

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS

CONFERENCE CALL
HOUSING ASSISTANCE FOR RESIDENTS AFFECTED BY GULF
COAST HURRICANES

Washington, D.C.

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1 PARTICIPANTS:

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4 Secretary, U.S. Department of Housing and Urban
Development

5 R. DAVID PAULISON
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1 P R O C E E D I N G S

2 MODERATOR: Good morning. At this
3 time, I would like to welcome everyone to
4 your conference call. All lines have been
5 placed on mute to prevent any background
6 noise.

7 After the speaker remarks, there
8 will be a question and answer session.

9 If you would like to ask a question
10 during that time, simply press the star, then
11 the number one on your telephone key pad. If
12 you would like to withdraw your question,
13 press the pound key.

14 Now, let me turn the call over to
15 your host for today's conference call.

16 MS. NORDQUIST: Good morning,
17 everybody. Thank you for joining us.

18 My name is D.J. Nordquist, and I'm
19 the head of public affairs at the U.S.
20 Department of Housing and Urban Development.
21 Thanks for participating.

22 As you know, today, the Bush

1 Administration is making an important
2 announcement about housing assistance for
3 residents affected by the Gulf Coast
4 hurricanes of 2005. The principals on
5 today's call are the Federal Coordinator for
6 Gulf Coast Rebuilding, Chairman Don Powell;
7 HUD Secretary Alfonso Jackson; and FEMA
8 Administrator Dave Paulison.

9 Following their opening remarks,
10 we'll be happy to take questions from members
11 of the media on a first come, first served
12 basis.

13 As the moderator just mentioned,
14 media on the conference call will be able to
15 ask questions by pressing star one on your
16 phone. The conference coordinator will
17 introduce you and then you'll be able to ask
18 a question.

19 Finally, you will be receiving a
20 joint news release shortly about today's
21 announcement, along with a fact sheet. It
22 will also be available at hud.gov and the

1 other agencies' websites.

2 With that, let me introduce
3 Chairman Don Powell, Federal Coordinator for
4 Gulf Coast Rebuilding.

5 COORDINATOR POWELL: Thank you, and
6 thank each of you for joining us today for
7 this important announcement.

8 As it has been mentioned, I'm here
9 today with HUD Secretary Jackson. Also
10 joining us by telephone is FEMA Administrator
11 Paulison.

12 We're going to make an important
13 announcement regarding the people who were
14 displaced by Hurricane Katrina and Rita.

15 President Bush is strongly
16 committed to rebuilding the Gulf Coast better
17 and stronger and continuing to support the
18 residents of the Gulf Coast have endured an
19 unprecedented tragedy.

20 We understand the importance of
21 minimizing the uncertainty so residents can
22 move on with their lives.

1 Today, we're here to announce
2 several things regarding temporary housing.

3 First, all temporary housing
4 assistant programs, including the trailers,
5 mobile homes, and rental housing will be
6 extended until March 1, 2009.

7 In addition, this extension will
8 also provide more time for the States to get
9 the federal funding already in the system to
10 move more quickly to rebuild their affordable
11 housing and rental stock and help homeowners
12 transition into permanent housing and rebuild
13 their lives.

14 Second, we have developed the
15 parameters of the rental housing program
16 where HUD will take over management on behalf
17 of FEMA beginning on September the 1st of
18 this year.

19 HUD will use their extensive
20 experience in case management to help
21 residents transition to longer-term housing.
22 We plan to consult the appropriate

1 congressional committees for the best way to
2 fund and structure the program.

3 Third, beginning on March the 1st
4 2008, individuals in both the rental housing
5 and travel trailer and mobile home programs
6 will pay a portion of the cost, which will
7 begin at \$50 per month and incrementally
8 increase each month after until the program
9 concludes on March the 1st 2009.

10 And finally, beginning immediately,
11 FEMA will allow residents of its mobile home
12 and travel trailers to purchase their
13 dwelling at fair market value.

14 As you know, the current extension
15 was to end on August 31st. However, as the
16 Office of the Gulf Coast Rebuilding worked
17 with HUD and FEMA to evaluate the need, we
18 recognized that some individuals need more
19 time.

20 We believe this is a coordinated,
21 integrated approach to help those families
22 who need more time and further assistance to

1 move from temporary housing and transition to
2 self- sufficiency.

3 This extension will provide
4 stability to residents while at the same time
5 providing incentives and more assistance to
6 help them transition into a longer-term
7 housing solution.

8 Thank you and I will now turn it
9 over to Secretary Jackson.

10 SECRETARY JACKSON: Thank you,
11 Chairman Powell.

12 Over 800,000 people were displaced
13 due to the overwhelming destruction of the
14 2005 Gulf Hurricanes.

15 Unfortunately, some of the people
16 remain displaced today, as Chairman Powell
17 said.

18 Disaster housing continues to be a
19 need for many of the storm victims.

20 As we transition to long-term
21 programs, HUD is the final stage of
22 developing a plan that will allow us to take

1 over management of the rental housing program
2 on behalf of FEMA.

3 That's what we do at HUD-long-term
4 housing. HUD and FEMA are working on the
5 mechanics of the new arrangement, and we'll
6 consult with Congress, as Chairman Powell
7 said, for the appropriate structure.

8 Following this new framework, we
9 will not only ensure that affected
10 families continue to get housing assistance
11 they need but also will provide them with the
12 individual services that will help them
13 rebuild their lives.

14 According to FEMA estimates, almost
15 40,000 affected families remain in rental
16 housing. HUD's role will provide the
17 financial, education, job training, and a
18 helping hand they need to succeed in the new
19 communities.

20 Once approved, here's how we will
21 expect the new assistance between FEMA and
22 HUD disaster housing assistance to work:

1 After consulting with Congress,
2 FEMA will give HUD the resources to extend
3 rental assistance to families who already are
4 living in rental housing units paid by FEMA.

5 We anticipate FEMA will
6 transfer management of the program to HUD
7 September 1st 2007.

8 HUD will provide the time-tested
9 principles of case management to assist the
10 families and providing the community support
11 and safety that these families need to get
12 back home.

13 Following the case management, HUD
14 will use transitional approach to help
15 families become self-sufficient beginning as
16 early as March 2008.

17 Starting on that date, HUD will
18 begin to reduce the rental subsidy gradually
19 over the following 12 months.

20 As Chairman Powell said, it will be
21 \$50 a month, March 1st 2008; then April \$50;
22 and then in June it will be another \$50.

1 We expect that the administration
2 of the new Disaster Housing Voucher Program
3 will be in conjunction with the public
4 housing agencies around the nation. These
5 agencies have the experience in administering
6 the rental assistance program, including
7 Hurricane Assistance Program already in
8 place.

9 This program, which has helped
10 30,000 families, will now help the other
11 families in need. The Senior or Disabled
12 Housing and Homeless will also be affected by
13 this program.

14 We believe that this is the best
15 approach that we can take and now I will turn
16 it over to Administrator Paulison.

17 ADMINISTRATOR PAULISON: Well,
18 thank you, Secretary Jackson, and quite
19 frankly I'm pleased to be here with my
20 colleagues, Chairman Powell and Secretary
21 Jackson, to announce this extension.

22 You know, we've made significant

1 progress, but the-I think everyone recognizes
2 that the devastated impact of these storms is
3 going to continue to hamper the ability of
4 many to get back on their feet and to obtain
5 the self-sufficiency that you heard Chairman
6 Powell talk about.

7 The extension is going to allow
8 FEMA and our partners to develop a more
9 innovative, responsive, flexible and but at
10 the same time compassionate solutions to help
11 people get back on their feet.

12 I mean I'm proud of the tremendous
13 progress we've made, but we can't be
14 satisfied until everyone possible, every
15 disaster victim possible, has really
16 successfully navigated the road back to
17 recovery.

18 Now, we have made tremendous
19 progress. Since the hurricane, we have
20 provided rental assistance to over 870,000
21 households. And today, we have less than
22 33,000 remaining.

1 We're proud of the role that we've
2 been in providing housing assistance
3 immediately following Hurricane Katrina and
4 for a short time we managed more public
5 housing units than other agency in the
6 nation.

7 But that's not our job. The fact
8 is that we're not in the long-term housing
9 business. That's why I'm really pleased to
10 get this extension includes the transition
11 and the responsibility through the Department
12 of Housing and Urban Development who really
13 do this professionally.

14 And we're going to continue to play
15 a role.

16 Under the plan that you've heard
17 Chairman Powell and Secretary Jackson lay
18 out, FEMA will allow residents of the mobile
19 homes and travel trailers so to either
20 purchase their dwellings at fair market value
21 or will also give the residents an option to
22 rent the units.

1 We're going to continue to manage
2 the mobile home and travel trailer operations
3 throughout the Gulf and we'll also continue
4 to engage HUD as well as our state and local
5 officials really in a collaborative effort to
6 identify alternative housing solutions for
7 those that are still in those mobile homes
8 and travel trailers.

9 Again, we've made great progress.
10 Over the last I'd say 20 months or so, FEMA
11 has housed more than 120,000 households in
12 travel trailers, mobile homes. And today,
13 we're right around 86,000. But most of
14 those, probably 80 percent of those, are on
15 their own property while the homes are being
16 rebuilt.

17 So I really look forward to the day
18 that everyone of these victims are out of
19 these travel trailers, out of the mobile
20 homes, and back in their own homes.

21 And I think this is a step in the
22 right direction. Thank you.

1 SECRETARY JACKSON: Thank you, very
2 much. Questions?

3 MS. NORDQUIST: If we could open up
4 the line for questions, please?

5 Go ahead. Press star one on your
6 phone.

7 MODERATOR: The first question
8 comes from Mr. Dave Cohen with WWL Radio.

9 MR. COHEN: Chairman Powell, you
10 said that folks will be able to purchase
11 their trailers and mobile homes at fair
12 market value. Do you have any idea what fair
13 market value for those dwellings is?

14 COORDINATOR POWELL: I would
15 probably-I have some ideas, but I think
16 probably Administrator Paulison is better
17 equipped to answer that question than I
18 because he's had experience in Florida and
19 some other markets.

20 ADMINISTRATOR PAULISON: Yeah,
21 we're-you know, most of those-most of the
22 units are actually travel trailers and the

1 fair market value if we take away what it
2 cost us to move those and to break them down,
3 you know, they're probably just a few hundred
4 dollars that they're going to be worth.

5 Now the mobile homes will be worth
6 more. But we're going to make it as we can
7 for people to purchase these that want to.
8 You know, we'll look at what is it costing us
9 to maintain it. What is it going to cost us
10 to move it somewhere else? What would it
11 cost us to store it and take that off of what
12 a normal-a mobile home of that age would
13 cost.

14 So we're going to make it as easy
15 as possible. You know, we have a year before
16 this goes into effect, if they can just sit
17 there and save those trailers as they are
18 now.

19 So we're working out the prices,
20 and, again, we want to make it as fair as
21 possible to make them as affordable as
22 possible to the people staying in them.

1 MR. COHEN: And again, just to
2 reiterate, you said for a few hundred dollars
3 you know current travel trailer residents
4 will be able to buy their current travel
5 trailers and what about people who are not
6 currently living in trailer, will there be an
7 opportunity for them to buy them?

8 ADMINISTRATOR PAULISON: You know,
9 we have-we are selling these on a regular
10 basis through GSA, the ones that we have in
11 excess. We're actually closing out about 800
12 a week by the people who are moving out of
13 these, and those are made available through
14 the GSA web site to purchase those.

15 So, you know, anyone in the country
16 can buy these if they want to.

17 The ones that people are living in,
18 though, obviously, they'll have first
19 priority for those particular units.

20 MR. COHEN: And for a few hundred
21 dollars, you said?

22 ADMINISTRATOR PAULISON: Well, the

1 ones we're selling in Florida right now, the
2 last ones we've been selling, the travel
3 trailers now, are, you know, we've been
4 selling for right around five or six hundred
5 dollars, right in that range.

6 The mobile homes are going for much
7 more obviously, but don't forget the travel
8 trailers, the people that by the time we get
9 to the end of this program, they'll be in
10 those trailers for three and sometimes four
11 years.

12 So they're pretty much at the end
13 of their normal life expectancy for the type
14 of use they've had. You know, they're
15 designed for camping, and people have been
16 living in them a long time.

17 So as far as the actual residual
18 value of selling them, it's not that much
19 left over.

20 MR. COHEN: Thank you.

21 MODERATOR: The next question comes
22 from Ms. Natalie Chandler with the

1 Clarion-Ledger News.

2 MS. CHANDLER: Yes, Secretary
3 Jackson, I had a question about the grant
4 program and a lot of residents have
5 complained about the slowness of it, and I
6 know y'all are trying to protect against
7 fraud, but is there anyway you can find a
8 middle ground between that and getting money
9 to the people more quickly to maybe try to
10 get them out of these trailers?

11 SECRETARY JACKSON: I think that
12 you're specifically speaking to Louisiana,
13 because I think Mississippi has done a very
14 good job toward making sure the grants are to
15 the persons.

16 We have worked out an arrangement
17 with Louisiana, and I think you will begin to
18 see this process moving much quicker than it
19 was before, and that the people will begin to
20 rebuild in the area.

21 What we found that was very
22 important is that rather than having a

1 compensation program initially as Louisiana
2 had said, they were having a phased in
3 program where the money was being held in
4 escrow.

5 That was not what they submitted to
6 us. But to date, the Governor, the Louisiana
7 Recovery Authority, and our staff has worked
8 out an agreement that we're going directly
9 back to the grant program that is very
10 similar to that in Mississippi.

11 MS. CHANDLER: And do you know if
12 Mississippi has change their rules for the
13 second phase of the program, because as I
14 understood, it was the same as the holding it
15 in the escrow account.

16 SECRETARY JACKSON: We're working
17 through the details right now with
18 Mississippi on that process.

19 You're absolutely correct that the
20 second phase was similar to the first phase
21 of what occurred in Louisiana.

22 MS. CHANDLER: So that you

1 anticipate that will be speeded up in
2 Mississippi, the second phase?

3 SECRETARY JACKSON: Yeah, I think
4 that clearly we will be in the process of
5 resolving that, and if you want to get back
6 with us in a couple of weeks, we will have an
7 answer for you.

8 MS. CHANDLER: Okay.

9 MODERATOR: The next question comes
10 from Mr. Bill Walsh from the Times-Picayune.

11 MR. WALSH: Yeah, I had a couple of
12 questions. One is I wasn't aware that you
13 all had the statutory authority to transfer
14 this responsibility? Is that what you're
15 going to have to talk to Congress about?

16 SECRETARY JACKSON: No, I think
17 what we're talking to Congress about and you
18 can chime in Administrator Paulison and
19 Chairman Powell, what we're talking to
20 Congress about is to make sure that we're
21 doing exactly what is in the best interest of
22 the persons in the Gulf Coast and to get

1 their approval.

2 Through the Stafford Act, as I read
3 it and as our general counsel has read it,
4 FEMA has the power and the right to
5 transfer and to work with us and have us to
6 serve as a subsidiary of them in this
7 process.

8 They did that with public housing
9 residents, the 30,000, so that we've already
10 housed. And they're doing it now with all of
11 the persons.

12 So it's an interagency
13 agreement that occurs that can occur at the
14 request of FEMA and Homeland Security.

15 ADMINISTRATOR PAULISON: Secretary
16 Jackson is right on target. You know, FEMA
17 will continue to pay for and reimburse HUD
18 for the expenses of this, so we have the
19 legal authority to mission assign an agency
20 to do work for FEMA, and this is the right
21 thing to do.

22 I mean HUD is the experts in

1 housing. FEMA is not. You know, we can do
2 the short-term and immediately after a storm,
3 but quite frankly the long-term housing
4 belongs to an agency that is really the
5 experts in doing this, and HUD is the right
6 agency for that.

7 MR. WALSH: And how many people are
8 we talking about this affecting this
9 extension through 2009?

10 ADMINISTRATOR PAULISON: Well,
11 we're talking about not only that the 33,000
12 or 34,000 that are currently in apartments
13 that are being transferred to HUD. But the
14 extension also applies to the 88 or 87 or
15 88,000 people that are in mobile homes and
16 travel trailers throughout the Gulf Coast.

17 So it's quite a few people, and I
18 shouldn't say people. They're actually
19 families that are affected by this. It's
20 anyone who FEMA is subsidizing now, whether
21 it's in an apartment or whether it's in a
22 mobile home or travel trailer is affected by

1 this extension through March of 2009.

2 COORDINATOR POWELL: It's in excess
3 of 100,000 family units.

4 ADMINISTRATOR PAULISON: That's
5 correct, Chairman.

6 MR. WALSH: And so people who are
7 in travel trailers right now will they have
8 the option of moving to an apartment?

9 ADMINISTRATOR PAULISON: Yes, in
10 fact, the ones that are in the group
11 sites-don't forget of these people that are
12 in travel trailers are actually in the
13 driveway rebuilding their homes.

14 So those have a-they have an end
15 game. There's a-they know where they're
16 going to be going.

17 But the other 20 percent now are a
18 combination of those in our group sites, in
19 commercial travel trailer parks or in some
20 adjustable sites.

21 We're going to focus on the ones
22 that are in FEMA's group sites that you are

1 very familiar with and focus on start moving
2 those out as we can into apartments as we
3 find available apartment space.

4 You know you lived down this. You
5 know that that's-there's not a lot of that,
6 but we're going to try to do it as much as we
7 can and get as many people out during-you
8 know, between now and when this program
9 ends].

10 COORDINATOR POWELL: Yeah. I would
11 just add I think it's important, too,
12 that-and the states know this-that the monies
13 that they've used, that they received through
14 the CDBG is dedicated to some affordable
15 housing so it's important to get those
16 programs up and going.

17 MR. WALSH: And will people be
18 placed into HUD's Section 8 Program?

19 SECRETARY JACKSON: No. Let me say
20 this: That we will work with the people, as
21 Chairman Powell has said, and we will begin
22 to step down the rents in March.

1 But for those persons who are
2 physically or mentally disabled or the
3 elderly, we will have to, through this
4 process, work out how we make sure that
5 they're taken care of, because in many cases,
6 they will not be in a position to take care
7 of themselves, even at the end of the 18
8 month-18 months, I'm sorry.

9 MR. WALSH: Mm hmm. Okay. And one
10 last question for Director Paulison. Are you
11 going to be contacting everyone who has-is in
12 the FEMA trailer now and asking them whether
13 they want to purchase it?

14 COORDINATOR POWELL: Yes, we will.
15 The ones in the group sites, I don't know
16 that that's convenient for them to purchase
17 because, you know, those sites will be-we'll
18 start closing those down.

19 But I think there will be a big
20 interest in those in the commercial trailer
21 parks to purchase those mobile homes and even
22 some people in-that are have travel trailers

1 backed up in the driveway that maybe want to
2 keep those.

3 So we will be contacting all of
4 them, telling them that they're available for
5 purchase, if they chose to do so.

6 MR. WALSH: Thank you.

7 MODERATOR: My next question comes
8 from Mr. Mike Snyder of the Houston
9 Chronicle.

10 MR. SNYDER: Yes, this for anyone
11 who can answer it.

12 I'm wondering if anyone has an
13 estimate of the cost of this extension of
14 housing assistance and whether or not the
15 funding is in place or whether you have to go
16 back to Congress and ask for it.

17 COORDINATOR POWELL: Yeah, this-the
18 estimated cost will be in excess of a billion
19 dollars.

20 MR. SNYDER: A billion, did you
21 say?

22 COORDINATOR POWELL: Yes, sir.

1 That's for the trailer program and for the
2 housing program.

3 MR. SNYDER: Okay. And what are --

4 COORDINATOR POWELL: That's
5 estimated.

6 MR. SNYDER: --what's the status of
7 arranging to have that money available?

8 COORDINATOR POWELL: We're not
9 going to--we will not be requesting additional
10 money at this point in time. We believe the
11 money is there.

12 SECRETARY JACKSON: Clearly in
13 place.

14 COORDINATOR POWELL: Right.

15 SECRETARY JACKSON: As
16 Administrator Paulison said, this is an
17 interagency agreement between us and the
18 Department of Homeland Security, specifically
19 FEMA. And FEMA has the money, disaster money
20 on hand, so we will be using that money to
21 make sure that we carry out the program.

22 MR. SNYDER: So in that sense,

1 you'll almost be acting as a-like a
2 subcontractor of FEMA. In other words,
3 you'll be using their funding rather than
4 money that's been budgeted for HUD, existing
5 HUD programs?

6 SECRETARY JACKSON: That's
7 absolutely correct. But with not
8 subcontractor. It's an interagency
9 agreement. We're working in tantamount
10 with each other, and when you're
11 subcontracting, you're working for someone,
12 but we're working according to the edict of
13 the President of the United States, President
14 Bush.

15 And he's saying that we must work
16 as partners in this collaborative agreement
17 to make sure that these persons are housed
18 and continually housed.

19 MR. SNYDER: Thank you.

20 MODERATOR: My next question comes
21 from Ms. Anna Radelat from Gannett.

22 MS. RADELAT: This is for anybody.

1 I guess the first thing I would like to know
2 is the breakdown of where the travel trailers
3 and rental assistance is? How many in
4 Louisiana? How many in Mississippi? And
5 what's going on in Texas, if that could be
6 provided?

7 COORDINATOR POWELL: Yeah, we've
8 got that data and can provide it to you. The
9 apartment population, let me just tell you
10 that of the approximately 33,000 that
11 Administrator Paulison talks about, most of
12 those are in Texas, and of which about 17,000
13 are in Texas and about 13,000 in Houston
14 alone.

15 And the majority of them, the
16 balance are in Louisiana with some small
17 amount in Mississippi and Alabama.

18 In the trailer population, there's
19 about 85,000 that are located in trailers in,
20 and the majority of those are in Louisiana;
21 about 55,000 in Louisiana and 26,000 in
22 Mississippi and then some scattered in other

1 states.

2 Trailers, most of them are in
3 Mississippi and Texas, as I mentioned.

4 MS. RADELAT: Well, will this
5 program affect the alternative housing folks
6 or not?

7 I mean it seems that they would be
8 separate.

9 ADMINISTRATOR PAULISON: It is
10 separate. It's a-you know, it's a-it just
11 takes a little bit of everything to make sure
12 we find places for people to stay. So the
13 alternative housing program will go along
14 with this program to make sure we get people
15 in some decent housing and out of these
16 travel trailers and mobile homes.

17 MS. RADELAT: Why did you decide to
18 do this? I mean in Andrew people were kept
19 in their trailers for as long as they wanted
20 and they didn't have to pay for them. So why
21 was this done differently?

22 ADMINISTRATOR PAULISON: I don't

1 know that-I think this is a new program that
2 we're using to come up with some innovative
3 ideas. In Andrew, they didn't stay in there
4 forever. Normally, it's 18 months, you know,
5 when we start moving people out. And don't
6 forget in Andrew, we had hundreds and
7 hundreds of families and people living in
8 tents. Go down to Harris Field. You know, I
9 was the Fire Chief down there.

10 This is a long, long term, much
11 longer than a term that Andrew was as far as
12 the numbers of people, the amount of very
13 devastated-don't forget we had 90,000 square
14 miles and, you know, over a million and half
15 people that had to be evacuated.

16 The recovery is going to be much
17 longer in this area than it is going to be it
18 was Andrew. So that's why we've got this
19 long-term program. That's why we're working
20 as partners with HUD to find apartments for
21 people to stay in, for them to take over the
22 housing program, 'cause they're going to be

1 there a while. It's not going to be
2 something where they can move back in homes
3 in a short time like we did with Andrew.

4 SECRETARY JACKSON: I think to add
5 what Administrator Paulison said, it's very
6 important for us to realize that many of the
7 persons that we're talking about do not have
8 homes to go back to. They have vacant lots
9 to date.

10 We, Administrator Paulison,
11 Chairman Powell and I have made many trips
12 back to Louisiana. This is a very difficult
13 and unique situation. And we're trying to do
14 everything we can to stabilize the lives of
15 these persons who have been affected by
16 Hurricane Katrina; and, therefore, we must
17 use new and very innovative techniques to try
18 to address this issue.

19 Does that mean that we don't want
20 any of these persons to come back? We want
21 everyone who wants to come back home to come
22 back home. And we'll do everything in our

1 power in that process to get them back.

2 But during that period of time that
3 they can't come back, it's important that we
4 stabilize their lives and the lives of these
5 families.

6 COORDINATOR POWELL: I would just
7 add, too-I think it's important again to make
8 sure that everybody understands that the CDBG
9 money, part of that money is not only for the
10 road home program or for people can replace
11 their single families, but part of that money
12 is also dedicated to affordable housing. So
13 this extended period of time gives time for
14 the states and the locals to engage and
15 increase the speed of rebuilding the
16 affordable housing.

17 As Secretary Jackson said, these
18 people don't have a place to go. So that's
19 the reason the CDBG money has been allocated
20 for affordable housing.

21 MS. RADELAT: One last question.
22 This phasing in, you know, where the people

1 have to start paying part of the cost of
2 living the trailers, and I guess part of the
3 cost of their rent.

4 Is there a limit on that? I mean
5 it was first \$50 a month and then it's going
6 to be in a couple of months after that
7 another \$50, so that would be \$100 a month.

8 Is there a cap or is it just-how
9 high does the escalation go?

10 SECRETARY JACKSON: Hopefully,
11 the persons will be able to phase out
12 completely. Those persons who can, we will
13 do it. Those who can't- remember I said to
14 you a few minutes ago, that when we find
15 physically, mentally disabled, when we find
16 the senior citizens or the elderly, they
17 might not be in a position to necessarily
18 phase out of the program, but those who can
19 phase out of the program, we will do
20 everything in our power to help them phase
21 out of the program. See you have--

22 MS. RADELAT: Because I mean the

1 people who are living in trailers, they're
2 not paying rent. So what's the maximum
3 they're going to pay for rent for their
4 trailers?

5 I guess that's the way it would
6 work.

7 ADMINISTRATOR PAULISON: Yeah.
8 We're not going to charge any more than what
9 the normal fair market rent would be for a
10 mobile home, you know, people in a commercial
11 park-

12 COORDINATOR POWELL: So in essence,
13 that's a cap.

14 ADMINISTRATOR PAULISON: It will be
15 a cap on whatever that is. And don't forget
16 the travel trailers now are not going to be
17 nearly as much as far as the rent as a mobile
18 home.

19 So somebody living in a 25-foot
20 travel trailer is not going to pay the same
21 rent as somebody living in a 60-foot mobile
22 home.

1 There's going to be a big
2 difference there.

3 And also, don't forget that this
4 thing doesn't start for another year.

5 SECRETARY JACKSON: That's correct.

6 ADMINISTRATOR PAULISON: We have
7 time to work out that process and exactly
8 what we're going to charge. We're not
9 going-we're not going to kick people out.

10 We just want them to get back to
11 self- sufficiency and, you know, to make sure
12 that they can do that, and that's the way it
13 is-I think it's going to be a good program to
14 work that Chairman Powell and Secretary
15 Jackson and I put together.

16 COORDINATOR POWELL: So in essence
17 you have a cap.

18 SECRETARY JACKSON: But there is
19 no-

20 COORDINATOR POWELL: You have a
21 cap.

22 SECRETARY JACKSON: Right. And

1 there is no litmus test at this point.

2 Everyone is going to be served, as
3 Administrator Paulison said, for the year.
4 You have to understand that the average rent
5 is about \$850. And we're saying to the
6 person that next March we will begin to
7 evaluate each individual person to see where
8 they are.

9 Now you must understand also that a
10 number of the people are working today in
11 Houston, in Dallas, in Austin, in Baton
12 Rouge. They have jobs. And so we're
13 basically giving those persons who are
14 working a moratorium for another year. And
15 so we must begin to ask them to take some
16 responsibility for input in their living
17 conditions. And I think that's only right.

18 But those who are not able, as we
19 said again, we'll reiterate, physically,
20 mentally handicapped, the seniors, we're
21 going to work with them and we will come up
22 with an agreement between the Homeland

1 Security, HUD, and the Coordinator as to how
2 we address those issues.

3 And that's the mandate from the
4 President.

5 MS. NORDQUIST: Okay. Last
6 question, please?

7 SECRETARY JACKSON: That was it.

8 MS. NORDQUIST: Okay.

9 MODERATOR: This question comes
10 from Ms. Leslie Eaton of the New York Times.

11 MS. EATON: Hi, there. Can you
12 hear me?

13 SECRETARY JACKSON: Yes.

14 MS. NORDQUIST: Oh, yeah.

15 MS. EATON: Okay. Good. I'm
16 sorry. I'm a little confused about the rent.
17 It starts at \$50 and then it remains at \$50
18 for a while or it goes up immediately or?

19 ADMINISTRATOR PAULISON: There's
20 two things going on. One is the rent that
21 we're already paying for people in
22 apartments. They're going to have start

1 picking up parts of that in March of '08.

2 MR. EATON: Mm hmm.

3 ADMINISTRATOR PAULISON: And that
4 will start off at \$50 a month. The next
5 month it will go up another \$50 until we get
6 to-all the way into March of '09, when the
7 program ends.

8 Those in trailers, in travel
9 trailers, will have to start paying rent
10 starting in March of '08; again, starting as
11 little as \$50 and will go up and they'll be
12 cap on those based on what that trailer would
13 normally rent for or that mobile home would
14 normally rent for.

15 So, again, that will go into March
16 of '09.

17 MS. EATON: It'll basically go from
18 \$50 to a hundred to a hundred-fifty to-

19 SECRETARY JACKSON: That's correct.
20 Let me say this to you: I think that if
21 you're a little confused, what we have said
22 is that we're looking at each individual in

1 their particular situation. If they are
2 capable of doing it, yes, the rent will go
3 up.

4 MS. EATON: Mm hmm.

5 SECRETARY JACKSON: But if they're
6 not, then we will work together, all three of
7 us, that is the Homeland Security, HUD, and
8 the Coordinator to make sure that those who
9 are not able to participate in paying or
10 downgrading in their subsidy, we will work
11 with them to make sure that they're not
12 displaced.

13 COORDINATOR POWELL: Let me
14 emphasize two things, too. It doesn't
15 commence, as has been said repeatedly here-

16 MS. EATON: All right.

17 COORDINATOR POWELL: Until March of
18 2008, and it does have a cap.

19 MS. EATON: Great. Thanks.

20 MS. NORDQUIST: Okay. Thank you,
21 everybody for joining us today. If you have
22 any further questions, please feel free to

1 follow up with the press office at Gulf Coast
2 Rebuilding. It's (202) 572-8994. HUD is
3 (202) 708-0685, and FEMA is (202) 646-4600.

4 Thank you very much. Have a great
5 day.

6 (Whereupon, 10:35 a.m., the
7 PROCEEDINGS were adjourned.)

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