NMHC National Multi Housing Council®

NAA National Apartment Association

September 15, 2005

The Honorable Tom Dorr
Undersecretary for Rural Development
U.S. Department of Agriculture
Jamie L. Whitten Federal Building
12th and Jefferson Drive, SW
Room 205-W
Washington, DC 20250

Dear Undersecretary Dorr:

We are well aware of the tremendous need for a practical and realistic solution to the problem of housing Hurricane Katrina's evacuees. To that end, the National Multi Housing Council (NMHC) and the National Apartment Association (NAA), in conjunction with affiliates in all of the affected states, have launched a massive effort to provide apartment housing for a vast majority of the victims.

Immediately following the devastation of Hurricane Katrina, our members sprang into action, to identify available apartment units that could house the victims who had suddenly become homeless. At the direction of the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA), a clearinghouse of available housing was created and is now currently accessible by the federal government, charitable organizations assisting the recovery effort, state and local housing agencies and the evacuees themselves. Not only have tens of thousands of units been identified all over the country, there exists a significant inventory of units in locations close to Louisiana, Mississippi and Alabama. Of special interest is that most of these units are being offered either for free or at significant discounts, most are waiving application fees, deposits, or offering minimum lease terms and other monetary items.

This industry outreach and subsequent development of the **http://hurricanehousing.net,** national registry of housing units was conducted at the request of the federal government. We are concerned to learn that FEMA is now pursuing housing options that appear at odds with this initial solution. While we understand the federal government must do all it can to support the victims of the Hurricane, we hope the efforts to house these people in mobile homes is an effort to complement our current housing initiative to start rebuilding the lives of these people and not a replacement option.

The multifamily industry is prepared to house these people right now. Apartments are immediately available at affordable rates and without the need for any massive infusion of additional investment by the government. The sooner we can make housing available to as many of the victims as possible, the sooner we can relocate them from the various shelters that have been established, and we can also avoid placing many of these families in other temporary housing such as mobile homes and trailer parks.

To date, the only thing standing in the way of increasing the number of units has been the reluctance of Federal and State agencies to waive various restrictions that are in place with respect to multifamily properties that are financed with either Low Income Housing Tax Credits (LIHTC) or any other type of tax exempt financing. Absent these restrictions, we are confident most of the hurricane victims can be placed in housing and begin their recovery process.

On September 6, 2005, NMHC/NAA sent a letter to Department of Treasury Secretary Snow and Department of Housing and Urban Development (HUD) Secretary Jackson seeking such waivers and we have also asked Congress to persuade the agencies to provide the waivers. Attached is a copy of the letter. Treasury has responded with limited waivers for LIHTC properties, but a broader, more comprehensive waiver is necessary. We urge you to weigh in with Treasury and HUD to remove these unnecessary burdens.

We thank you for your support

Sincerely,

Doug Bibby
President
National Multi Housing Council
Association

Doug Culkin
Executive Vice President
National Apartment

cc: Shekar Narasimhan, Managing Partner, Beekman Advisors, LLC