



# FEMA

## RECOVERY **DISASTER-SPECIFIC GUIDANCE**

### I. TITLE: **Utility Subsidies for Katrina/Rita Evacuees**

II. DATE: August 2, 2006

### III. PURPOSE:

The purpose of this Disaster-Specific Guidance (DSG) is to implement Section 2401 of the Emergency Supplemental Act of 2006 (P.L. 109-234). The Act allows FEMA to reimburse a State or local government for utilities provided for Hurricane Katrina and Rita evacuees who participated in the Section 403 Interim Sheltering Program. This utility subsidy will be available for up to 12 months from the effective date of the original lease.

### IV. SCOPE AND AUDIENCE:

This Disaster-Specific Guidance applies only to Presidential Major Disaster declarations for Hurricanes Katrina and Rita. All FEMA personnel are directed to follow this guidance.

### V. AUTHORITY:

The Emergency Supplemental Act of 2006, P.L. 109-234, was enacted on June 15, 2006. Section 2401 of the Emergency Supplemental Act of 2006 (P.L. 109-234), authorizes the Federal Emergency Management Agency to provide funds to a State or local government or, as necessary, assume an existing agreement from such unit of government, to pay for utility costs resulting from the provision of temporary housing units to evacuees from Hurricane Katrina and other hurricanes of the 2005 season if the State or local government has previously arranged to pay for such utilities on behalf of the evacuees for a term of any lease, not to exceed 12 months, contracted by or prior to February 7, 2006. The Federal share of the costs eligible to be paid shall be 100 percent.

### VI. GUIDANCE:

A. FEMA will reimburse Public Assistance applicants for utilities paid on behalf of evacuees who participated in the Section 403 Interim Sheltering Program, for up to 12 months from the effective date of the original lease. Public Assistance applicants that opt to participate in this program must have established a Section 403 Interim Sheltering Program as of February 7, 2006, which was still in effect on June 15, 2006.

1. Evacuees must have signed their lease on or before February 7, 2006.



# FEMA

## RECOVERY DISASTER-SPECIFIC GUIDANCE

2. Evacuees eligible for this subsidy include those who participated in the Section 403 Interim Sheltering Program, AND:

- a. Are participating in the Corporate Lodging Consultants (CLC) direct-pay program, OR:
- b. Are receiving Section 408 direct rental assistance, OR:
- c. Were determined ineligible for, or elected not to receive, Section 408 housing assistance.

3. Evacuees must reside in a leased unit for which they are legally and financially responsible.

B. FEMA and Public Assistance applicants will develop a consolidated database of evacuees and dates when leases were executed, to determine when the utility subsidy will end for each evacuee. This subsidy is not re-assignable, and will end earlier than the term of the lease if the evacuee vacates the leased unit, for any reason.

1. Public Assistance applicants shall provide to FEMA a consolidated database of all evacuees who have participated in the Interim Sheltering Program. The database must include information about each evacuee household regarding effective date of the lease and projected end date of the lease, which will be *no more than* 12 months from the effective date of the original Section 403 lease. These dates will be used to track when the utility subsidy ends for each evacuee. The consolidated database will be the basis for the utility payments.

2. On a weekly basis, CLC will provide to the FEMA Regional Office or the Transition Recovery Office, as appropriate, a list of evacuees who have moved out or vacated the 408 direct-pay housing units. FEMA will share this list with the appropriate Public Assistance applicant, who will use it to pay utilities or coordinate termination of the account with the utility company.

3. On a monthly basis, FEMA will provide to each Public Assistance applicant the National Processing Service Center (NPSC) list of evacuees who received Section 408 rental assistance for the current month. The Public Assistance applicant will use this list to pay utilities or coordinate termination of the account with the utility company.

4. For those evacuees who participated in a Section 403 Interim Sheltering Program but who were determined ineligible for further housing assistance under Section 408, Public



# FEMA

## RECOVERY **DISASTER-SPECIFIC GUIDANCE**

Assistance applicants should use the evacuees' last known address from the consolidated database to notify them that they may receive a utility subsidy *if they are in a leased unit for which they are legally and financially responsible within the Public Assistance applicant's jurisdiction.*

5. The Public Assistance applicant will be required to provide notice to the evacuee and the utility provider of the date the utility subsidy is scheduled to end. This notice should be provided at the beginning of the utility subsidy and at least 30 days prior to the projected end date of the subsidy. The utility subsidy will end of the projected lease termination date or the date the evacuee vacates the unit, for any reason, but in no event will it exceed 12 months from the effective date of the original lease.

C. All utilities (i.e., gas, electric, and water) previously paid by the Public Assistance applicant, and for which the evacuee (lessee) is responsible, are covered.

D. FEMA will reimburse Public Assistance applicants reasonable costs for implementing the utility subsidy program.

**VII. ORIGINATING OFFICE:** Recovery Division (Public Assistance Branch).

**VIII. REVIEW DATE:** One year from the date of publication.

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John R. D'Araujo, Jr.  
Director of Recovery  
Federal Emergency Management Agency