

# NATIONAL RURAL HOUSING COALITION

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Testimony of Clanton Beamon  
Delta Housing Development Corporation  
Before the  
Subcommittee on Housing and Community Opportunity  
House Committee on Financial Services  
United States House of Representatives  
Washington, DC

September 15, 2005

Mr. Chairman and members of the House Subcommittee on Housing and Community Opportunity, my name is Clanton Beamon, Executive Director of the Delta Housing Development Corporation.

Delta Housing Development Corporation (DHDC), based in Indianola, Mississippi, is a non-profit minority corporation chartered in 1971 in response to the devastation caused by a tornado on February 7<sup>th</sup> of the same year. DHDC currently owns and manages 249 units of multifamily housing in three Mississippi counties.

I am also past President and current Executive Committee Member of the National Rural Housing Coalition, a national membership organization. NRHC is the principle advocate for federal policies and programs aimed at promoting better housing and community facilities in rural America.

Mr. Chairman, we have all been horrified and humbled by the extent of the destruction wrought by Hurricane Katrina on our Southern coastline, particularly in the states of Alabama, Louisiana and Mississippi. We pray for all those affected by this tragedy.

In my home state of Mississippi alone, more than 115,000 evacuees are in shelters or temporary locations arranged by the Red Cross and many more are in hotels and private homes.

Right now, the pressing need is for more temporary housing, both for displaced families and for relief workers. As of Tuesday, September 13<sup>th</sup> in Jackson, 1,250 trailers or mobile homes had arrived at a central staging area, 135 were ready for occupancy and 20 were already homes to families in hard-hit Biloxi, where at least 5,000 homes and buildings were destroyed.

We have a lot of work to do before we meet the state's goal of 10,000 temporary shelters for displaced families and workers by the end of the month.

In response to Hurricane Katrina, we at Delta Housing Development Corporation, like many housing, religious, and other organizations across the region and the nation, are trying to do our part.

On September 1, 2005 DHDC had a total of 18 vacancies. We contacted USDA Rural Development and requested authorization to waive standard requirements of waiting lists, security deposits, credit checks, and income verifications in order to place Katrina evacuees on priority basis. I received word the same day that the national office of Rural Housing Services had already sent directives to its state offices with instructions on how to assist Katrina evacuees in their financed housing units, and we have since filled our 18 spots.

I next contacted National Equity Fund (NEF) and Mississippi Home Corporation to get authorization to house evacuees in our LIHTC development, where we had six (6) vacancies. The request was approved immediately.

On Friday, September 9, 2005 we received notification from the Foundation of the Mid-South that DHDC had been designated to receive funds from the Walton Family Foundation and disburse it to families and churches that are providing housing and food to the evacuees.

Additionally, we have been collecting donations from local churches to assist families with utility deposits, collecting food and clothing, and partnering with other groups, such as the local Community Action Agency, to provide families with rental assistance.

I would like to share with this subcommittee my first encounter with a family displaced by Hurricane Katrina. On Friday, September 2<sup>nd</sup>, I met with Doris, a single mother, and her ten (10) children. Through our conversation I determined she was living in an apartment owned the New Orleans Housing Authority and supported by Section 8. I reasoned that there was a good chance she would receive another Section 8 voucher at some point in the future and invited her and her family to stay in a four (4) bedroom apartment we had vacant. I told her we were going to have to walk out on faith in hopes that help would come later. She was very appreciative and very emotional. So was I.

While mother-nature does not know rich from poor when she unleashes her fury, it is undeniable and troubling that the majority of those affected by Katrina were among our nation's poorest individuals and families even before the storm hit. The vast majority of the people affected were living in poor, primarily black, nonmetro counties, and suffered from a lack of affordable, decent housing.

In fact, before Katrina two-thirds of rural America's occupied substandard housing was located in the 16 states that make up the Southeast and comprise Alabama, Louisiana, and Mississippi. Over 40,000 households lived in units without adequate plumbing, and over 100,000 people relied on USDA direct and guaranteed loans and other assistance just to remain in their homes.

Ever since poverty was first officially measured in the 1960s, the nonmetro poverty rate has exceeded the metro poverty rate. In 2002, 14.2 percent of the nonmetro population –

approximately 7.5 million people – was poor, as compared to a poverty rate of 11.6 percent in metro areas. Across the South, the nonmetro poverty rate in 2002 was 17.5 percent.

Economic Research Service has defined counties as “persistently poor” if 20 percent or more of their populations were poor over the last 30 years. Nonmetro counties make up the vast majority of America’s persistently poor counties, a total of 340 out of 386, of which 280 counties are in the South.

It should be stressed that of the 340 persistently poor counties nationwide, 210 are “black high-poverty” counties, and these are almost exclusively located in the South. A black high-poverty county is defined as such if a majority of the county’s poor are black, or if it is only the high incidence of poverty among blacks that brings the county's overall poverty rate above 20 percent.

In Alabama, Louisiana, and Mississippi, as in primarily rural states across the South and country, cost burden - defined as paying more than 30 percent of income for housing - is also a significant problem, exacerbating poverty in high cost areas. Before Katrina, 59 percent of the counties identified by FEMA in the three states as designated disaster areas had poverty rates of 20 percent or more, and in 74 percent of the counties more than 20 percent of the population was excessively burdened by housing costs.

Of Alabama’s 22 affected counties, 11 already had persistent poverty rates above 20 percent, all of which were black high poverty counties. And in 15 of the 22 counties over 20 percent of the households were cost burdened by housing.

In Louisiana, of the 64 counties most impacted by Katrina, 41 already had persistent poverty rates of over 20 percent, 32 of which were black high-poverty counties. 40 affected counties in Louisiana already had more than 20 percent of their households paying more than 30 percent of their income toward housing.

And finally, in Mississippi, of the 81 counties identified by FEMA, 49 were already persistently poor, 100 percent of which were black high-poverty counties. 69 of the 81 counties, or 85 percent, already had 20 percent or more households cost burdened by housing.

More information on the poverty rates, incidence of black high poverty, and cost burden in the counties identified by FEMA as designated disaster counties can be found in the table I have included with my testimony.

Ladies and gentlemen, this was the situation on the ground before the hurricane arrived.

Mr. Chairman and members of the subcommittee, as we strive to relieve the suffering of those affected by Hurricane Katrina and move forward to help them rebuild their homes and lives, please do not forget the challenges faced by tens of thousands of residents of Alabama, Louisiana, and Mississippi before the storm arrived. As you contemplate not only the immediate relief, but also the long term rebuilding process, please take into consideration our recommendations to ensure that the reconstruction of these three ravaged states means more than a return to the status quo.

## Recommendations

As I have noted, before the storm there was already a lot of inadequate housing in the states hit by the hurricane, much of it in rural areas. The three states of Alabama, Louisiana, and Mississippi have about 4.2 million rural residents; Mississippi has the largest share: 1.8 million rural households.

Before the storm, over 40,000 households in the three states lived in units without adequate plumbing. USDA currently has 50,000 low-income direct-loan borrowers in the hardest-hit areas. There are approximately another 50,000 recipients of guaranteed loans. And about 10,000 low-income assistance recipients are in coastal areas; displacement is expected to be widespread.

I have a number of recommendations. Obviously, we need better coordination between federal and state agencies and outreach by such agencies as FEMA, HUD, and USDA to get families help now. That help should include Section 8 vouchers and RHS vouchers. In addition, programs like RHS Section 525 supervising and technical assistance grants can be an important way to provide support to local non-profit community development organizations in their work on the ground.

The need for greater assistance is particularly acute in rural areas, and any assistance should reflect the immediate need and a long term commitment to rebuilding. In the short run, the goal is to repair up to 10,000 units of housing, get families 5000 vouchers, and provide sources for repair of multi-family projects. The longer term goal is to finance the development of over 20,000 units of single and multi-family housing for rural areas of states hit by Katrina.

There is also a need to provide waivers from some existing regulations. For example, the limitation on section 504 repair assistance should be increased to \$20,000. The matching requirement on Rural Housing Preservation Grants should be dropped. All households should be eligible for section 504 grants, not just elderly households. Eligibility for farm labor housing should be extended to workers in related industries such as shrimp boat fisherman in Louisiana. Congress should apply moratorium relief to households with guaranteed section 502 loans and include the authority to allow for subsequent loans, refinancing and debt relief for all section 502 borrowers.

Thank you for this opportunity to appear before the Committee today.

### Immediate relief:

- \$65 million for 5,000 vouchers under section 542(B);
- \$15 million for section 525 supervisory and technical assistance grant funds for non-profits and public bodies to assist families in gaining assistance;
- \$75 million in section 504 home repair grants;
- \$50 million for 504 loans; make available to all families;
- \$50 million for section 515 for repair of existing development;
- \$50 million for section 516 for repair of existing farm labor housing projects;
- \$100 million in section 502 deferred mortgage loans to finance repair;

- \$25 million for Housing Preservation Grants for single and multi-family renovation.

Rebuilding:

- \$1 billion in section 502 loans including deferred mortgages;
- \$1 billion for 502 guarantees;
- \$450 million in section 515 funds for units of rural rental housing;
- \$150 million of section 514/516 funds for farm labor housing;
- \$150 million for rural rental assistance.

**FEMA Designated Disaster Counties from Hurricane Katrina –  
Alabama, Louisiana, Mississippi  
(Greater than 20% Persistent Poverty Counties in Bold)<sup>1</sup>**

State (and Counties/Parishes)	Poverty Rate (2002) <sup>2</sup>	Black High- Poverty County/Parish <sup>3</sup>	Greater than 20% of Population Cost Burdened <sup>4</sup>
<b>ALABAMA</b>	16.1%		
Baldwin	10.1%	-	✓
<b>Bibb</b>	<b>26.8%</b>	✓	-
<b>Choctaw</b>	<b>24.5%</b>	✓	-
<b>Clarke</b>	<b>22.6%</b>	✓	-
Colbert	14.0%	-	✓
Cullman	13.0%	-	✓
<b>Greene</b>	<b>34.3%</b>	✓	✓
<b>Hale</b>	<b>26.9%</b>	✓	✓
Lamar	16.1%	-	✓
Lauderdale	14.4%	-	✓
<b>Marengo</b>	<b>25.9%</b>	✓	✓
Marion	15.6%	-	-
Mobile	18.5%	-	✓
<b>Monroe</b>	<b>21.3%</b>	✓	-
<b>Perry</b>	<b>35.4%</b>	✓	✓
<b>Pickens</b>	<b>24.9%</b>	✓	✓
<b>Sumter</b>	<b>38.7%</b>	✓	✓
Tuscaloosa	17.0%	-	✓
Washington	18.5%	-	-
<b>Wilcox</b>	<b>39.9%</b>	✓	✓
Winston	17.1%	-	-
<b>LOUISIANA</b>	19.6%		
<b>Acadia</b>	<b>24.5%</b>	-	✓
Allen	19.9%	-	✓
Ascension	12.9%	-	-
<b>Assumption</b>	<b>21.8%</b>	✓	-
<b>Avoyelles</b>	<b>26.0%</b>	✓	✓
Beauregard	15.6%	✓	-
<b>Bienville</b>	<b>26.1%</b>	✓	-
Bossier	13.7%	-	-
<b>Caddo</b>	<b>21.1%</b>	-	✓

<sup>1</sup> USDA Rural Development Research Report Number 100, July 2004

<sup>2</sup> [www.ers.usda.gov/briefing/incomepovertywelfare](http://www.ers.usda.gov/briefing/incomepovertywelfare) and [www.quickfacts.census.gov](http://www.quickfacts.census.gov)

<sup>3</sup> [www.ers.usda.gov/briefing/incomepovertywelfare](http://www.ers.usda.gov/briefing/incomepovertywelfare)

<sup>4</sup> 2000 Census of Population and Housing, Summary File 3

State (and Counties/Parishes)	Poverty Rate (2002)	Black High- Poverty County/Parish	Greater than 20% of Population Cost Burdened
<b>LOUISIANA (cont'd)</b>			
Calcasieu	15.4%	-	✓
<b>Caldwell</b>	<b>21.3%</b>	✓	-
Cameron	12.3%	-	-
<b>Catahoula</b>	<b>28.1%</b>	✓	-
<b>Claiborne</b>	<b>26.5%</b>	✓	✓
<b>Concordia</b>	<b>29.1%</b>	✓	✓
<b>De Soto</b>	<b>25.1%</b>	✓	✓
East Baton Rouge	17.9%	-	✓
<b>East Carroll</b>	<b>40.5%</b>	✓	✓
<b>East Feliciana</b>	<b>23.0%</b>	✓	-
<b>Evangeline</b>	<b>32.2%</b>	✓	✓
<b>Franklin</b>	<b>28.4%</b>	✓	✓
<b>Grant</b>	<b>21.5%</b>	✓	-
<b>Iberia</b>	<b>23.6%</b>	✓	✓
<b>Iberville</b>	<b>23.1%</b>	✓	✓
Jackson	19.8%	-	-
Jefferson	13.7%	-	✓
<b>Jefferson Davis</b>	<b>20.9%</b>	✓	✓
Lafayette	15.7%	-	✓
Lafourche	16.5%	-	-
La Salle	18.7%	-	-
Livingston	11.4%	-	-
<b>Lincoln</b>	<b>26.5%</b>	✓	✓
<b>Madison</b>	<b>36.7%</b>	✓	✓
<b>Morehouse</b>	<b>26.8%</b>	✓	✓
<b>Natchitoches</b>	<b>26.5%</b>	✓	✓
<b>Orleans</b>	<b>27.9%</b>	-	✓
<b>Ouatchita</b>	<b>20.7%</b>	-	✓
Plaquemines	18.0%	-	-
<b>Pointe Coupee</b>	<b>23.1%</b>	✓	✓
<b>Rapides</b>	<b>20.5%</b>	-	✓
<b>Red River</b>	<b>29.9%</b>	✓	✓
<b>Richland</b>	<b>27.9%</b>	✓	✓
<b>Sabine</b>	<b>21.5%</b>	✓	-
St. Bernard	13.1%	-	✓
St. Charles	11.4%	-	-
<b>St. Helena</b>	<b>26.8%</b>	✓	✓
<b>St. James</b>	<b>20.7%</b>	-	-
St. John	16.7%	-	✓
<b>St. Landry</b>	<b>29.3%</b>	-	✓
<b>St. Mary</b>	<b>23.6%</b>	✓	-

State (and Counties/Parishes)	Poverty Rate (2002)	Black High- Poverty County/Parish	Greater than 20% of Population Cost Burdened
<b>LOUISIANA (cont'd)</b>			
<b>St. Martin</b>	<b>21.5%</b>	-	✓
St. Tammany	9.7%	-	✓
<b>Tangipahoa</b>	<b>22.7%</b>	✓	✓
<b>Tensas</b>	<b>36.3%</b>	✓	✓
Terrebonne	19.1%	-	✓
Union	18.6%	-	-
<b>Vermilion</b>	<b>22.1%</b>	✓	-
Vernon	15.3%	-	-
<b>Washington</b>	<b>24.7%</b>	✓	✓
<b>Webster</b>	<b>20.2%</b>	-	✓
West Baton Rouge	17.0%	-	-
<b>West Carroll</b>	<b>23.4%</b>	✓	✓
West Feliciana	19.9%	-	-
<b>Winn</b>	<b>21.5%</b>	✓	✓
<b>MISSISSIPPI</b>	19.9%		
<b>Adams</b>	<b>25.9%</b>	✓	✓
Alcorn	16.6%	-	✓
<b>Amite</b>	<b>22.6%</b>	✓	✓
<b>Attala</b>	<b>21.8%</b>	✓	✓
<b>Benton</b>	<b>23.2%</b>	✓	✓
<b>Bolivar</b>	<b>33.3%</b>	✓	✓
Calhoun	18.1%	-	-
Carroll	16.0%	-	-
<b>Chickasaw</b>	<b>20.0%</b>	✓	✓
<b>Choctaw</b>	<b>24.7%</b>	✓	✓
<b>Claiborne</b>	<b>32.4%</b>	✓	✓
<b>Clarke</b>	<b>23.0%</b>	✓	✓
<b>Clay</b>	<b>23.5%</b>	✓	✓
<b>Coahoma</b>	<b>35.9%</b>	✓	✓
<b>Copiah</b>	<b>25.1%</b>	✓	✓
<b>Covington</b>	<b>23.5%</b>	✓	✓
DeSoto	7.1%	-	✓
<b>Forrest</b>	<b>22.5%</b>	✓	✓
<b>Franklin</b>	<b>24.1%</b>	✓	✓
George	16.7%	-	-
Greene	19.6%	-	✓
Hancock	14.4%	-	✓
Harrison	14.6%	-	✓
Hinds	19.9%	-	✓
<b>Holmes</b>	<b>41.1%</b>	✓	✓

State (and Counties/Parishes)	Poverty Rate (2002)	Black High- Poverty County/Parish	Greater than 20% of Population Cost Burdened
<b>MISSISSIPPI (cont'd)</b>			
<b>Humphreys</b>	<b>38.2%</b>	✓	✓
<b>Issaquena</b>	<b>33.2%</b>	✓	✓
Itawamba	14.0%	-	-
Jackson	12.7%	-	✓
<b>Jasper</b>	<b>22.7%</b>	✓	✓
<b>Jefferson</b>	<b>36.0%</b>	✓	✓
<b>Jefferson Davis</b>	<b>28.2%</b>	✓	✓
Jones	19.8%	-	✓
<b>Kemper</b>	<b>26.0%</b>	✓	✓
Lamar	13.3%	-	✓
<b>Lauderdale</b>	<b>20.8%</b>	✓	✓
Lawrence	19.6%	-	✓
<b>Leake</b>	<b>23.3%</b>	✓	✓
Lee	13.4%	-	✓
<b>Leflore</b>	<b>34.8%</b>	✓	✓
Lincoln	19.2%	-	✓
<b>Lowndes</b>	<b>21.3%</b>	✓	✓
Madison	14.0%	-	✓
<b>Marion</b>	<b>24.8%</b>	✓	✓
<b>Marshall</b>	<b>22.0%</b>	✓	✓
Monroe	17.2%	-	✓
<b>Montgomery</b>	<b>24.4%</b>	✓	✓
<b>Neshoba</b>	<b>21.0%</b>	✓	✓
<b>Noxubee</b>	<b>32.8%</b>	✓	✓
<b>Oktibbeha</b>	<b>28.2%</b>	✓	✓
<b>Panola</b>	<b>25.3%</b>	✓	✓
Pearl River	18.4%	-	✓
<b>Perry</b>	<b>22.0%</b>	✓	✓
<b>Pike</b>	<b>25.3%</b>	✓	✓
Pontotoc	13.8%	-	-
Prentiss	16.5%	-	-
<b>Quitman</b>	<b>33.2%</b>	✓	✓
Rankin	9.5%	-	-
<b>Scott</b>	<b>20.7%</b>	✓	✓
<b>Sharkey</b>	<b>38.3%</b>	✓	✓
<b>Simpson</b>	<b>21.6%</b>	✓	✓
Smith	16.9%	-	-
Stone	17.5%	-	✓
<b>Sunflower</b>	<b>30.0%</b>	✓	✓
<b>Tallahatchie</b>	<b>32.2%</b>	✓	✓
Tate	13.5%	-	✓

State (and Counties/Parishes)	Poverty Rate (2002)	Black High- Poverty County/Parish	Greater than 20% of Population Cost Burdened
<b>MISSISSIPPI (cont'd)</b>			
Tippah	16.9%	-	-
<b>Tunica</b>	<b>33.1%</b>	✓	✓
Union	12.6%	-	-
<b>Walthall</b>	<b>27.8%</b>	✓	✓
Warren	18.7%	-	✓
<b>Washington</b>	<b>29.2%</b>	✓	✓
<b>Wayne</b>	<b>25.4%</b>	✓	✓
Webster	18.7%	-	-
<b>Wilkinson</b>	<b>37.7%</b>	✓	✓
<b>Winston</b>	<b>23.7%</b>	✓	✓
<b>Yalobusha</b>	<b>21.8%</b>	✓	✓
<b>Yazoo</b>	<b>31.9%</b>	✓	✓