

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 2088

To assist low-income families, displaced from their residences in the States of Alabama, Louisiana, and Mississippi as a result of Hurricane Katrina, by establishing within the Department of Housing and Urban Development a homesteading initiative that offers displaced low-income families the opportunity to purchase a home owned by the Federal Government, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 2005

Mr. ALLARD (for himself and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To assist low-income families, displaced from their residences in the States of Alabama, Louisiana, and Mississippi as a result of Hurricane Katrina, by establishing within the Department of Housing and Urban Development a homesteading initiative that offers displaced low-income families the opportunity to purchase a home owned by the Federal Government, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Hurricane Katrina Re-  
3 covery Homesteading Act of 2005”.

4 **SEC. 2. PURPOSES.**

5 The purposes of this Act are—

6 (1) to allow low-income families who were dis-  
7 placed from their residences in a designated disaster  
8 area as a result of Hurricane Katrina to return to  
9 their States, areas, or communities by providing  
10 homeownership opportunities;

11 (2) to assist in the rebuilding of neighborhoods  
12 in Alabama, Louisiana, and Mississippi that were  
13 damaged by Hurricane Katrina, through strategies  
14 that promote homeownership opportunities;

15 (3) to maximize the use of existing Federal re-  
16 sources to assist State and local governments in pro-  
17 viding homesteading and other homeownership op-  
18 portunities in a designated disaster area; and

19 (4) to promote the cooperation at all levels of  
20 government and the private sector, including non-  
21 profit organizations, in providing homesteading op-  
22 portunities and other homeownership opportunities  
23 that will facilitate the rebuilding of neighborhoods in  
24 a designated disaster area.

1 **SEC. 3. DEFINITIONS.**

2 As used in this Act, the following definitions shall  
3 apply:

4 (1) DESIGNATED DISASTER AREAS.—The term  
5 “designated disaster area” means any area in the  
6 States of Alabama, Louisiana, and Mississippi that  
7 is the subject of a disaster declaration by the Presi-  
8 dent under title IV of the Robert T. Stafford Dis-  
9 aster Relief and Emergency Assistance Act (42  
10 U.S.C. 5121 et seq.) in response to Hurricane  
11 Katrina.

12 (2) FAMILY.—The term “family” includes a  
13 family, as such term is defined in section 3 of the  
14 United States Housing Act of 1937 (42 U.S.C.  
15 1437a), of 1 or more persons.

16 (3) LOW-INCOME FAMILY.—The term “low-in-  
17 come family” means a family whose income does not  
18 exceed 80 percent of the median income for the  
19 area, as determined by the Secretary, with adjust-  
20 ments for family size, except that the Secretary may  
21 establish an income ceiling higher or lower than 80  
22 percent of the median for the area if the Secretary  
23 finds that such a variation is necessary because of  
24 prevailing levels of construction costs or unusually  
25 high or low family incomes.

1           (4) PARTICIPATING FEDERAL AGENCY.—The  
 2 term “participating Federal agency” means a Fed-  
 3 eral agency the head of which is referenced by title  
 4 in section 4(b), and any other Federal agency that  
 5 transfers or conveys property for the purposes of  
 6 section 4.

7           (5) RESPONSIBLE ADMINISTERING ENTITY.—  
 8 The term “responsible administering entity” means  
 9 a unit of general local government or a State in a  
 10 designated disaster area, or a public agency or other  
 11 entity designated by a unit of general local govern-  
 12 ment or a State that is charged with administering  
 13 a homestead program approved under section 4(d).

14           (6) SECRETARY.—The term “Secretary” means  
 15 the Secretary of Housing and Urban Development,  
 16 except as otherwise specified.

17 **SEC. 4. HOMESTEADING.**

18           (a) ELIGIBLE PROPERTY.—The Secretary is author-  
 19 ized to transfer, without payment, to a responsible admin-  
 20 istering entity, any real property—

21           (1) which is either vacant or includes either a  
 22 1, 2, 3, or 4-family residence or multifamily project;

23           (2) to which the Secretary holds title, including  
 24 property conveyed to the Secretary by any other par-  
 25 ticipating Federal agency;

1           (3) which is not occupied by a person legally  
2 entitled to reside there;

3           (4) which is requested by a responsible admin-  
4 istering entity for use in a homestead program;

5           (5) which is not—

6                 (A) excess or surplus Federal property  
7 subject to property disposition under title V of  
8 the McKinney-Vento Homeless Assistance Act  
9 (42 U.S.C. 11411 et seq.); or

10                (B) Federal property subject to disposition  
11 under a base closure law, as defined in section  
12 101(a)(17) of title 10, United States Code; and

13           (6) which the Secretary determines is suitable  
14 for use in a homestead program that is approved  
15 under subsection (d).

16 (b) ACQUISITIONS AND REIMBURSEMENTS.—

17           (1) IN GENERAL.—Notwithstanding any other  
18 provision of law, the Secretary of Agriculture, the  
19 Secretary of Health and Human Services, the Sec-  
20 retary of Veterans Affairs, and the head of any  
21 other participating Federal agency are authorized to  
22 transfer property to the Secretary, and the Secretary  
23 is authorized to accept custody and accountability of  
24 such property, to carry out this Act.

25           (2) REIMBURSEMENT.—

1 (A) IN GENERAL.—The Secretary is au-  
2 thorized to reimburse the Federal Housing Ad-  
3 ministration for property—

4 (i) which the Secretary has acquired  
5 under the National Housing Act (12  
6 U.S.C. 1701 et seq.) in the form of modi-  
7 fication of subsidy costs, as authorized in  
8 the Federal Credit Reform Act of 1990 (2  
9 U.S.C. 661 et seq.); and

10 (ii) which the Secretary transfers for  
11 use in connection with a local homestead  
12 program approved by the Secretary under  
13 this section.

14 (B) HOMESTEAD PROGRAM.—The Sec-  
15 retary is authorized to reimburse a partici-  
16 pating Federal agency in an amount to be  
17 agreed upon by the Secretary and such partici-  
18 pating Federal agency for property that such  
19 participating Federal agency transferred for use  
20 in connection with a homestead program ap-  
21 proved by the Secretary under this section.

22 (C) DEPOSITS.—Amounts to be reim-  
23 bursed under this paragraph shall be—

1 (i) deposited pursuant to the Federal  
2 Credit Reform Act of 1990 (2 U.S.C. 661  
3 et seq.), as applicable; or

4 (ii) made available to the agency to  
5 address real property capital asset needs.

6 (3) DONATED PROPERTY.—The Secretary is  
7 authorized to accept, manage, and convey residential  
8 property donated to the Secretary by a nongovern-  
9 mental entity for purposes of this Act.

10 (4) REVERSAL OF TRANSFER OR CONVEY-  
11 ANCE.—

12 (A) IN GENERAL.—Notwithstanding any  
13 other provision of law, any real property trans-  
14 ferred to the Secretary by a participating Fed-  
15 eral agency for purposes of this Act shall be  
16 transferred back to that participating Federal  
17 agency in the event that such property is not  
18 conveyed to a responsible administering entity  
19 under subsection (a).

20 (B) REVERSIONS.—In the event of a con-  
21 veyance to a responsible administering entity  
22 for purposes of this Act, if such responsible ad-  
23 ministering entity does not dispose of such  
24 property within 18 months of the date of such

1 conveyance, such property and its proceeds  
2 shall revert—

3 (i) to the Secretary; or

4 (ii) in the case of property transferred  
5 by a participating Federal agency under  
6 paragraph (1), to such participating Fed-  
7 eral agency.

8 (c) SUITABLE PROPERTY FOR HOMESTEAD PRO-  
9 GRAM.—In determining the suitability of a residential  
10 property for use in a homestead program, the Secretary  
11 shall consider—

12 (1) the physical condition of the residential  
13 property, including whether, upon rebuilding, or if  
14 repairs or improvements are required, upon comple-  
15 tion of such repairs or improvements, the property—

16 (A) would meet local or applicable stand-  
17 ards or codes for habitation or occupancy;

18 (B) is likely to meet all Federal require-  
19 ments for flood insurance; and

20 (C) will otherwise not endanger the health  
21 or safety of individuals residing within or near-  
22 by the residential property;

23 (2) the estimated time for rebuilding or repair-  
24 ing the property for residential use;

1           (3) the environment surrounding the property  
2           and the suitability of the surrounding structures and  
3           the neighborhood to be rebuilt and sustained as a  
4           viable community;

5           (4) the value of any repairs and improvements  
6           required by the program;

7           (5) the benefits to the community and the re-  
8           duced administrative costs to the Federal Govern-  
9           ment which would accrue from the expedited occu-  
10          pancy of the unoccupied property; and

11          (6) the possible financial loss to the Federal  
12          Government which may result from the transfer of  
13          the property without payment.

14          (d) APPROVAL CRITERIA.—The Secretary may ap-  
15          prove a homestead program carried out by a responsible  
16          administering entity, which provides for the following:

17               (1) EQUITABLE SELECTION OF PARTICIPATING  
18               FAMILIES.—The homestead program shall provide  
19               for an equitable procedure, as prescribed by the Sec-  
20               retary, for selecting low-income families that have  
21               been displaced from residences in a designated dis-  
22               aster area, which procedure shall—

23                       (A) give priority to low-income families  
24                       who were displaced from their residences in a  
25                       particular designated disaster area or who were

1 displaced as homeowners in a designated dis-  
2 aster area, or other criteria as may be pre-  
3 scribed by the Secretary;

4 (B) take into account for each family de-  
5 scribed under subparagraph (A), such fam-  
6 ily's—

7 (i) capacity to obtain assistance for  
8 the rebuilding, repair, or maintenance of  
9 the housing from private sources, commu-  
10 nity organizations, or other sources; or

11 (ii) agreement to rebuild or repair the  
12 housing by participating in a self-help  
13 sweat equity housing program, or the fam-  
14 ily's contribution to the surrounding com-  
15 munity; and

16 (C) include such other criteria as the Sec-  
17 retary determines appropriate.

18 (2) INITIAL OCCUPANCY AGREEMENT.—The  
19 homestead program shall provide for the initial occu-  
20 pancy of unoccupied residential property pursuant to  
21 a written agreement whereby the family to whom  
22 such property is conveyed agrees—

23 (A) to occupy such property as a principal  
24 residence for a period of not less than 5 years,

1 or such other time period as the Secretary may  
2 prescribe;

3 (B) to repair, or cause to be repaired or  
4 improved, if housing is located on such prop-  
5 erty, all defects in such housing that pose a  
6 substantial danger to health and safety within  
7 1 year of the date of such initial conveyance, or  
8 within such other time period as may be pre-  
9 scribed by the Secretary;

10 (C) to make, or cause to be made, such re-  
11 pairs and improvements, if housing is located  
12 on such property, to such housing as may be  
13 necessary to meet applicable local standards for  
14 decent, safe, and sanitary housing within 3  
15 years after the date of initial occupancy, or  
16 within such other time period as may be pre-  
17 scribed by the Secretary;

18 (D) to build or cause to be built, if housing  
19 is not located on the property, single family  
20 housing that meets applicable local codes within  
21 3 years after the date of initial occupancy, or  
22 within such other time period as may be pre-  
23 scribed by the Secretary;

24 (E) to permit reasonable periodic inspec-  
25 tions at reasonable times, and with notice rea-

1           sonable in the circumstances, for the purpose of  
2           determining compliance with the agreement;

3           (F) to the revocation of such agreement  
4           upon any material breach of the agreement,  
5           subject to penalties under section 5; and

6           (G) to accept the conveyance from the re-  
7           sponsible administering entity of fee simple title  
8           to such property without consideration upon  
9           compliance with the agreement.

10          (3) OTHER CRITERIA DETERMINED BY THE  
11          SECRETARY.—The homestead program shall meet  
12          such other criteria determined by the Secretary to be  
13          appropriate for the program in light of the location  
14          in which the program is to be administered, or fol-  
15          lowing consultation with State and local government  
16          officials.

17          (e) TECHNICAL SUPPORT.—The Secretary is author-  
18          ized to provide technical assistance and other resources  
19          directly or indirectly for the administration of homestead  
20          programs that meet the requirements of subsection (d)  
21          and to families who are participants in such programs.

22          **SEC. 5. COMPLIANCE.**

23          (a) COMPLIANCE MONITORING.—The Secretary shall  
24          make such reviews and audits as may be necessary or ap-  
25          propriate to determine whether activities authorized to be

1 carried out under this Act are carried out in accordance  
2 with the requirements of this Act and other applicable law.

3 (b) COMPLIANCE ACTIONS.—In addition to any other  
4 actions authorized by applicable law, if the Secretary de-  
5 termines that any property transferred for use under a  
6 homestead program approved under section 4 has been  
7 conveyed or used under the program in a manner contrary  
8 to the provisions of section 4, the Secretary may take such  
9 actions as the Secretary considers appropriate, includ-  
10 ing—

11 (1) imposing a civil money penalty on the re-  
12 sponsible administering entity, or the transferee of  
13 such entity, or both, as appropriate, in an amount  
14 equal to not less than any profit realized with re-  
15 spect to the conveyance or use of such property con-  
16 trary to the provisions of this Act;

17 (2) enforcing, revising, or releasing the restric-  
18 tions contained in any instruments of conveyance; or

19 (3) revoking the conveyance of the property to  
20 the responsible administering entity or requiring the  
21 responsible administering entity to revoke the con-  
22 veyance of such property to the family in accordance  
23 with procedures prescribed by the Secretary.

24 (c) JUDICIAL ENFORCEMENT.—The Attorney Gen-  
25 eral of the United States, at the request of the Secretary,

1 may bring civil actions in any district court of the United  
2 States to enforce this Act, and such court shall have juris-  
3 diction over such actions.

4 **SEC. 6. NONDISCRIMINATION.**

5 No person in the United States shall, on the grounds  
6 of race, color, national origin, religion, disability, or sex,  
7 be excluded from participation in the homestead program  
8 established under this Act.

9 **SEC. 7. ENVIRONMENTAL REVIEW.**

10 (a) IN GENERAL.—Except as provided in subsection  
11 (b), the National Environmental Policy Act (42 U.S.C.  
12 4321 et seq.) shall apply to all activities under this Act.

13 (b) EXCEPTIONS.—The Secretary may, in consulta-  
14 tion with Federal, Tribal, State, and local governmental  
15 entities, as appropriate, waive the requirements of the Na-  
16 tional Environmental Policy Act (42 U.S.C. 4321 et seq.),  
17 if the Secretary determines that such a waiver—

18 (1) will not frustrate the goals of the National  
19 Environmental Policy Act or any other provision of  
20 law that furthers the goals of that Act; and

21 (2) does not threaten the health or safety of the  
22 community involved by posing an immediate or long-  
23 term hazard to residents of that community.

1 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

2       There is authorized to be appropriated to carry out  
3 this Act a total of \$300,000,000 for fiscal years 2006  
4 through 2010.

5 **SEC. 9. IMPLEMENTATION.**

6       (a) **IN GENERAL.**—To immediately implement this  
7 Act, the Secretary shall, by notice, establish such require-  
8 ments as may be necessary to carry out this Act.

9       (b) **PROCEDURE FOR NOTICE.**—The notice required  
10 under subsection (a) shall—

11               (1) take effect upon issuance; and

12               (2) provide the opportunity for public comment.

13       (c) **FINAL REGULATIONS.**—The Secretary shall issue  
14 final regulations based on the notice required under sub-  
15 section (a).

16 **SEC. 10. SUNSET.**

17       The Secretary shall not accept, transfer, or convey  
18 property under this Act after 5 years from the date of  
19 enactment of this Act.

○