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October 4, 2005

Honorable City Council
Oakland, California

RE: Report and Recommendations on City of Oakland's Participation in Hurricanes Katrina and Rita Efforts

President De La Fuente and Members of the Council:

This report is prepared in response to Council's request on September 20, 2005 to bring forward informational updates and recommendations to the City Council for consideration to provide relief to persons displaced by Hurricanes Katrina and Rita. This report updates the Council on the work that is going on internally by City staff to provide assistance and relief to victims and also describes a temporary tenant-based rental assistance program that could be provided to families that have been displaced by the disasters and relocated to the City of Oakland.

HOUSING ASSISTANCE

The Oakland Housing Authority currently has 45 families displaced by the hurricane that were not receiving Section 8 assistance prior to the disaster and are in need of housing. Many of these families are living with Oakland residents who are relatives, friends or strangers, and have created overcrowded, unhealthy, and unsanitary living conditions. Emergency rental assistance is necessary to help address the potential health and safety risks to the incoming hurricane displaces and to the Oakland residents who may take them in.

CEDA's Department of Housing and Community Development has identified \$250,000 in HOME program income funds from the Home Maintenance and Improvement Program that could be used to implement a new tenant-based rental assistance program for Katrina and Rita evacuees.

The proposed program would work much the same as the existing Section 8 Housing Choice Voucher program. Eligible low income renters (who can document that they were displaced by the hurricane disasters) will be provided with vouchers that provide subsidies for rental of privately-owned apartments. The program will provide payments to property owners in an amount equal to the difference between the fair market rent and the amount the household can afford. Tenants will generally pay no more than 30 percent of their income for rent, with the voucher payment covering the remainder.

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Staff estimates that on average the voucher payments will equal \$1380 per month or \$16,560 per year. The proposed funding of \$250,000 will provide one year of assistance for roughly 15 very low income families. To the extent that families receive FEMA rental assistance, the subsidy requirement would be reduced to \$595 per month, which would allow a greater number of displaced families to be assisted.

The City does not operate rental assistance programs of this type, and has neither the experience nor capacity to do so. The Oakland Housing Authority currently provides rental assistance to more than 11,000 households through the federally-funded Section 8 program. If Council authorizes this action, staff proposes that the emergency rental assistance program be administered by OHA, which has already agreed to do so. As their contribution to the program, OHA would not charge an administrative fee to the City and would absorb the costs of managing the program.

FINANCIAL ASSISTANCE

To date, City employees have donated \$10,124 to the Katrina Relief Fund for the American Red Cross.

STAFF SUPPORT

The City of Oakland's Community Action Partnership is partnering with the Red Cross to provide direct assistance to Hurricane Katrina's victims who have relocated within the Oakland community. In this effort, the City of Oakland Community Action Partnership is providing support to assist those who have been displaced in re-filling their medical prescriptions, providing clothing and transportation vouchers in order to seek employment, and meeting other immediate needs as they arise.

The City deployed 14 Fire Department personnel to New Orleans with a swift water rescue team from August 30th to September 16th. Approximately 950 rescues and evacuations were performed. The City deployed 33 Fire Department personnel to Biloxi from August 31st to September 11th. This team worked on recovery operations in a large debris pile. The City deployed 34 Fire Department personnel to Dallas from September 24th to September 27th. This team was staged, but was never given a mission in the Gulf.

The Library implemented minimal requirements to give persons displaced by the hurricanes a library card even if they had no I.D. and allowed extended computer time to these persons for checking email. OPL is working in partnership with the American Library Association to send books to rural libraries in Louisiana when they are ready to accept new materials.

ACTION REQUESTED OF THE COUNCIL

The City Administrator recommends that the City Council authorize the establishment of the emergency rental assistance program and the reallocation of \$250,000 in HOME funds as described. These actions require an amendment to the Consolidated Plan, including a public hearing with a minimum three-day public comment period. The City Administrator recommends the City Council direct staff to return to City Council for a public hearing and an amendment to the Consolidated Plan in order to implement this new program along the following parameters:

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1. Re-allocate \$250,000 in HOME program income funds from the Home Maintenance and Improvement Program (HMIP) to implement a new tenant-based rental assistance program for Katrina and Rita evacuees.
2. Establish this as a one-year, temporary program to be implemented by the Oakland Housing Authority similar to the existing Section 8 rental assistance program. Any funds remaining at the end of the one year period would be available for reallocation by the City Council.
3. Provide the City Administrator or designee authority to negotiate and execute a memorandum of understanding with the Oakland Housing Authority to implement the program.
4. Negotiate with the Oakland Housing Authority to waive its administrative expense as part of their contribution in administering this program.
5. The City and the Oakland Housing Authority would agree that in the event emergency Section 8 vouchers are provided by the federal government that the City's assistance would be re-evaluated, and that the City and the Housing Authority would actively seek reimbursement for any funds already expended.

Respectfully submitted,


Deborah A. Edgerly
City Administrator