

July 10, 2012

Hon. Shaun Donovan
Department of Housing and Urban Development
451 7th St. SW
Washington, D.C. 20410

Hon. Janet Napolitano
Department of Homeland Security
Washington, D.C. 20528

Dear Secretary Donovan and Secretary Napolitano:

We are writing to request HUD and FEMA's immediate intervention to prevent the eviction of Hurricane Katrina survivors in the community of Safe Harbor in the City of Bayou La Batre, Alabama. The homes in which these survivors live were developed entirely with federal funds, and the survivors gave up homes they owned based, in part, on promises that they would eventually rent-to-own their new homes in Safe Harbor. The cause of the eviction stems from local authorities diverting funds illegally – their criminal activity and subsequent prosecutions are detailed below – and currently rent gauging the residents. HUD and FEMA have continuing legal obligations to Safe Harbor, also detailed below, to ensure that post-disaster relief is administered in a manner accountable to the survivors.

Specifically, the fishing village of Bayou La Batre was awarded 15.6 million in FEMA and HUD grants under the [Alternative Housing Pilot Program](#) to provide permanent housing for those whose properties Katrina had ravaged. See Abt Associates, *Creating a Safe Harbor After Hurricane Katrina: A Case Study of the Bayou La Batre Alternative Housing Pilot Program*, prepared for HUD & FEMA [8/7/2009]. Indeed, according to 109-295, the Post-Katrina Act, FEMA was charged with developing the “most cost efficient and cost-effective federal programs that will best meet the short-term *and long-term* housing needs of individuals and households affected by the disaster.” 6 USC §772(b)(1). Safe Harbor was such a project, one for which FEMA is charged with “supervising” under 6 USC §314(a)(12), so that individuals “can function on their own, return to normal life, and protect against future hazards.” *Id.*, at (a)(9)(D).

Absent any financial contribution from the City, federal funds were used to create a model community of 100 modular houses where struggling fishermen, the disabled, and the elderly carry on their lives with restored hope and dignity. While residents were made renters by the City, they were promised a [rent-to-own](#) option. Apparently, other Safe Harbor units were to be converted to a Public Housing Authority Project where rents would be based on “ability to pay and the project would be managed in accordance with HUD guidelines.” See DHS, Office of Inspector General, *Future Directions of FEMA's Temporary Housing Assistance Programs*, OIG-12-20 (December, 2011), at p. 9.

Federal investigation and prosecution has since revealed that federal money used to build these homes and buy this land was unlawfully manipulated and steered to the pockets of City officials. Allegedly, federal funds were used by the City to purchase land at an inflated price from the City's own mayor. Funds also were used to benefit those who were not eligible for pilot project assistance. The City Grant's Manager already has been [convicted](#), and [prosecution of the City's Mayor](#) is forthcoming.

Within days of these federal indictments, city officials [doubled and tripled Safe Harbor rents](#), and terminated their rent-to-own promise. A number of tenants claimed these actions were unlawful and sued the Housing Authority. It appears that such rent hikes were not consistent with HUD procedural regulations relative to rent increases under 24 CFR §609 or Form HUD-50058 Instruction Booklet (for Housing Authorities), nor with the residents' own leases. As the City scrambles to defend itself, one of the tenants claims a city attorney forced her out of the lawsuit with the threat of immediate eviction.

On Friday, June 29, 2012, days after the City publicly acquiesced to Safe Harbor tenants' demand for a three-week eviction moratorium, the City began to evict. Daisy Robinson, an elderly and disabled Bayou La Batre resident on a fixed income and unable to afford the rent hikes, was left on her front lawn in the Bayou heat on Friday, surrounded by her furniture and her neighbors, and crying the tears of humiliation and desperation.

The precarious security of tenure that Robinson and others now at risk at Safe Harbor is felt even more keenly given the fact that many of them owned their property outright before Katrina. [Coerced into moving to Safe Harbor](#) by the condemnation powers of the City, the move transformed them from owners to renters and from those who had lifelong security of tenure to those with monthly risk of eviction. The [rent-to-own](#) plan was designed to accommodate this, as was the fact that the City owed no debt service on the housing and thus below-market rents were assured. See Abt, *Case Study*, at 46.

The plan also envisioned a back-up option--HUD subsidies could be sought by newly created the Bayou La Batre Housing Authority. The Authority quickly contracted its administration to Janey Galbraith of Galbraith and Associates. It was Ms. Galbraith who was convicted for misuse of Safe Harbor funds, directing subordinates to alter federal audit documents, and conspiring to obstruct the audit. Other Authority officials claim their misplaced trust in Galbraith led them to believe HUD operating subsidies were forthcoming. Needless to say, the subsidies never materialized, and the Authority's current rent gouging appears to be compensation for its own negligence in monitoring Galbraith.

Despite the corruption and harm already done, the residents are proposing a simple solution to this travesty: restore the tenants to homeowners by deeding Safe Harbor to a housing co-operative that Safe Harbor residents already are exploring with the help of [Alabama Fisheries Co-operative](#). DHS OIG-12-20 (at p.9) indicates that land acquisition costs for Safe Harbor were \$648,201, and that completed units cost about \$88,000. As indicated, these costs all were covered by FEMA and HUD, and by nearly \$2 million in federal Community Development Block Grants.

The City appears now to be abusing its current position as landlord and owner, achieved only through federal monies – to possibly convert the development into market-rate housing. This conversion not only thwarts the purpose of the pilot program and effectively rewards city officials for their unlawful conduct, but also puts Katrina survivors in a far worse situation than they faced after the storm.

It is critical that Katrina survivors get what they were promised. Already, 160 Bayou La Batre citizens have signed a petition directed to the City in support of the tenants. Some of these residents spoke by phone with HUD senior advisor Fred Tombar, on June 22, 2012, and were appreciative that he was concerned and willing to investigate. Ms. Robinson's eviction, just seven days later, warrants our current and urgent appeal to you.

The Safe Harbor residents' need for housing and their status as persons displaced by disaster gives rise to human rights obligations to which our government is accountable. In late 2010, 42 organizations combined from the Gulf Coast states affected by Katrina to cite these obligations in [a human rights report](#) to the United Nations in the storm's aftermath. In it, they wrote,

"The hurricane-damaged communities in Alabama are the most overlooked areas by the U.S. Government and are not mentioned in the U.S. Government's reports to the UN Human Rights Committee ... [The coastal community of] Coden has never seen so many people pass away in such a short time... trying to survive in the (formaldehyde emitting)FEMA campers, and hoping to see their homes rebuilt."

Safe Harbor was a small, but significant response by the federal government to Katrina. The residents of Bayou La Batre are proud people, able in the past to provide for themselves as fishers and stewards of the Gulf Coast. They have fought the challenges of Katrina and the BP Oil Spill by coming together and re-creating their community and livelihoods primarily through self-help, including forming a successful [multi-cultural fisheries cooperative](#). Your support of their current efforts will, no doubt, reverberate beyond the housing realm, and work to continue the economic revival of the Gulf Coast.

We ask you to intervene on behalf of the citizens of Bayou La Batre by asking the City to 1) stop the evictions; 2) share all financial and public records relative to Safe Harbor; and 3) explore an housing co-operative or other mechanism that will allow Safe Harbor residents to save their homes and ensure their continued affordability.

Respectfully,

J. Peter Sabonis
Director, Human Right to Housing Program

cc. Hon. Richard Shelby
Hon. Jefferson Sessions

Hon. Jo Bonner
Connie Hudson
Merceria Ludgood
Mike Dean
Stan Wright