Program, was agreed to by voice vote.

An amendment by Ms. Brown-Waite, No. 7, relating to Hurricane Dennis, was agreed to by voice vote.

An amendment by Mr. Cleaver, No. 9, providing protection for public housing residents in hurricane areas, was agreed to by voice vote.

An amendment by Mr. Gary Miller (CA), No. 10, regarding research design, was agreed to, as modified, by voice vote.

An amendment by Mr. Marshall, No. 11, requiring a GAO study to improve distribution of Federal disaster funds, was agreed to by voice vote.

An amendment by Mr. Gary Miller (CA), No. 12, regarding environmental streamlining, was agreed to by voice vote.

An amendment by Mr. Al Green (TX), No. 13, regarding project based rental assistance, was offered and withdrawn.

An amendment by Mrs. Biggert, No. 14, tenant based rental assistance, was not agreed to by voice vote.

An amendment by Mr. Al Green (TX), No. 15, authorizing vouchers for project based rental assistance, was agreed to by voice vote.

An amendment by Mrs. Biggert, No. 17, establishing replacement plan requirements, was offered and withdrawn.

An amendment by Mr. Pearce, No. 18, regarding fraud in contracting, had a point of order sustained against its consideration.

An amendment by Mr. Frank, No. 19, regarding "disappearing vouchers", was agreed to by voice vote.

An amendment by Mr. Garrett, No. 20, commending private contributions for rebuilding efforts, was agreed to by voice vote.

An amendment by Mr. Frank, No. 21, technical amendment regarding the State of Louisiana, was agreed to by voice vote.

An amendment by Mr. Garrett, No. 22, requiring ongoing GAO reports on use of amounts, was agreed to by voice vote.

An amendment by Mr. Bachus (on behalf of Mr. Feeney), No. 23, availability of amounts for such vouchers as provided in appropriations acts, was agreed to by voice vote.

An amendment by Mr. Garrett, No. 24, regarding HUD public housing units, was not agreed to by voice vote.

An amendment by Mr. Garrett, No. 25, prevention of waste, fraud and abuse, was agreed to as amended by the Frank amendment No. 25(a), striking portions of the Garrett amendment, by voice vote.

An amendment by Mr. Garrett, No. 26, requirements regarding public housing construction workers, was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held hearings and made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

H.R. 1227 includes a number of provisions designed to speed up the repair and rebuilding of homes and affordable rental housing in areas affected by Hurricanes Katrina, Rita, and Wilma, to ensure continued rental assistance for both families that have moved back to their home areas and for families displaced by such hurricanes, and to provide reimbursements to communities and landlords that were generous in providing assistance to hurricane evacuees in the aftermath of the storms.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by

the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 15, 2007.

Honorable BARNEY FRANK,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Chad Chirico, who can be reached at 226–2820.

Sincerely,

DONALD B. MARRON
(For Peter R. Orszag, *Director).*

Enclosure.

H.R. 1227—Gulf Coast Hurricane Housing Recovery Act of 2007

Summary: H.R. 1227 would authorize various forms of housing assistance for the areas of the Gulf Coast affected by hurricanes in 2005. CBO estimates that enacting the bill would increase direct spending by $224 million in 2007, by $469 million over the 2007–2012 period, and by $269 million over the 2007–2017 period. H.R. 1227 would increase direct spending in 2007 by requiring the Federal Housing Administration (FHA) to pay some additional mortgage insurance claims associated with certain properties either damaged or destroyed by Hurricanes Katrina or Rita. Through a reappropriation of funds, the bill would increase spending for the Housing and Urban Development's (HUD's) Disaster Voucher Program (DVP) by a total of $45 million in 2008 and 2009. Finally, the bill would accelerate expenditures for some funds that have been previously appropriated, increasing direct spending by $200 million over the 2008–2012 period; however, this acceleration would have no net effect on direct spending over the 2008–2017 period.

H.R. 1227 also would authorize funding for the repair, rehabilitation and development of public housing operated by the Housing Authority of New Orleans (HANO) and authorize new tenant replacement and project-based housing vouchers. CBO estimates that the bill would authorize the appropriation of about $1.3 billion over the 2008–2012 period. Assuming the appropriation of the estimated amounts, implementing H.R. 1227 would result in additional outlays of nearly $1.3 billion over the same period.

H.R. 1227 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates, however, that the mandate would not impose additional costs, and therefore the annual threshold established in UMRA ($66 million in 2007, adjusted annually for inflation) would not be exceeded. The bill contains no new private-sector mandates as defined by UMRA.

ESTIMATED BUDGETARY EFFECTS OF H.R. 1227

	By fiscal year, in millions of dollars—					
	2007	2008	2009	2010	2011	2012
CHANGES IN DIRECT SPENDING						
Eliminate Prohibition on Duplicate Benefits:[a]						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	450	550	450	−750	−500
New Orleans Recovery Authority Pilot Program:						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	9	6	6	3	−15	0
Extension of Disaster Voucher Program:						
Estimated Budget Authority	0	80	0	0	0	0
Estimated Outlays	0	41	4	0	0	0
Treatment of Non-Conveyable Properties:						
Estimated Budget Authority	224	0	0	0	0	0
Estimated Outlays	224	0	0	0	0	0
Total Changes:[a]						
Estimated Budget Authority	224	80	0	0	0	0
Estimated Outlays	224	497	560	453	−765	−500
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Repair and Rehabilitation:						
Estimated Authorization Level	0	664	0	0	0	0
Estimated Outlays	0	113	199	199	133	20
Tenant Replacement Vouchers for All Lost Units:						
Estimated Authorization Level	0	42	0	0	0	0
Estimated Outlays	0	25	17	0	0	0
Voucher Assistance for Supportive Housing:						
Estimated Authorization Level	0	37	38	39	40	41
Estimated Outlays	0	11	37	38	39	40
Transfer of DVP Vouchers to Voucher Program:						
Estimated Budget Authorization Level	0	97	92	86	82	77
Estimated Outlays	0	58	94	89	84	79
Fair Housing Initiatives Program:						
Estimated Authorization Level	0	5	5	0	0	0
Estimated Outlays	0	2	4	3	1	0
Total Changes:[a]						
Estimated Authorization Level	0	845	134	125	121	118
Estimated Outlays	0	209	351	329	256	139

[a] In addition to the effects shown through 2012, CBO estimates that enacting H.R. 1227 would reduce direct spending by $200 million in 2013. There is no estimated impact on direct spending after 2013.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1227 is shown in the above table. The costs of this legislation would fall within budget functions 370 (commerce and housing credit), 450 (community and regional development), and 600 (income security).

Basis of estimate: For this estimate, CBO assumes that H.R. 1227 will be enacted by the end of fiscal year 2007, and that the amounts necessary to implement the bill will be appropriated for each year. Components of the estimated costs are described below.

Direct Spending

CBO estimates that enacting H.R. 1227 would increase direct spending by $224 million in 2007, $469 million through 2012, and $269 million through 2017.

Elimination of Prohibition on Duplication of Benefits: In 2005 and 2006, the Congress provided about $16.7 billion to HUD's Community Development Fund to aid the states of Louisiana, Mississippi, Texas, Alabama, and Florida following the 2005 Gulf Coast hurricanes (see Public laws 109–148 and 109–234). From these amounts, HUD allocated about $10.4 billion to Louisiana for

various projects including the rebuilding of public infrastructure, business recovery loans, and homeowner and rental assistance. For such project, HUD and the Louisiana Recovery Authority (LRA) developed procedures to prevent the duplication of benefits to individuals from other sources, such as claims payments from private hazard insurers or the National Flood Insurance Program, as required by current law. H.R. 1227 would allow the state of Louisiana to forgo requirement with respect to benefits obtained from hazard insurance, flood insurance, and Federal Emergency Management Agency (FEMA) disaster payments.

For this estimate, CBO assumes that LRA would eliminate this requirement and would no longer benefits provided through its homeowner grant program by amounts received from other sources. Based on information from HUD and the state, CBO estimates that the average benefit provided through this program would thereby increase by about $20,000 and that this increase would apply retroactively to grants already made. As of March 2007, LRA has received over 115,000 applications for its homeowner grant program. Benefits have been calculated for over 48,000 of these applicants, of which almost 3,000 have already been paid. CBO expects that increasing the average benefit for homeowner grants would cause expenditures to occur faster than anticipated under current law. Because this legislation would not appropriate any new funds for this activity, such an acceleration of expenditures would result in an equivalent decline in spending in later years. As such, CBO estimates that this provision would cost $450 million in 2008, but would have no net effect over the 2008–2017 period. (We expect the acceleration of spending would increase outlays in 2008, 2009, and 2010; but that it would lower outlays—relative to current law—in 2011, 2012, and 2013.)

Both HUD and the state of Louisiana indicate that implementing this provision of H.R. 1227 could lead to a need for additional appropriations to provide benefits to all eligible homeowners. This cost estimate does not include an estimate of any such additional costs, however, because CBO has no basis for assessing the total needs for such funds relative to the amounts the Congress has already provided. Furthermore, H.R. 1227 does not authorize the appropriation of additional funds to HUD. However, it does authorize Louisiana's Road Home program to use $1.175 billion provided for FEMA's Hazard Mitigation program.

New Orleans Redevelopment Authority Pilot Program. H.R. 1227 would allocate $15 million from funds provided to HUD for the state of Louisiana to establish the New Orleans Redevelopment Authority Pilot Program. Such funds would be used to purchase individual parcels of land that, in turn, would be sold to private entities for development. CBO expects that expenditures for such a program would be slightly faster than would occur under current law. Because this legislation would not appropriate any new funds, such an acceleration of expenditures would result in an equivalent decline in expected outlays in later years. Thus, CBO estimates that this provision would cost $6 million in 2008, but would have no net effect over the 2008–2017 period.

Extension of Disaster Voucher Program. Section 301 would increase direct spending by a total of $45 million over the 2008–2009 period by extending for three months the authority to obligate

funds previously appropriated for the Disaster Voucher Program. Such an action would constitute a reappropriation of the affected funds. Based on information provided by HUD, CBO estimates that about $80 million in budget authority will remain unobligated when the current period of obligation expires on September 20, 2007. CBO expects that the obligation rate for the three additional months ending January 1, 2008, will be similar to the projected fiscal year 2007 monthly average of $15 million. Because each month's new obligations would be spent over a l2-month period, the provision would increase outlays by an estimated $41 million in 2008 and $4 million in 2009.

Treatment of Non-Conveyable Properties. Enacting section 501 would increase direct spending by $224 million in 2007 by requiring FHA to pay the full claims for and accept conveyance of properties that were either damaged or destroyed by Hurricanes Katrina or Rita, as long as there was no failure on the part of the lender to provide hazard insurance or flood insurance, to the extent such insurance is required under federal law.

Under the Mutual Mortgage Insurance program, FHA provides mortgage insurance to protect lenders against the risk of default on mortgages made for single-family housing. If a borrower defaults on the mortgage, the lender then files a claim with FHA, who then compensates the lender based on the outstanding unpaid balance of the mortgage. Upon payment of the claim, FHA takes possession of the property and then eventually sells the property to recover some of the costs of such claims. Currently, FHA will only pay the claim and accept conveyance of the property if the property is in marketable condition to be sold. Where exceptions are made by FHA, repair costs are deducted from the mortgage insurance payment.

According to FHA, about 2,630 properties (with an average unpaid balance of $73,000 per property) would be eligible for full claims payments under the bill. Currently, the mortgage payments for these properties are over five months delinquent, and no apparent corrective measures are being taken by the respective lenders. Thus, these properties are presumed to be in unmarketable condition. Furthermore, in the absence of this legislation, CBO expects those lenders would write off the outstanding debt associated with these properties in lieu of filing a claim with FHA, given that the cost of repairs to bring the properties back to marketable condition would most likely exceed the FHA claims payments.

Based on information from FHA, CBO estimates that the subsidy rate for the underlying loans on those 2,630 properties includes an estimated 10 percent default rate with a claims cost, net of recoveries, of about 14 percent of the unpaid balance on the mortgage. However, under this legislation, CBO estimates that nearly all 2,630 properties would default and FHA would be required to cover 100 percent of the loans' unpaid balances. Because these 2,630 properties would not be in marketable condition upon conveyance to FHA, most would eventually be sold for $1 to local governments, resulting in no significant net recoveries for FHA. CBO estimates that total net claims would cost $190 million.

In addition to the estimated $190 million in net claims cost, CBO estimates that FHA would pay some holding costs, including accrued interest on the properties and other transactional costs. Ac-

cording to FHA, such costs would increase the net claims payment by about 18 percent. Thus, CBO estimates that enacting this provision would cost a total of $224 million.

Because enacting this provision would change the expected cash flows associated with the FHA single-family loan guarantee program, paying additional claims and holding costs is considered to be a modification of existing federal loan guarantees. Under credit reform procedures, the costs of a loan modification are estimated on a net-present-value basis and recorded in the year in which the legislation is enacted. Assuming that the bill is enacted late in fiscal year 2007, CBO estimates direct spending of $224 million this year. (Such estimated costs would be recorded in 2008 if the bill is enacted after September 30, 2007.)

Spending Subject to Appropriation

CBO estimates that implementing H.R. 1227 would incur new discretionary costs of about $1.3 billion over the 2008–2012 period.

Authorization of Appropriations for Repair and Rehabilitation. Section 206 would authorize the appropriation of such sums as may be necessary for the repair, rehabilitation, and development of HANO's public housing units and for community and supportive services for the residents of those units. According to HUD, approximately 2,000 of HANO's 7,000 units of public housing have been repaired and are habitable. Using HUD's estimated development costs for the city of New Orleans, CBO estimates that repairing and rehabilitating the remaining 5,000 units of public housing would cost, on average, about $135,000 per unit (for a total of $676 million). According to HUD, HANO currently has $62 million available to spend on these costs. Community and supportive services provided through HUD's HOPE VI program cost about $7,200 per unit. Assuming a similar cost per unit, CBO estimates that about $51 million would be required to provide such services. Together, the provisions of section 206 would increase authorization levels by $664 million in 2008, and, assuming appropriation of that amount, would result in additional outlays of $664 million over the 2008–2012 period.

Tenant Replacement Vouchers for All Lost Units. Section 304 would authorize the appropriation of such sums as may be necessary for fiscal year 2008 to provide tenant replacement vouchers under section 8 of the United States Housing Act of 1937. Specifically, the provision would authorize tenant-based vouchers for all subsidized units that will not be put back into use for occupancy, less the number of previously awarded replacement vouchers for these units. Based on information provided by HUD, CBO estimates that approximately 5,000 vouchers would be authorized by this provision, at an average cost of about $8,800. Assuming appropriation of the necessary amounts, CBO estimates that providing such vouchers would cost $25 million in 2008 and $42 million over the 2008–2012 period.

Voucher Assistance for Supportive Housing. Section 305 would authorize the appropriation of such sums as may be necessary for 4,500 project-based housing vouchers to be used to house elderly families, persons with disabilities, or homeless persons. The state of Louisiana or its designee would receive 3,000 such vouchers. Based on cost data provided by HUD, CBO estimates that such

vouchers would cost about $8,000 each in 2008. Assuming appropriation of the necessary amounts, CBO estimates that implementing this provision would cost $11 million in 2008 and $165 million over the 2008–2012 period.

Transfer of Disaster Voucher Program Vouchers to Voucher Program. Section 306 would authorize the appropriation of such sums as necessary to provide tenant-based vouchers to households that are assisted through the Disaster Voucher Program at the program's expiration date. The authorization for such assistance would continue so long as the households are eligible for voucher assistance. Based on data provided by HUD, CBO estimates that approximately 12,300 families are currently assisted by the DVP at an average cost of $11,900 per year. Assuming that appropriations are increased accordingly, an annual voucher turnover rate of 8 percent, and that voucher recipients will begin paying about $3,700 per year in tenant contributions at the expiration of the DVP. CBO estimates that implementing this provision would cost $58 million in 2008 and $403 million over the 2008–2010 period.

Fair Housing Initiatives Program. Section 601 would authorize the appropriation of $5 million for each of fiscal years 2008 and 2009 for HUD to make grants to states, localities, and nonprofit organizations for programs to prevent discriminatory housing practices in areas affected by Hurricanes Katrina and Rita. Assuming appropriation of the authorized amounts, CBO estimates that implementing this provision would cost $10 million over the 2008–2012 period.

Other Provisions

In addition, H.R. 1227 also would: authorize the use of $1.175 billion provided to Louisiana from FEMA's Hazard Mitigation Grant Program for activities approved by HUD under the terms of Louisiana's Road Home program; authorize the use of about $5.2 billion appropriated to the Community Development Fund (see Public Law 109–234) as a matching requirement for other federal programs; authorize the use of previously appropriated funds to reimburse communities that used Community Development Block Grant funding to provide rental housing assistance for hurricane evacuees; and Authorize the use of previously appropriated funds to reimburse landlords for losses resulting from participation in FEMA's city lease program.

The Road Home program is the proposed plan for the $10.4 billion that was allocated to Louisiana through HUD's Community Development Fund for the 2005 Gulf Coast hurricanes. CBO anticipates similar expenditure patterns for both FEMA's Hazard Mitigation Grant Program and Road Home, and thus does not expect that reallocating funds between the programs would result in a significant acceleration of spending. As such, CBO estimates that enactment of this provision will have no significant net impact on the budget.

CBO expects that authorizing the use of Community Development Fund appropriations as a matching requirement for other federal programs would have no significant effect on overall program expenditures. Such use is typical of regular appropriations to this account and is also permissible for funds appropriated to the fund in Public Law 109–148 for the 2005 Gulf Coast hurricanes. Based

on information from the agencies and from state and local governments, CBO expects that such new authorizations for previously appropriated funds would not have a significant effect on the pace of program expenditures. As such, CBO estimates that implementation of these provisions would have no net impact on the federal budget.

Estimated impact on state, local, and tribal Governments: H.R. 1227 would preempt state and local laws by prohibiting the Housing Authority of New Orleans, and any other manager of public housing units defined as replacement units, from excluding any households that request to be placed in replacement units. That preemption would be considered an intergovernmental mandate as defined in UMRA; CBO estimates, however, that the mandate would not impose additional costs on state or local governments and therefore the threshold established in the act would not be exceeded.

Estimated impact on the private sector: The bill contains no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Costs: Chad Chirico, Daniel Hoople, Susanne S. Mehlman, and Mark Grabowicz; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Paige Shevlin.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional Authority of Congress to enact this legislation is provided by Article 1, section 8, clause 1 (relating to the general welfare of the United States) and clause 3 (relating to the power to regulate interstate commerce).

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H.R. 1227 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Gulf Coast Hurricane Housing Recovery Act

SHORT TITLE. GULF COAST HURRICANE HOUSING RECOVERY ACT OF 2007

TITLE I. COMMUNITY DEVELOPMENT BLOCK GRANTS

Section 101. Flexibility of Federal Funds for Road Home Program. (a) Provides that $1.175 billion in FEMA Hazard Mitigation Grant Program (HMGP) funds previously made available to the State of Louisiana shall be made available under terms of the CDBG funds made available to the State and shall be deemed approved by HUD for such use. Currently Louisiana's Road Home program proposes to combine CDBG and HMGP funds for grants to homeowners to rehabilitate their homes and for purchase of homes for open space. HUD approved use of CDBG funds for this, but FEMA will not approve funds, based on the feature of the Road Home Program that provides incentives for homeowners to stay in the state, and based on the feature that such incentives shall not apply to elderly persons. This provision would free up HMGP funds for State use.

(b) Also requires State to submit monthly reports on use of CDBG funds for its "Road Home" program. The monthly reports would include number of applications, number of households assisted, and total and average per household amounts of assistance provided.

(c) Transfers $15 million of CDBG amounts previously made available to the State of Louisiana to the New Orleans Redevelopment Authority, for a pilot program to leverage private capital to assemble, redevelop, and re-sell parcels of land in New Orleans.

(d) Requires GAO to complete quarterly reports on the use of the $1.175 billion in transferred Road Home funds, to identify any waste, fraud, or abuse involved in such funds, and certify anytime such waste, fraud and abuse exceeds 10 percent of funds expended.

Section 102. Treatment of Benefits from Other Programs Under Road Home Program. Eliminates prohibition in previous CDBG supplemental spending bills which prevent "duplication of benefits," except that such elimination shall not result in a "windfall gain" to any person. This change leaves states free to continue to design housing grant programs based on the level of their overall resources, including implementing grant limits and adjustments.

Section 103. Elimination of Prohibition of Use for Match Requirement. (a) Permits all CDBG supplemental funds made available for Hurricanes Katrina, Rita, or Wilma to be used as a match for other federal programs (including FEMA).

(b) Permits localities that use CDBG funds for such purpose to rely on FEMA environmental reviews in lieu of completing a separate environmental review for HUD purposes.

Section 104. Reimbursement of CDBG Amounts Used for Rental Housing Assistance. Authorizes appropriations, from previously appropriated FEMA supplemental Hurricane funds, for reimbursement of regular CDBG funds that cities or counties used to provide rental assistance for Katrina, Rita, or Wilma evacuees.

TITLE II. PUBLIC HOUSING

Section 201. Survey of Public Housing Residents. Requires HUD to provide for the conducting of a survey by an independent entity or organization of public housing residents residing in the Housing Authority of New Orleans (HANO) public housing units at the time Hurricane Katrina hit land, to determine whether they want to return to HANO public housing, and if so, when. The survey is to be done with the participation of HANO residents and resident councils, with a report detailing survey results to be submitted to Congress within 60 days of the bill's enactment.

Section 202. Right of Return for Previous Residents of Public Housing. Requires HANO to make available by August 1st the greater of 3,000 public housing units (or comparable units with comparable rent burden) or a sufficient number of units to accommodate residents that responded that they want to return. Pre-Katrina HANO public housing residents shall have a right to return to a HANO public housing unit (or comparable unit). To exercise this right, residents must give notice by August 1st and agree to return no later than October 1st. HANO shall also provide relocation assistance for residents, and provide a preference for projects where the resident previously lived, or if not possible, a preference for units in the same or adjoining census tract, or neighborhood.

Section 203. One-for-One Replacement of all Public Housing Units. Prohibits HANO from demolishing or disposing of any public housing unit unless a plan is in place to provide a public housing or comparable replacement unit with comparable affordability provisions to public housing units for each lost unit, and to implement right of return provisions. Plans shall involve the active participation of residents, resident councils, and City of New Orleans at every phase of the process, with opportunity for comment.

Section 204. Protection for Public Housing Residents in Hurricane Areas. Prohibits any public housing authority (PHA) in areas affected by Hurricanes Katrina or Rita from transferring any public housing units for a period of two years unless the buyer agrees to maintain existing affordability provisions for "the longest feasible period." Prohibits any such PHA from demolishing any units except pursuant to a plan to replace such units with public housing or comparable units, and prohibits demolition of habitable units unless the PHA provides a suitable, comparable unit to all displaced tenants. Provides a right of return for dislocated residents from such public housing agencies, and requires relocation assistance for returning residents.

Section 205. Reports on Proposed Conversions of Public Housing Units. Requires HUD to send a report to Congress within 15 days of bill enactment identifying all public housing units located in areas impacted by Hurricanes Katrina and Rita, which have plans to transfer ownership to other entities or organizations. Relevant information is to be included for each proposal, including project name, number of units, new owner, income and rent provisions, affordability restrictions, and proposed date of transfer.

Section 206. Authorization of Appropriations for Repair and Rehabilitation. Authorizes such sums as are necessary to carry out repair, rehabilitation, and development of HANO public housing

units, and for community and supportive services for HANO residents.

Section 207. Compliance of Existing Requests for Proposals. Subjects any existing request for qualification or proposal related to HANO public housing units to the provisions of this Title.

Section 208. Reports on Compliance. Requires HUD to submit to Congress within 30 days and thereafter quarterly a report on compliance with the provisions of this Title.

Section 209. Requirements Regarding Public Housing Construction Workers. Requires any recovery funds used under this Title for construction, development, rehabilitation, or repair of public housing units verify that all workers have an immigration status that allows them to legally be employed, and have a valid ID or documentation indicating such immigration status.

TITLE III. DISASTER VOUCHER PROGRAM AND PROJECT-BASED RENTAL ASSISTANCE

Section 301. Extension of DVP Program. Extends HUD Disaster Voucher Program (DVP) from September, 2007 through January 1, 2008. The DVP program, using funds previously appropriated from Hurricane supplemental bills, provides rental assistance to families living in areas impacted by Hurricanes Katrina and Rita who were voucher holders, public housing residents, families assisted under the Section 8 project-based program, and/or homeless persons at the time of the hurricane. This extension will give time to work through DVP transition issues through the FY 2008 appropriations bill process.

Section 302. Clarification of Voucher Allocation Formula for Fiscal Year 2007. Provides further clarification that the Secretary *shall* make appropriate adjustments under the FY 2007 Continuing Resolution to provide adequate voucher funding for public housing agencies impacted by Hurricanes Katrina, Rita, and Wilma. The CR changed the voucher funding formula to base FY 2007 PHA funding on prior year's voucher leasing and cost data. It included language that provides HUD with authority to make adjustments for Gulf state PHAs that had lower voucher expenditures last year, to ensure full voucher funding for those agencies. However, after enactment of the CR, HUD started raising concerns about whether it would use such authority. This provision would clarify that HUD should make such appropriate adjustments.

Section 303. Preservation of Project-Based Housing Assistance Payments Contracts for Dwelling Units Damaged or Destroyed. Requires HUD to promptly review and approve all feasible proposals to restore Section 8 project-based assistance to projects damaged by Hurricanes Katrina or Rita, including proposals to transfer the contract to another site or owner. Proposals are to be submitted no later than October 1st.

Section 304. Tenant Replacement Vouchers for All Lost Units. Requires HUD to provide, upon request of a public housing agency, tenant replacement vouchers for all public housing units and assisted housing units that are not brought back on line.

Section 305. Voucher Assistance for Supportive Housing. Authorizes such sums as may be necessary for 4,500 new housing vouchers for project-based rental assistance for supportive housing units for seniors, disabled persons, and homeless persons. 3,000 of such

vouchers shall be made available to the State of Louisiana or its designee or designees, up their request. Also waives for such vouchers the statutory limits on the percentage of project-based vouchers a PHA may use overall and in a particular project.

Section 306. Transfer of DVP Vouchers to Permanent Voucher Program. Provides that upon the termination of the Disaster Voucher Program (DVP), vouchers be made available for families in the DVP program, to be administered by the local housing agency in which each family is living at such time. Such vouchers are temporary, i.e., will disappear when the existing family is no longer eligible for voucher assistance.

Section 307. Identification and Notification of DVP-Eligible Households Not Assisted. Requires HUD to make a good faith effort to identify all households eligible for DVP assistance not currently receiving assistance and notify them or their rights for DVP assistance or their right, if available, to return to their previous assisted unit.

TITLE IV. DAMAGES ARISING FROM FEMA ACTIONS

Section 401. Authorization of Appropriations To Reimburse Landlords for Damages Due to FEMA Management of City Lease Program. Authorizes appropriations for HUD to reimburse landlords from actual, documented damages incurred by such landlord as a result of FEMA's abrogation of commitments to reimburse communities for leases entered into under the Section 403 program.

TITLE V. FHA SINGLE FAMILY HOUSING

Section 501. Treatment of Non-Conveyable Properties. Prohibits HUD from denying conveyance of title and full payment of insurance benefits under FHA insured 1- to 4-unit properties on the basis of the condition of the property or on a failure to repair the property, as long as the mortgagee or servicer did not fail to provide hazard or flood insurance as required. This requirement addresses problems in HUD payment claims for properties for which title may not be conveyable.

TITLE VI. FAIR HOUSING ENFORCEMENT

Section 601. Fair Housing Initiatives Program. Authorizes such sums as may be necessary, and no less than $5 million a year in FY 2008 and 2009 for fair housing activities in areas affected by Hurricanes Katrina and Rita.

TITLE VII. IMPROVED DISTRIBUTION OF FEDERAL HURRICANE HOUSING FUNDS FOR HURRICANE RELIEF

Section 701. GAO Study of Improved Distribution of Federal Housing Funds for Hurricane Relief. Requires a GAO study and report, within 6 months of bill enactment, to examine methods of improving the distribution of Federal housing funds to assist states covered by this Act with recovery from hurricanes.

TITLE VIII. COMMENDING AMERICANS FOR THEIR REBUILDING EFFORTS

Section 801. Commending Americans. Congressional Finding commending the actions and efforts by individuals and organizations that contributed to the hurricane recovery effort, and recognizing that the rebuilding of the Gulf Coast region rests on private individuals and community spirit. Identifies a number of such efforts and organizations.

ADDITIONAL VIEWS

By all accounts, the 2005 Hurricane season included arguably the most destructive and costly natural disasters in United States history. Hurricanes Katrina and Rita caused $67 billion in damage to housing in the Gulf region, including major or severe damage to 265,000 homes and apartments in Louisiana and Mississippi. Families with very low incomes occupied 44 percent of the damaged housing, and many of these families are still waiting to rebuild or return to permanent housing.

The devastation caused by these catastrophic events has presented the nation and those directly affected with unique challenges. Hurricane Katrina devastated 90,000 square miles, left 770,000 people homeless, and caused a death toll of 1,464 in Louisiana alone. The recovery process has seemed slow and uneven to many of those affected. Rebuilding has been hindered by the severity of the damage, the need to limit future flood damage, and the need to coordinate the recovery among many levels of government and the private sector. Lawmakers, former residents, and others are looking forward to a long-term solution for sustainable rebuilding.

In response to the disasters, the Federal Government has committed more than $110 billion to help the Gulf Coast, including $16.7 billion for the CDBG program. When it passed the supplemental appropriations including the CDBG funds, Congress included provisions dictating that the Federal Government would prescribe how local communities were to use the money in their recovery efforts. Furthermore, the states were asked to submit to the Department of Housing and Urban Development (HUD) detailed state plans outlining how they intended to use the funds. To date, HUD has received and approved $10.5 billion worth of recovery plans from the affected States.

Rebuilding New Orleans Public Housing

Many discussions in the aftermath of Hurricane Katrina have centered on the appropriate plan for rebuilding, the reconstruction of affordable housing, and the issue of one-for-one replacement of public housing. There is general consensus that those who wish to return to New Orleans who lived there when Katrina hit should be allowed to do so. In fact, in August of 2006, Secretary Jackson said when he visited New Orleans, "every family who wants to come home should have the opportunity to come back. . . ." With that goal in mind, last summer, HUD, the Housing Authority of New Orleans (HANO), the Enterprise Foundation, and Catholic Charities announced plans to create a mixed-use development on the site of the Lafitte public housing project. Not only could this project serve as a model for the future of rebuilding in New Orleans, if

successful, it could also prove to be a useful example for new Hope VI mixed-use projects in other cities.

In testimony before the Committee on February 6, 2007, Assistant Secretary Bernardi stated the following:

> HUD is working with the local community to redevelop New Orleans public housing so families will have the opportunity to return to better, safer neighborhoods. The C.J. Peete, B.W. Cooper, Lafitte, and St. Bernard public housing developments are being redeveloped to make way for a mixture of public housing, affordable rental housing and single-family homes. HUD has also announced plans for mixed-income affordable housing, homeownership opportunities and services for the former families of Lafitte. Of the approximately 5,100 units of public housing that were occupied and affected by the disaster, nearly 2,000 units have been repaired and are habitable. Over 1,200 families have already come back to New Orleans or will be coming back within the next 90 days to occupy these units.

Yet, progress on the rebuilding of decent, affordable housing for public housing residents has been delayed for a variety of reasons. A long-standing feeling of mistrust of HUD and HANO among public housing tenants in New Orleans has helped to significantly hamper the progress on rebuilding public housing. In the past, mixed-use development in New Orleans has been badly managed and has in some cases taken years to complete resulting in only a handful of former residents returning to their neighborhood.

An advocacy group, arguing that it would be more cost-effective to rehabilitate the existing public housing units and that the project would displace public housing tenants who could not afford the mixed-use rents, has filed a federal lawsuit seeking to block the redevelopment plan. Interestingly, the cost to the Federal government is nearly the same to implement phased-in, mixed-use redevelopment as to repair existing units, because the redevelopment plan would benefit from leveraged outside funding. The hope is, however, that a redeveloped property would have more to offer residents, such as, green spaces, larger units, a better quality of life, and a more seamless integration into the community. In an effort to address the fears of public housing residents who are concerned that mixed development will mean fewer units available for previous residents, HUD has committed to a one-for-one replacement for those residents wishing to return.

Ability of Homeowners to Rebuild

While much of the Committee's focus has rested on the state of New Orleans' public housing and other government-subsidized multifamily housing, it is crucial to also look at the difficulties homeowners in the Gulf Region face while trying to rebuild. Such hurdles standing in the way of rebuilding include a lack of information about how to rebuild, an inability to obtain homeowners insurance, gaps between insurance funds and the cost of rebuilding, and the lack of services and commerce that round out the community. These are the problems many middle-class families in Mississippi and Louisiana are grappling with, as they struggle to rebuild modest homes in a region that no longer seems fertile for affordable

housing. Both Louisiana and Mississippi have formed corporations to monetarily assist homeowners during the rebuilding process.

According to the Democratic Majority, "some 18 months after these storms, the pace of recovery of housing repair and reconstruction is not as robust in many areas as many had hoped. The pace of home repair, particularly in areas within Louisiana, has been slow." While the Republican Minority agrees with this sentiment, it also believes that inherent differences in the rebuilding plans that Louisiana and Mississippi have adopted contribute to this uneven recovery. Through the testimony of several witnesses, the Committee has repeatedly been told that the Mississippi plan generally results in homeowners receiving rebuilding funds more quickly than their Louisiana counterparts.

KATRINA FIELD HEARINGS (FEBRUARY 22 AND 23, 2007)

On February 22 and 23, the Subcommittee on Housing and Community Opportunity held two days of field hearings in New Orleans and Mississippi. In the hearings' discussion of public housing in the Gulf Region, the Committee examined complicated questions surrounding the fate of public housing in New Orleans, the ability of former residents to return, if they choose, and barriers at the local and Federal levels of government to rebuilding. Additionally, the Subcommittee discussed the benefits and importance of rebuilding neighborhoods conducive to homeownership, as well as affordable housing for low-income renters. The general consensus is that such a result can be accomplished by mixed-use redevelopment that supports affordable housing as part of a broader community, as opposed to traditional public housing that often isolates residents in severe economic distress. While recognizing that former public housing residents are eager to return home, any plan focused on these tenants should acknowledge that safer, more sustainable housing must be the ultimate goal.

CONCERNS REGARDING H.R. 1227

On March 6, 2007, the Committee on Financial Services approved H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007, legislation that would make changes to several Federal housing programs, including temporary programs created to assist the housing needs of families affected by Hurricanes Katrina and Rita. While Committee Republicans share the goal of supplying displaced families with stability and ensuring their access to safe, affordable housing, a number of provisions in H.R. 1227 are troubling. Generally, we are concerned that the legislation addresses issues far beyond the scope of the bill's stated intent. For example, the legislation turns what is currently a temporary disaster voucher into a permanent voucher which disappears when the recipient no longer meets the eligibility requirements. In addition, the bill requires HUD to provide tenant replacement vouchers for all public housing units not brought back on line, including those slated for demolition prior to the storms. Further, in the 109th Congress, the Republican Majority committed more than $110 billion to assist the hurricane-devastated Gulf Coast; yet to date; only a small portion has been committed and or distributed to those in need.

To help ameliorate these concerns, the Committee Republicans offered a total of 21 amendments to H.R. 1227 at markup. Ten of these amendments were accepted by the Committee by voice vote, resulting in an improved bill. A summary of the accepted amendments follows:

- Eliminate duplication of benefits restriction for Louisiana Road Home program. This amendment, offered by Mr. Baker (LA), would remove the duplication of benefits restriction for homeowners in Louisiana, so that homeowners who have been proactive and have maintained adequate homeowners and flood insurance are still allowed to collect up to $150,000 for rebuilding, under the Road Home program.
- Require that Section 306, which transfers the Disaster Voucher Program (DVP) to a permanent voucher program, be subject to appropriations. This amendment, offered by Ranking Member Bachus (AL) on behalf of Mr. Feeney (FL), will give Congress a chance to further assess the need of such a permanent extension, instead of treating this as a mandatory spending entitlement.
- Establish a New Orleans Redevelopment Authority pilot program. This amendment, offered by Mr. Baker (LA), will direct $15 million out of the $1.2 billion in FEMA Hazard Mitigation Grant Program funding available (but not yet distributed) for Louisiana, towards a pilot program that would acquire and redevelop distressed properties throughout New Orleans.
- Remove the CDBG match prohibition for Hurricane Dennis. This amendment, offered by Mrs. Brown-Waite (FL), equitably amends Section 102 of H.R. 1227 by allowing the use of CDBG funds for matching purposes for activities in areas affected by Hurricane Dennis, which struck Florida in July 2005.
- Add a "sense of the Congress" applauding private rebuilding efforts. This amendment, offered by Mr. Garrett (NJ), inserts a Sense of the Congress Resolution into the bill, commending the actions of private individuals and organizations that have assisted in the rebuilding of the Gulf Coast.
- Require the GAO to report on CDBG funds made available through H.R. 1227. Two amendments offered by Mr. Garrett (NJ), require the Government Accountability Office to provide an audit/report each quarter on the amount of CDBG funds dispersed and whether these funds contribute to Waste, Fraud, and Abuse. The GAO will also be required to certify when the amount of Waste, Fraud, and Abuse represents at least 10 percent or more of the expended funds. These amendments are designed to provide oversight of taxpayer dollars and to ensure the money is going towards the intended recipients.
- Require public housing construction workers to be documented and legally able to work in the U.S., offered by Mr. Garrett (NJ).
- Require scientifically-sound research methods for survey. This amendment, offered by Mr. Gary G. Miller (CA), would require the survey under Section 201 to be completed using "appropriate scientific research methods." It would also afford Congress a 10-day review of the survey.

• Efficient environmental review in disaster areas. This amendment, offered by Mr. Gary G. Miller (CA), would streamline pre-building review by terminating the current practice of having two sets of environmental reviews performed—one by FEMA and one by the local government. Instead, only one Federal environmental compliance review will be performed.

In addition to the preceding amendments that were agreed to, the Republican Minority offered several other amendments that would have substantially improved the legislation's ability to meet its stated remedial purposes and ensure stronger taxpayer protection. Amendments offered, but not accepted, include the following:

• Strike provision making the Disaster Voucher Program permanent. This amendment, offered by Mr. Neugebauer (TX), would strike Section 306, which turns the DVP, at its termination, into a permanent voucher program. The Minority views Section 306 as problematic because it takes a program which is designed to be temporary and makes it permanent, thereby increasing the pool of section 8 vouchers without any legislative hearings or oversight. Further, Section 306 of the bill does not take into account the number of residents, currently using a voucher, who will return to New Orleans public housing.

While the Minority sought to strike section 306 in its entirety, the Committee agreed to an amendment to limit the voucher pool created by mandating the vouchers "disappear" when the individual currently holding the voucher is no longer eligible to receive this assistance.

• Require $1.2 billion in funding for Louisiana, "unlocked" by Section 101, to be used for hazard mitigation, the original, intended purpose. This amendment, offered by Mrs. Brown-Waite (FL), Mr. Hensarling, (TX), and Mr. Pearce (NM), would restrict the $1.2 billion to its previously authorized use—open space and hazard mitigation—even if moved from FEMA to the CDBG program. This would "unlock" the funding and enable it to be utilized by Road Home, while keeping the money's original purpose intact: to reduce the loss of life and property due to future natural disasters and to enable mitigation measures to be implemented.

• Limit the number of HANO units to be repaired based on the survey required by Section 201. This amendment, offered by Mr. Garrett (NJ), would amend Section 202 by setting a ceiling on the number of units that must be repaired by August 1, 2007. This ceiling would depend on the survey required by Section 201. Under this amendment, HUD would have to make available the lesser of 3,000 units or the number of units needed to house families who wish to return. According to HUD, the cost of repairing units to pre-Katrina conditions is projected to cost on average $34,000. The Minority believes we should repair only the number of units needed to accommodate those wishing to return home rather than some arbitrary number. Instead of spending money to repair dysfunctional, dilapidated, aging public housing units, the money would be better spent on efforts to rebuild safe, decent, affordable neighborhoods.

• Strike provision requiring tenant replacement vouchers for all lost units, regardless of whether the unit was occupied pre-Katrina. This amendment, offered by Mr. McHenry (NC), would eliminate Section 304 of the bill, which requires HUD to provide tenant replacement vouchers for all units not brought back on line. Section 304 is overly broad; it goes beyond addressing the needs of people who were living in public housing pre-Katrina and aims to create an unnecessary, expensive voucher program in the name of "tenant" protection.

• Fix the Section 8 funding formula for all regions affected by the Continuing Resolution passed by the House on January 31, 2007. The CR changed the voucher funding formula to base FY 2007 PHA funding on prior year's voucher leasing and cost data which resulted in several PHAs losing significant amounts of funding. The Gulf Coast PHAs were among those slated to lose under the CR. H.R. 1227 includes language that provides HUD with authority to make adjustments for Gulf state PHAs to ensure full voucher funding for those agencies. The amendment offered by Mrs. Biggert (IL) would readjust the Section 8 funding formula back to its pre-CR levels for all areas, not just the Gulf Coast. This change was made midstream in the CR and many PHAs were taken off-guard by the sudden reduction in funding. This amendment would restore the funding for FY 2007.

• Require "PAYGO" to apply to any new spending authorized by H.R. 1227. This fiscally responsible amendment, offered by Mr. Price (GA), would require the application of "Pay As You Go" for any new spending authorized by this bill, necessitating a specific offset for this spending.

• Substitute "such sums" with a fixed dollar amount for repair and rehabilitation of public housing units. This amendment, offered by Mr. Hensarling (TX), would fix Section 205 by striking "such sums" and inserting "$755 million" so that a specific dollar amount is provided, instead of an open-ended authorization.

JUDY BIGGERT.
RANDY NEUGEBAUER.
SPENCER BACHUS III.

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