

# Housing issue remains major challenge of storm recovery

One of the biggest of all of the challenges Biloxi faces in the Katrina recovery effort is rebuilding the city's housing stock.

Katrina either destroyed or led to the destruction of 6,000 of the city's 25,575 homes and businesses, nearly a quarter of the total number of pre-Katrina structures.

The city had issued more than 7,600 construction-related permits in all of 2005, and more than 13,000 repair and storm-related permits have been issued have been issued between September 2005 through June 30.

However, 10 months after Katrina, the city had issued only 122 permits for new homes.

Typically, the city issues about 3,500 permits a year, and has averaged about 145 permits for new homes each year.

Replacing the homes lost to Katrina would take years judging from the past, but the storm presents a host of other issues, particularly in hard hit areas such as Eagle Point in north Biloxi and especially on Point Cadet in east Biloxi, where blocks and blocks of generations-old homes were reduced to debris fields. Many of the homes were built before regulations existed to guide construction in flood zones. In fact, many may have not been able to meet the city's existing regulations, much less any post-Katrina regulations.

Additionally, the small lot sizes in east Biloxi may not be large enough for homes to meet front or side setback requirements.

"And," Mayor A.J. Holloway adds, "there's the issue of money. Homeowners who might have sold their land for \$15 or so a square foot before the storm are looking for as much as \$100 to \$125 a square foot today.

"Today, we think many of the property owners in east Biloxi are dealing with a number of issues before they can begin rebuilding, if they decide to rebuild. I suspect many have yet to settle with their insurance companies, or are waiting on either a grant through the state's Homeowners Grant Program, or they're worried about the flood elevations or they might be considering offers to sell and build elsewhere in the city."

A developer seeking to build affordable housing in east Biloxi faces a difficult task, Holloway said. Buying land to build homes would be expensive, he'd face higher construction costs in this post-storm environment, and then he'd look to sell homes in an area where about 45 percent of the homeowners had an annual household income of \$24,000 or less before the storm.

"These factors all make it hard for the numbers to work."

Holloway points to a familiar answer to guide property owners and the city in resolving the housing issue: Look to the past for guidance.

Before the storm, the mayor said, the city and partner agencies were addressing this difficult challenge in east Biloxi. "We'd invested around \$5 million in the past three years in programs that have seen the restoration or completion of hundreds of homes in east Biloxi. We provided a million dollars to the housing authority in its efforts, where hundreds of housing opportunities were created alone in Hope VI."

Holloway also noted that in the past three years city programs have seen more than more than \$380,000 in down-payment assistance – plus training – to create 25 new homeowners in east Biloxi, along with more than \$1.8 million in rehabbing 40 homes, while also providing nearly a half-million dollars for an ongoing Back Bay Mission-administered program in which nearly 60 sub-standard homes have been rehabbed in east Biloxi.

"Today, we're in the process of deeding 12 parcels to Habitat to Humanity, which had completed about seven new homes in Biloxi.

"There is no easy answer to this challenge in east Biloxi. The private sector investment is needed for the long-term sustainable recovery and economic vitality, but it is also the very factor that drives up the cost of land."

Where do we go from here?

"We'll continue employing the many sources of revenue and partnering with the agencies we've successfully partnered with in the past, and we'll have new opportunities to look at through the Reviving the Renaissance report, which suggests a number of options to help sidestep the financial issues."

Said Holloway: "The best thing that we can do for our residents is to make them aware of their options. We need to make sure they are aware of the elevations to rebuild to, and what financing options and pool of volunteer labor is available. People will be able to make sound decisions if we make sure to give them a clear picture of their options. By doing that – and by building on the things that gave us the great quality of life and opportunity we had in the past – we'll build back better and in a responsible manner."



Work will soon begin on restoring homes in the HOPE VI subdivision on Biloxi's Back Bay.

## Despite \$57 million in damages, public housing on the way back

When motorists pass by the blocks of 235 brand-new, storm-ravaged townhomes of the Hope VI affordable housing project in east Biloxi, Delmar Robinson hopes they are reminded of the tremendous strides the community was making in affordable housing.

The \$35 million federally-funded development was the centerpiece of a revitalization effort that was sweeping east Biloxi, along with tens of millions being spent on public education, social services and improving the flow of traffic.

None of the work, particularly the housing was for naught, says Robinson, a Biloxi native who returned to the city in 1992 and accepted Mayor A.J. Holloway's request to serve on the Biloxi Housing Authority.

Before Katrina, BHA oversaw 777 units at seven different sites throughout Biloxi, and had a 76-unit seniors village under construction at Point Cadet when Katrina struck and plans for an additional 34-unit apartment complex in east Biloxi.

The housing authority's work and its HOPE VI endeavor – a program designed to provide Housing Opportunities for People Everywhere – would play a major role in the city's efforts to lure a major grocery store to east Biloxi.

Now, some many wonder if HOPE VI will be mowed down.

"None of them will be," Robinson said. "They withstood the wind, but what you see on the front as you pass on Bayview is where they had to rip the siding off to determine the extent of the damage for insurance purposes. There also were tractor trailers that had broken loose from different areas during the storm and slammed into some of the units.

"When I looked at the overall damage, I felt that I would not be retiring when I had anticipated. I'll have to work to get them all back – and more. I know that I need to do at least four more years.

"When I met with A.J., I guess it was maybe a month after the storm, I told him that Biloxi was my home, and I was going to get these things repaired – to get these units up and running and the other units that we need to add.

"We're going to get it done, just like we were doing before the storm, but on a much bigger scale."

Robinson provided a site-by-site status report on public housing in Biloxi:

**Estimated Public Housing Losses** – The Biloxi Housing Authority's Hurricane Katrina loss was estimated to be approximately \$57 million. We have received a \$7.8 million disaster relief grant from the Department of Housing and Urban Development, and are awaiting finalization of all insurance claims. A summary of the status of each development is as follows:

“We’re going to get it done, just like we were doing before the storm”

- **Oakwood Village, Beach Avenue:** All of the 110 units at Oakwood Village received flood waters of up to 8 feet. A contract has been issued for the rehabilitation of Oakwood Village. Repairs have begun on site, and we anticipate the first units will be ready for occupancy in early 2007.
  - **Suncoast Villa, Iberville Drive:** The 100 units at Suncoast Villa received wind damage. The units are occupied by tenants while repairs continue.
  - **Covenant Square, off Pass Road** – These 60 units also received wind damage, but no flood damage. The units are occupied by tenants while repairs continue.
  - **Beauvoir Beach, U.S. 90:** This 72-unit development was destroyed by Hurricane Katrina. The land has been cleared, and the Housing Authority has received disposition approval for this property from the United States Department of Housing and Urban Development. The Biloxi Housing Authority is in the process of locating other properties in the area on which to rebuild these units lost in the storm.
  - **Back Bay Place, Oak Street and Bayview Avenue:** This 100-unit development sustained extremely heavy damage from Hurricane Katrina, and was condemned and cleared. The Biloxi Housing Authority has received disposition approval for this property from the United States Department of Housing and Urban Development. All units will be replaced, and we are in the process of locating other properties in the area on which to rebuild these units lost in the storm.
  - **Fernwood Place, off DeBuys Road:** Wind damage was received at many of the 100 units at Fernwood Place, and repairs continue on this property. However, all units are currently occupied.
- HOPE VI:**
- **Bayview Place & Bayview Oaks, off Back Bay Boulevard:** These 235 units sustained up to 11 feet of water in each unit. The Housing Authority is finalizing insurance claims on these sites. A contract will be issued in the next several weeks which will allow for the rehabilitation of all units on the side of the property under the control of the Biloxi Housing Authority.
  - **Cadet Point Senior Village, Maple Street:** Construction continues on the three-story, 76-unit senior village on Maple Street in east Biloxi. It should be available for occupancy in the late fall/early winter of 2006.
  - **East End Homes, Maple Street** – The Biloxi Housing Authority has received 9 percent Low Income Housing Tax Credits for the development of 34 multi-family units on Maple Street. We are in the process of requesting additional credits for this site, and hope to begin construction in the fall of 2007.