

Money for housing being sat on, Patton says

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Millions of federal dollars that could help Santa Cruz County get its post-quake homeless into affordable housing are being held hostage for political reasons, a county supervisor said Saturday.

"The money is there. It's just a matter of President Bush and his

administration caring enough (to release it)," Santa Cruz County Supervisor Gary Patton said.

Patton made his remarks Saturday at the latest in a series of meetings held by U.S. Rep. Leon Panetta, D-Carmel Valley, to monitor the success of the earthquake recovery effort.

To help the post-quake home-

less back into affordable housing, the federal Department of Housing and Urban Development had indicated it would give the Bay Area about \$165 million for housing-rehabilitation grants to landlords who agree to keep their rents low for 15 years.

Some 300 Santa Cruz County landlords with quake-damaged

buildings had expressed interest in the grants.

But the money still has not arrived. Patton thinks that is because the Bush administration wants to distance itself from the influence-peddling scandal that besieged HUD last year.

"Because of the scandal, the president doesn't want to do

anything," Patton said after the meeting.

Meanwhile, landlords interested in the grants are giving up on waiting, and turning to banks for market-rate loans, said Santa Cruz Housing Authority Director Mary James.

"We're losing them little by little," James said.

Patton said displaced quake victims who are poor will not be able to afford rents on units rehabilitated with market-rate loans.

In addition to the housing rehabilitation grants, HUD had also promised the Bay Area rent vouchers, which subsidize a poor

See MONEY page 2 ▶

MONEY

▶ From page 1

tenant's rent. Santa Cruz County has not seen any of these either.

When Rep. Robert Traxler, D-Mich., chairman of the House subcommittee that appropriates funds to HUD, visited the county Thursday, local leaders told him about the delays.

"We're hoping he'll get mad and go back and do something," Patton said.

Local leaders fear that, without federal assistance, poor quake victims will have nowhere to go when the temporary shelters they are staying in shut down, which could be as early as April.

Most of those who still have no home are staying either in trailers set up by the Federal Emergency Management Agency or in motels, using vouchers provided by the non-profit Community Action Board. The American Red Cross shut down its motel voucher program Jan. 2.

While people may stay in the FEMA trailers for as long as 18 months, money for the Community Action Board motel vouchers will probably run out in April.

Some 100 of those using motel vouchers have been declared ineligible for FEMA assistance, so they could not be moved into trailers come April.

At Saturday's meeting, local leaders renewed their appeals to FEMA to let these people stay in their trailers while the county grappled with getting them into permanent housing.

"If FEMA doesn't relax its requirements, or there isn't an infusion of funds (for non-FEMA shelters), either people will leave the county or end up in very overcrowded situations," said Christine Johnson-Lyons, Community Action Board director.

Many of those rejected by FEMA are farm, cannery and food processing plant workers who had been renting old houses around downtown Watsonville, often sharing their cramped quarters with other families. After the quake, they became homeless because their houses were found to be sub-standard during post-quake inspections, or their landlords found out about their shared living situations and turned out all but the leaseholding family.

But because their houses did not actually suffer quake damage, FEMA declared them ineligible for aid, drawing criticism Saturday.

"If the earthquake hadn't happened, these people would not have been displaced," said Mary Thuerwachter, director of the Legal Aid Society of Santa Cruz. "Yet FEMA is not responding."

But FEMA official Frank Kish-ton said the sub-standard living conditions and chronic housing shortages that had led to the agricultural industry workers' displacement were local problems FEMA was not designed to handle.

"Their displacement was not earthquake-related," he said.

He did promise, however, to refer the matter to FEMA's counsel.