



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

ASSISTANT SECRETARY FOR
PUBLIC AND INDIAN HOUSING

September 9, 2004

Dear Executive Director:

For the second time in three weeks, Florida has experienced another hurricane causing extensive damage throughout the state. HUD, through our local HUD Field Offices, is already assisting public housing agencies (PHAs) in the recovery process.

I would like to remind you that under the Capital Fund, HUD maintains a reserve for emergencies and natural disasters. PHAs who sustained damage to their public housing developments as a result of a natural disaster, such as a hurricane, are eligible to apply for funding from the reserve.

The first step in the process is to submit a request to the public housing Director in your local HUD Field Office. The content of the request is outlined in the enclosed excerpt from the Comprehensive Grant Guidebook. Under these procedures, a PHA submits an application for its total loss after offsetting the amount it is to receive from the Federal Emergency Management Agency (FEMA) and from the PHA's insurance carrier, as well as other sources of relief. In addition, the PHA submits independent confirmation of the damage and costs.

It normally takes some time to obtain the detailed information regarding the loss and the amount of any reimbursement. During this time, the PHA may need to pay for immediate repairs to units and buildings necessary for such things as temporary preservation of the structural integrity, or to ensure that the units and buildings are safe and habitable for the residents. If your PHA is in such a situation, it can submit a preliminary application for a disaster grant from the reserve now. HUD will expedite its review and respond to the request within 30 days. Once all costs and reimbursements are known, it may submit a full request as described above.

A preliminary application differs from a normal application in two respects: 1) the funding will be limited to items of immediate need, and 2) the PHA only needs to provide a reasonable estimate of the amount of funding needed.

If a PHA receives a preliminary disaster grant, HUD will require PHAs to confirm to HUD the actual amounts received from FEMA, insurance carriers and other disaster relief sources. The confirmation can come either with the full disaster application or, if no other funding is required, separately. The local HUD Field Office should receive full disaster applications or confirmation of preliminary disaster grants no later than December 6, 2005.

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Once HUD receives confirmation, it will undertake a reconciliation to ensure that the PHA is receiving accurate funding (i.e., not receiving duplicate funding). If the insurance and other funding received pays for all costs, HUD will either require the PHA to reimburse all excess or duplicative payments. As noted above, natural disaster grants cover costs in excess of payments from FEMA and from the PHA's insurance carrier, as well as other sources of relief.

I have also heard that some PHAs are receiving confusing information with respect to assistance from FEMA. PHAs should approach FEMA through local government channels rather than through the 800 number that is designed to respond to inquiries from individuals and private sector businesses. There is a copy of a joint coordination letter signed by both FEMA and HUD at FEMA's website (go to http://www.fema.gov/rrr/pa/9523_7.shtm and click on the "policy is attached" link at item 7).

I want you to know that HUD is committed to helping all of the PHAs affected by hurricanes Charlie and Frances. I have directed local HUD Field Office staff to work with all affected PHAs in Florida to provide guidance and assistance. If you have any questions concerning this matter you may contact Mr. William Thorson, Director, Office of Capital Improvements at (202) 708-1640 extension 4999.

Sincerely,

for 
Michael Liu
Assistant Secretary

Enclosure

[Note: references to the reserve for natural and other disasters containing \$75 million have been superceded by the 2004 appropriation that provides \$39.7 million for emergencies and disasters.]

6-9. HA SUBMISSION REQUIREMENTS FOR RESERVE FOR DISASTERS AND EMERGENCIES. ['968.104 or '950.606]

- A. Prerequisite for Receiving Assistance. To receive funding from the \$75 million reserve for natural and other disasters or for emergencies under paragraph 3-8, whether or not the FO has approved the HA's Comprehensive Plan, the HA must first:
1. For natural and other disasters, determine the extent to which its needs are in excess of its expected reimbursement from insurance and other sources, such as the Federal Emergency Management Administration (FEMA).
 2. For emergencies, deplete its annual formula allocation of CGP funds, other unobligated CGP and CIAP funds, and any funds in the CGP-funded replacement reserve.
- B. Submission Requirements. The HA shall submit the following documents to the FO:
1. Form HUD-52837, Annual Statement, in an original and one copy, which identifies:
 - a. the development(s) where there is work resulting from a disaster or an emergency;
 - b. for a natural or other disaster, the nature of the disaster and why the HA believes it qualifies for grant funding under the reserve, the work needed to repair the damage caused by the disaster, the estimated cost, and the expected reimbursement from insurance and other sources such as FEMA to pay for the damage caused by the disaster. Subtract the total expected reimbursements from the estimated cost of the repair work to determine the amount eligible for funding from the \$75 million reserve.
 - c. for emergencies, the nature of the immediate threat to the health or safety of residents, the work needed to correct the emergency condition(s), and the estimated cost. The HA also shall provide the estimated or actual amount of its current year formula allocation, the amount of previously approved, but unobligated CIAP and CGP funds, and the amount in the CGP-funded replacement reserve. Subtract the total of these

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three amounts from the estimated cost of the emergency work to determine the amount eligible for funding from the \$75 million reserve.

2. Form HUD-50070, Certification for a Drug-Free

Workplace, in an original only, unless already submitted for the CGP in the same FFY;

3. Form HUD-50071, certification for Contracts, Grants, Loans and Cooperative Agreements, in an original only;
4. Standard Form (SF)-LLL, Disclosure of Lobbying Activities, in an original only; and
5. Form HUD-52836, PHA/IHA Board Resolution Approving Comprehensive Plan or Annual Statement in an original only.

Note: There are no resident or local/tribal government consultation requirements or public hearing requirements for funding from the \$75 million reserve because of HA need to submit quickly. However, the HA is urged to consult, where possible, with residents and local/tribal government officials. The HA is required to inform residents and local/tribal government officials of any approved disaster or emergency funding.