

August 2009

DISASTER HOUSING

FEMA Needs More Detailed Guidance and Performance Measures to Help Ensure Effective Assistance after Major Disasters



GAO

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Highlights of [GAO-09-796](#), a report to congressional requesters

Why GAO Did This Study

Concerns over the Department of Homeland Security's (DHS) Federal Emergency Management Agency's (FEMA) provision of temporary housing assistance, including travel trailers at group sites, after the 2005 hurricanes led to the development of the *National Disaster Housing Strategy*. GAO was asked to assess (1) the challenges households faced in transitioning to permanent housing, (2) the extent to which FEMA measured its performance in closing and transitioning households in group sites, (3) the strategy's effectiveness in defining FEMA's roles and responsibilities for closing and transitioning households in group sites, and (4) the alternatives to travel trailers in group sites and how well the strategy assessed them. GAO reviewed the strategy and interviewed officials from FEMA, state agencies, and selected nonprofit and housing research groups.

What GAO Recommends

GAO recommends that the Secretary of the Department of Homeland Security direct FEMA to (1) develop results-oriented performance measures for assistance in group sites, (2) update its planning documents to reflect key characteristics of effective national strategies and plans, and (3) clearly describe in FEMA's guidance how travel trailers or other options identified by the states can be deployed when other preferred options are not available. FEMA generally agreed with GAO's recommendations.

View [GAO-09-796](#) or [key components](#). For more information, contact Mathew J. Scire at (202) 512-8678 or sciremj@gao.gov.

DISASTER HOUSING

FEMA Needs More Detailed Guidance and Performance Measures to Help Ensure Effective Assistance after Major Disasters

What GAO Found

Households living in FEMA group sites encountered various challenges in transitioning to permanent housing. A significant challenge cited by several reports and officials GAO contacted was the availability of affordable rental housing. Other challenges that were cited included insufficient financing to fund repairs of homes, significantly higher insurance premiums, and the availability of full-time employment to support disaster victims' return to permanent housing.

FEMA's overall effectiveness in measuring its performance in closing and transitioning households in group sites was limited because the agency's measures do not provide information on program results that would be helpful in gauging whether the program is achieving its goal. Previously, GAO reported that performance measures should be aligned with program goals and cover the activities that an entity is expected to perform to support the purpose of the program. However, FEMA's performance measures for Katrina and Rita group sites primarily describe program outputs and do not provide information on results, such as the timeliness or efficiency of closing group sites and transitioning households into permanent housing. Having such information could help identify potential problems in meeting goals and could be used to make decisions about resources needed and steps to be taken.

The *National Disaster Housing Strategy* broadly defines FEMA's roles and responsibilities for closing group sites and assisting households with the transition into permanent housing. Although the strategy states that FEMA is responsible for closing group sites and assisting households find permanent housing, the strategy does not reflect the key characteristics of effective national strategies and plans that GAO identified in prior work. For example, the strategy does not explain how FEMA will work with other agencies in closing these sites and transitioning households into permanent housing. A lack of a detailed plan that includes information on the steps FEMA needs to take to assist households with transitioning into permanent housing could lead to delays in the future in helping disaster victims return to more stable and conventional living arrangements.

Officials contacted and reports reviewed by GAO identified a number of housing options that could serve as alternatives to travel trailers in group sites—for example, providing rental assistance for existing housing and repairing damaged rental housing. However, FEMA's strategy does not assess alternatives, in part, because evaluations are ongoing. Also, it does not provide clear guidance on the specific temporary housing options that states can use instead of travel trailers while FEMA completes these evaluations. Without more specific information on what these temporary housing options are, including alternatives to travel trailers, state officials will not have the information needed to expedite the selection of temporary housing options. As a result, FEMA and the states may not be fully prepared to quickly respond to the temporary housing needs of those displaced by major disasters.

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Abbreviations

AHPP	Alternative Housing Pilot Program
CDBG	Community Development Block Grant
DHAP	Disaster Housing Assistance Program
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FRRATS	FEMA Response and Recovery Applicant Tracking System
GCRO	Gulf Coast Recovery Office
GO Zone	Gulf Opportunity Zone Act of 2005
GPRA	Government Performance and Results Act of 1993
HFA	Housing Finance Agency
HUD	Department of Housing and Urban Development
JHSG	Joint Housing Solutions Group
LIHTC	Low-Income Housing Tax Credit
MSA	metropolitan statistical area
NEMIS	National Emergency Management Information System
NIMBY	not in my backyard
OIG	Office of Inspector General
VA	Department of Veterans Affairs

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United States Government Accountability Office
Washington, DC 20548

August 28, 2009

The Honorable Joseph I. Lieberman
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate

The Honorable Mary L. Landrieu
Chair
Subcommittee on Disaster Recovery
Committee on Homeland Security
and Governmental Affairs
United States Senate

In August 2005, Hurricane Katrina destroyed or made uninhabitable an estimated 300,000 homes, leaving thousands of people in need of temporary housing across the Gulf Coast region of the United States. Hurricane Rita added to the devastation in September 2005. The Federal Emergency Management Agency (FEMA), whose mission includes leading the federal response to natural disasters, provided direct housing assistance to about 143,500 households affected by these storms—primarily in the form of temporary housing units, such as travel trailers or manufactured homes. In most cases, FEMA placed households in units on private property near their homes so that they had a place to live close by while making repairs. However, FEMA also placed about 25,000 households in units at more than 700 group sites, including temporary sites that the agency constructed on stadium grounds and school fields and preexisting trailer parks.¹ More than 3 years after the storms, FEMA has moved most households from nearly all of these sites, but 348 households continued to live in 101 group sites located in Louisiana and Mississippi as of June 18, 2009.

In 2006, Congress enacted the Post-Katrina Emergency Management Reform Act (Post-Katrina Act), which included several provisions related to FEMA's efforts to provide housing assistance to individuals affected by

¹FEMA refers to preexisting trailer parks used to house disaster victims as “commercial sites.” For the purposes of this report, our use of the term “group sites” includes both FEMA-constructed and preexisting commercial sites, unless otherwise indicated.

Hurricanes Katrina and Rita and future disasters.² The act also directed FEMA to develop a national disaster housing strategy to outline the most efficient and cost-effective federal programs for meeting the short- and long-term housing needs of individuals and households affected by a major disaster.

You asked GAO to review several issues related to the federal government's efforts to assist households with recovering and rebuilding their lives following Hurricanes Katrina and Rita, particularly its efforts for those households living in travel trailers in group sites. This report focuses on FEMA's efforts to help these households move to permanent housing.³ Specifically, this report examines (1) challenges that households living in group sites faced in transitioning to permanent housing;⁴ (2) the extent to which FEMA effectively measured its performance in closing group sites and assisting households with transitioning into permanent housing; (3) the *National Disaster Housing Strategy's* effectiveness in defining FEMA's roles and responsibilities for closing group sites and assisting households with transitioning to permanent housing; and (4) the alternatives to travel trailers in group sites when providing temporary housing after major disasters, how they compare with respect to identified policy factors, and how well FEMA's *National Disaster Housing Strategy* assessed these alternatives.

To identify challenges that households living in group sites faced in transitioning to permanent housing, we examined reports related to the federal government's response to Hurricanes Katrina and Rita and its efforts to provide housing assistance in group sites. We also interviewed officials from federal, state, and local governments and nonprofit organizations to obtain their perspectives on the challenges that these households faced. To assess the extent to which FEMA effectively measured its performance in closing group sites and assisting households that lived in these sites with transitioning into permanent housing, we

²The Post-Katrina Act was enacted as title VI of the Department of Homeland Security Appropriations Act, 2007, Pub. L. No. 109-295, 120 Stat. 1355 (2006).

³GAO has also conducted related work on the federal government's efforts to assist households living in group sites with employment, services for families with children, and transportation. See GAO, *Disaster Assistance: Federal Efforts to Assist Group Site Residents with Employment, Services for Families with Children, and Transportation*, [GAO-09-81](#) (Washington, D.C.: Dec. 11, 2008).

⁴FEMA defines "permanent housing" as safe, sanitary, and secure housing that can be sustained without continued disaster-related assistance.

examined annual performance plans, weekly performance reports, and other documents related to the measures that FEMA developed to assess its performance and compared these measures with the key characteristics of successful performance measures identified in prior GAO work. To determine the *National Disaster Housing Strategy's* effectiveness in defining FEMA's roles and responsibilities for closing group sites and assisting households that lived in these sites with transitioning to permanent housing, we reviewed FEMA's strategies, policies and procedures, and relevant legislation that describe FEMA's authority to provide direct housing assistance. Additionally, we drew upon our prior work to compare the relevant sections of the strategy with the characteristics of an effective national strategy. To determine the alternatives to travel trailers in group sites and examine how they aligned with identified policy factors, such as cost-effectiveness and efficiency, we reviewed prior government and academic reports and interviewed officials from FEMA, state housing agencies in the Gulf Coast region, and selected nonprofit and housing research groups. We also reviewed the strategy to determine how well it assessed alternatives to group sites in terms of the identified policy factors. We tested the reliability of certain FEMA data we discuss in this report as part of a previous study and found the data to be reliable. We determined that the other data we discuss in this report were sufficiently reliable for our purposes.

We conducted this performance audit from January 2008 through August 2009, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I discusses our scope and methodology in more detail.

Background

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act) grants the principle authority for the President to provide assistance in mitigating, responding to, and preparing for disasters and emergencies, such as earthquakes, hurricanes, floods, tornadoes, and terrorist acts.⁵ FEMA administers the Stafford Act and provides direct housing assistance (e.g., travel trailers and manufactured homes) under its

⁵The Stafford Act is codified as amended at 42 U.S.C. § 5121 *et seq.*

Individuals and Households Program. FEMA provides these units at no charge to disaster victims who cannot use financial assistance to rent alternate housing because such housing is not available. The Stafford Act limits direct housing assistance to an 18-month period, after which FEMA may charge rents at the fair market rent levels established by the Department of Housing and Urban Development (HUD), but the President can also extend the initial 18-month period because of extraordinary circumstances.⁶

According to FEMA guidance, manufactured housing and recreational vehicles are the two most common forms of temporary housing units (see fig. 1). Manufactured housing is factory-built housing designed for long-term residential use. The term “mobile home” is sometimes used to refer to manufactured homes. In addition, this type of housing must be located on sites that are not in a designated floodplain area. Recreational vehicles, which include park model and travel trailers, are designed for short-term use when no other options are available. Following a disaster, the units may be a short-term housing option for households wanting to remain on an existing property or nearby while permanent housing is being restored, but the terrain or lot size prevents deployment of manufactured housing. A park model, which is generally larger than a travel trailer, is built on a single chassis, mounted on wheels, and has 400-square feet or less of living space.

⁶HUD annually estimates the fair market rents for all metropolitan and nonmetropolitan areas nationwide for the Housing Choice Voucher program. Fair market rents represent the cost of modest housing (equal to the 40th percentile in the distribution of rents) in specific markets.

Figure 1: Examples of Manufactured Housing and Recreational Vehicles



Two-bedroom manufactured (mobile) home



Park model



Travel trailer

Source: FEMA (top: Patsy Lynch; middle: Susie Shapira; bottom: Mark Wolfe).

FEMA can place temporary housing units on a private site or in a group site configuration.

- *Private site:* Temporary housing unit is placed on an individual's private property if the site is feasible and the local authorities approve. The unit can also be placed on individual private property that is not owned by the applicant, if the owner allows FEMA to place the unit at no cost to the agency (see fig. 2).

Figure 2: Temporary Housing Unit Placed on a Private Site in New Orleans, Louisiana



Source: GAO.

- *Group site:* Temporary housing unit is placed at a site that FEMA has built to house multiple households. FEMA built these sites in open space locations, including parks, playgrounds, ball fields, and parking lots following Hurricane Katrina (see fig. 3). FEMA can also place units at a commercial manufactured housing or recreational vehicle park that already has utilities (water, electric, and sewer/septic) for existing lots. The park management must be willing to lease the lots to FEMA at a fair and reasonable cost for the area. According to FEMA, the agency's policy is to use existing commercial parks whenever possible, rather than to build sites.

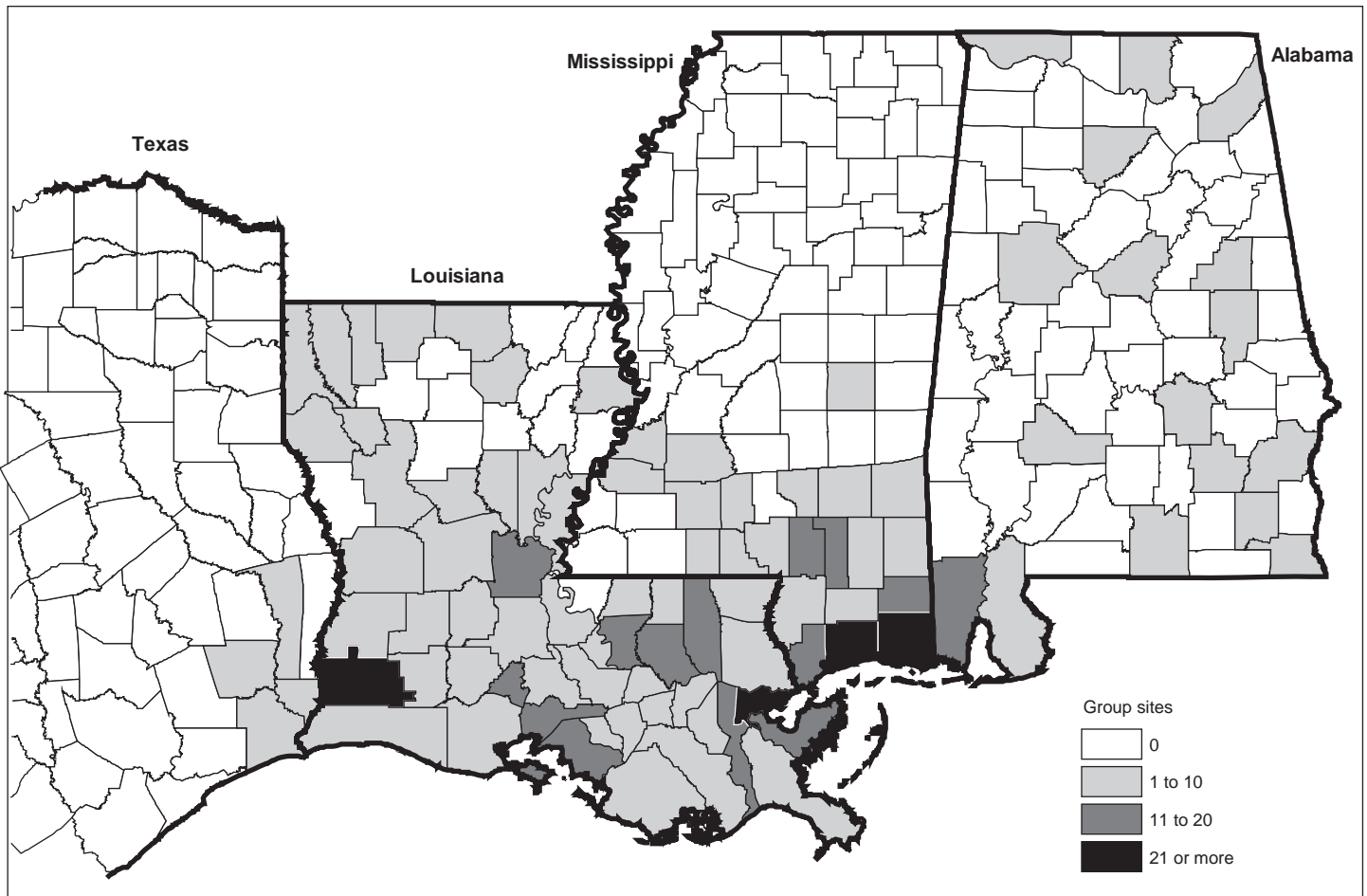
Figure 3: Temporary Housing Units Placed at a FEMA Group Site in D'Iberville, Mississippi



Source: FEMA (Mark Wolfe).

FEMA placed temporary housing units on private sites for about 115,400 (80 percent) of the households that received direct housing assistance following Hurricanes Katrina and Rita. FEMA placed about 25,000 households that received such assistance in temporary housing units at group sites located across Alabama, Louisiana, Mississippi, and Texas. Figure 4 illustrates the geographic dispersion of these sites.

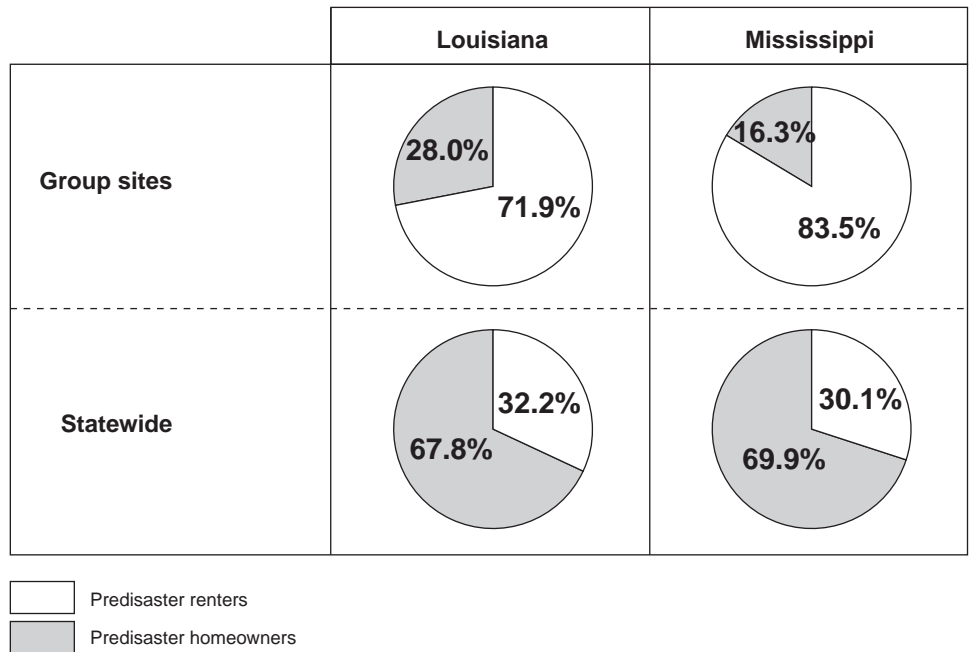
Figure 4: Geographic Dispersion of FEMA Group Sites Following Hurricanes Katrina and Rita



Sources: FEMA (data); MapInfo (map).

Most of the households that FEMA placed in group sites following Hurricanes Katrina and Rita reported being predisaster renters. Figure 5 shows that about 72 percent of group site households in Louisiana and an even higher percentage of group site households in Mississippi (about 84 percent) reported being predisaster renters. In comparison, renters made up less than one-third of all households in both states prior to the hurricanes.

Figure 5: Predisaster Tenure Status of Households Living in FEMA Group Sites



Source: FEMA (group site data); Census Bureau (statewide data).

Households in FEMA Group Sites Have Faced Various Challenges in Returning to Permanent Housing

Households living in FEMA group sites encountered a variety of challenges in transitioning to permanent housing. According to officials we contacted and reports we reviewed, many of the households that lived in group sites following Hurricanes Katrina and Rita had low incomes, were elderly, or had a disability.⁷ As a result, these households were likely to experience difficulties in finding and transitioning to permanent housing. FEMA expects disaster victims who receive housing assistance to take an active role in finding housing and rebuilding their lives. Specifically, FEMA requires households receiving this type of assistance to develop within a reasonable amount of time a plan for moving into permanent housing that is similar to their predisaster housing.⁸ However, according to some officials we contacted, households living in group sites

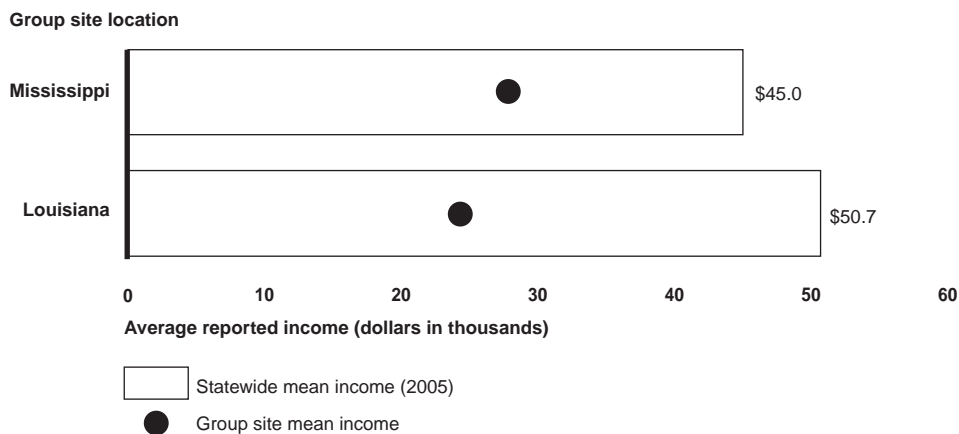
⁷See appendix I of this report for a list of all the entities we interviewed to identify challenges that households living in group sites faced in transitioning to permanent housing.

⁸44 C.F.R. § 206.114(b)(1).

were not able to plan their recovery and were likely to face difficulties in accessing aid from federal programs—a problem that was exacerbated by the disaster—because these households were the hardest to serve. According to these officials, these households generally required additional services or assistance to support their transition into permanent housing.

Specifically, our prior work found that although the majority of heads of households reported being employed when they applied for FEMA assistance, approximately 65 percent reported earning less than \$20,000.⁹ About one-fifth reported no income and some of these individuals were retired or had disabilities. As shown in figure 6, the reported average income of households on group sites in Louisiana and Mississippi was about \$24,000 and \$30,000, respectively, or less than one-half of the Louisiana state average and less than two-thirds of the Mississippi state average. According to FEMA, these limited means led to concerns among some households about moving out of the sites and finding housing that they could afford. Furthermore, some of these households could not afford either security deposits for a rental unit or furniture.

Figure 6: Comparison of Group Site Household Reported Average Income with Statewide Average Income in Calendar Year 2005



Source: FEMA (group site income); Census Bureau (statewide income).

⁹See [GAO-09-81](#). The demographic data represent information that individuals self-reported as part of their application for FEMA assistance.

FEMA also said that households facing these challenges may be more reluctant to find and pay for permanent housing. While FEMA does not update demographic data on households on group sites to reflect current employment status or income levels, agency officials stated that those who remained in the sites the longest were the hardest-to-serve people, including the unemployed, elderly, or persons with disabilities.

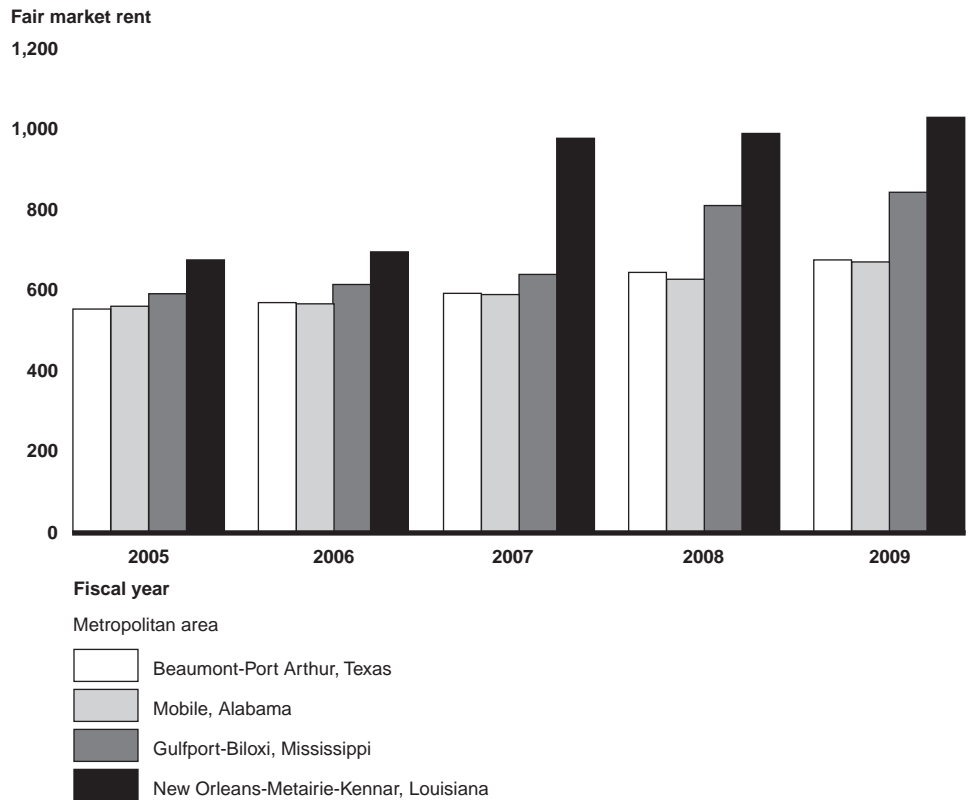
In the following sections, we describe other challenges that households living in group sites may have likely faced in transitioning to permanent housing. Although these other challenges are not unique to group site households and affected disaster victims in the Gulf Coast region, many of these challenges would likely have a more acute impact on households living in group sites.

Availability of Affordable Rental Housing Was a Key Challenge in Transitioning to Permanent Housing

According to several federal and state officials we contacted and reports we reviewed, one commonly cited challenge displaced households faced was finding affordable rental housing, since rents increased significantly following the storms in certain Gulf Coast metropolitan areas. For example, HUD's fair market rent for a two-bedroom unit in the New Orleans-Metairie-Kenner metropolitan area increased from \$676 to \$1,030, or about 52 percent, between fiscal years 2005 and 2009 (see fig. 7). In addition, HUD's fair market rent for a two-bedroom unit in the Gulfport-Biloxi metropolitan area increased from \$592 to \$844, or about 43 percent, over the same time period. Figure 7 also shows that the Beaumont-Port Arthur and Mobile metropolitan areas experienced relatively smaller increases in fair market rent between fiscal years 2005 and 2009 (about 22 and 20 percent, respectively). Rents did not increase as much as in Beaumont-Port Arthur as they did in New Orleans-Metairie-Kenner or Gulfport-Biloxi, because relatively high vacancy rates prior to fiscal year 2005 likely softened the effect of the permanent loss of rental units and temporary removal of rental units from the market following Hurricane Rita.¹⁰ In comparison, average rents in cities nationwide increased by about 12 percent from fiscal years 2005 through 2008 (the last year for which data are available), according to the Consumer Price Index.

¹⁰U.S. Department of Housing and Urban Development, *Comprehensive Market Analysis: Beaumont-Port Arthur, TX* (Washington, D.C.: June 1, 2008).

Figure 7: HUD Fair Market Rents for a Two-Bedroom Unit in Selected Gulf Coast Metropolitan Areas, Fiscal Years 2005-2009



Source: HUD.

Two key factors that contributed to these higher rents were a decreased supply of affordable rental units and an increased demand for undamaged rental units. Specifically, according to estimates by FEMA, Hurricanes Katrina and Rita caused major or severe damage to 112,000 rental units across the Gulf Coast region. According to HUD, 75 percent of the damaged rental units were occupied by low-income households. An increased demand for rental units also contributed to rent increases. According to The Urban Institute, this demand was driven by construction workers who moved to the area to accelerate recovery and by displaced

Limitations in Developing
Affordable Rental Housing with
Federal Subsidies

renters and homeowners who needed temporary rental units in the area while their homes were being repaired.¹¹

FEMA staff working to assist households living in group sites cited additional difficulties that group site households faced in finding permanent housing following Hurricanes Katrina and Rita. For example, some households reported to FEMA that there was a lack of available affordable rental housing in areas where they wanted to remain, particularly in some small towns. Other households reported to FEMA that while they were able to find rental housing, the units were either not habitable or located in unstable or abandoned neighborhoods.

Also affecting the limited supply of rental housing were the following two factors: the slow pace of rental housing construction under key federal programs and the decision by states to focus the majority of federal funds on repairing homeowner units, rather than rental units. The Low-Income Housing Tax Credit (LIHTC) program provides an incentive for the development of rental housing that is affordable to low-income households and has been a major source of such housing. State housing finance agencies (HFA) must award credits to developers of qualified projects, and developers either use the credits or sell them to investors to raise capital (i.e., equity).¹² The equity raised by the tax credits reduces the need for debt financing, and, as a result, these properties can offer lower, more affordable rents. After the 2005 hurricanes, Congress passed the Gulf Opportunity Zone Act of 2005 (GO Zone), which temporarily increased the amount of allocated tax credits for the five states along the Gulf Coast by a total of about \$330 million.¹³

We reported in July 2008 that although the Gulf Coast states had awarded nearly all of their GO Zone LIHTCs, few of the units funded by these

¹¹The Urban Institute, *Affordable Rental Housing in Healthy Communities: Rebuilding After Hurricanes Katrina and Rita* (May 2007).

¹²In general, investors can claim credits on the qualified basis of the property—that is, total development cost (excluding land and other certain costs) of the low-income units. The investors receive approximately 9 percent of the qualified basis in tax credits annually for 10 years.

¹³GO Zone LIHTCs were provided to the five eligible states in addition to their regular annual allocations. The 2006 through 2008 GO Zone LIHTC authority was about 75 percent, 567 percent, and 523 percent greater than the regular LIHTC authority that Alabama, Louisiana, and Mississippi received in the same period, respectively. Also, Florida and Texas each received \$3.5 million in GO Zone tax credit authority.

credits were in service as of April 2008.¹⁴ Since that time, Louisiana and Mississippi, which received the largest amounts of GO Zone authority, have each placed additional units in service. However, neither state had placed more than 35 percent of planned units in service as of December 2008. While LIHTC-funded units are generally required to be placed in service within 2 years of credit allocation, Congress extended this requirement for units funded with GO Zone LIHTCs, which must be placed in service before January 1, 2011. According to HFA officials, the declining market value of tax credits has reduced the amount of equity developers receive from investors for each dollar in tax credit awarded.¹⁵ As a result, developers must seek additional funding sources to make up for the equity shortfall, contributing to significant delays in closings, according to state officials. Other issues that have impeded the timely development of LIHTC units include the need to address environmental issues and increases in the total costs to develop projects because of the high costs of labor, materials, insurance, and land.

Much of the disaster assistance provided through HUD's Community Development Block Grant (CDBG) program, which provides flexible relief and recovery grants to devastated communities, was targeted to homeowners, with a small percentage of program funds set aside for owners of rental properties.¹⁶ Between December 2005 and November 2007, Congress appropriated a total of \$19.7 billion in disaster CDBG funds to states affected by the 2005 hurricanes, of which not less than \$1 billion was designated to repair or replace the affordable rental housing stock,

¹⁴GAO, *Gulf Opportunity Zone: States Are Allocating Federal Tax Incentives to Finance Low-Income Housing and a Wide Range of Private Facilities*, [GAO-08-913](#) (Washington, D.C.: July 16, 2008).

¹⁵Alex Frangos, "Credit Losses Stall Affordable-Housing Projects," *The Wall Street Journal* (Mar. 12, 2008) Eastern edition, B.1; and Rebecca Mowbray, "Market Crunch Hinders New Housing," *The Times Picayune* (Mar. 28, 2008).

¹⁶The CDBG program, administered by HUD, is the federal government's largest and most widely available source of financial assistance to support state and local government-directed neighborhood revitalization, housing rehabilitation, and economic development activities. The CDBG program has been used frequently by the federal government to respond to natural and man-made catastrophes.

including public and HUD-assisted housing.¹⁷ Local and state officials exercise a great deal of discretion in determining the use of the funds under this program. Three states (Louisiana, Mississippi, and Texas) used most of the CDBG funds to implement homeowner assistance grant programs to help homeowners cover the gap between their available financial resources and the cost to repair and replace their damaged dwellings. For example, as of January 2009, Louisiana had targeted \$10.5 billion in CDBG funds (out of the total \$13.4 billion) to housing assistance programs, and, of this amount, the state targeted about \$8.6 billion, or 86 percent, to the Road Home Program (the state's Homeowner Assistance Program). In contrast, the state set aside about \$1.3 billion, or 13 percent, of its housing allocation for programs that targeted rental housing. Furthermore, while about 7 percent of the Homeowner Assistance Program funds remained unexpended as of the beginning of 2009, 80 percent of the funds set aside for rental housing had not been spent.

Public housing agencies have faced considerable challenges in obtaining funding for the recovery of public housing units. Public housing is an important source of affordable housing for low-income households in the Gulf Coast region. The Gulf Coast states experienced a decline in the number of available units as a result of the storms, especially in the New Orleans area. Prior to Hurricane Katrina, the Housing Authority of New Orleans managed over 7,000 units of public housing in 10 different developments. Hurricane Katrina damaged about 80 percent of these units (approximately 5,600 units). In the aftermath, HUD officials stated that the department did not have sufficient program funds to repair and rebuild these units, and that the public housing agencies did not have sufficient insurance to cover the costs.¹⁸

¹⁷Congress appropriated \$11.5 billion in CDBG assistance in the Defense Appropriations Act for fiscal year 2006, Pub. L. No. 109-148, and \$5.2 billion in the Emergency Supplemental Appropriations Act of Defense, the Global War on Terror, and the Hurricane Recovery Act of 2006, Pub. L. No. 109-234. In addition, Congress provided \$3 billion in CDBG funding for the Louisiana homeowner assistance grant program, through the Department of Defense Appropriations Act for fiscal year 2008, Pub. L. No. 110-116.

¹⁸A 2003 FEMA policy states that it cannot fund the repair and rebuilding of public housing units through its Stafford Act authorities (see FEMA Policy 9523.7 and FEMA/HUD memorandum of understanding entitled *Coordination of HUD and FEMA Disaster Assistance to Public Housing Authorities (PHAs)* at http://www.fema.gov/government/grant/pa/9523_7b.shtml). Although recent changes in law now appear to allow FEMA funding of public housing units after a presidentially declared disaster, these changes do not apply retroactively to units affected by the 2005 hurricanes.

A large portion of households that were displaced by the Gulf Coast hurricanes were renters, and given the challenges faced in developing affordable rental housing with federal subsidies, concerns have been raised about differences in the treatment of homeowners and rental property owners. GAO is conducting a separate review to (1) identify the federal assistance for permanent housing that was provided to rental property owners and to homeowners affected by the Gulf Coast hurricanes, (2) examine the extent to which federally funded programs responded to the needs of rental property owners and homeowners, and (3) describe the differences in the challenges faced in utilizing federal assistance for permanent housing and the options to mitigate these challenges.

Community Resistance to the Development of Affordable Housing

According to many officials we contacted, another significant obstacle to building affordable rental housing was opposition to the development of such housing by local communities—a problem typically referred to as “not in my backyard” or “NIMBY.” Opposition by local residents and public officials to specific types of housing in their neighborhood or communities is a long-standing issue in the development of affordable housing. Communities typically resist the development of affordable rental housing because of concerns about potential adverse impact on property values and community characteristics. Such opposition can manifest itself in restrictive land-use and development regulations that add to the cost of housing or discourage the development of affordable housing altogether. During the period after the Gulf Coast hurricanes, some officials we contacted and reports we reviewed explained that local opposition had slowed and, in some instances, stopped the development of affordable rental housing. For example, a nonprofit organization had planned to use LIHTCs to build an apartment complex for low-income elderly households in New Orleans to replace a complex destroyed by the hurricanes. However, according to an official from a New Orleans nonprofit organization, the local government passed a resolution that prohibited LIHTC developments and also engaged in a land-use study at the site of the proposed development that appeared to be timed to terminate the project. A report on the status of Mississippi’s housing recovery efforts since the Gulf Coast hurricanes cited NIMBY as one of the key barriers to addressing the state’s projected shortfall in the number of affordable

rental housing units that it had planned to restore under the LIHTC program.¹⁹

**Rebuilding Costs,
Escalating Insurance
Premiums, and
Unemployment Also
Affected Disaster Victims’
Efforts to Return to
Permanent Housing**

On the basis of our discussions with officials and review of reports, we found that disaster victims encountered other challenges in returning to permanent housing, including households living in group sites. First, several sources indicated that disaster victims who owned homes faced significant challenges in financing repairs. For example, according to a Department of Homeland Security (DHS) Office of Inspector General (OIG) report, a December 2007 survey of FEMA field staff in Louisiana indicated that homeowners faced financial obstacles, including insufficient insurance coverage and limited Road Home Program funding, in repairing their homes.²⁰ Similarly, a 2008 study of the post-Katrina housing recovery in Louisiana found that nearly three-fourths of Road Home applicants would still face a gap between their rebuilding resources and the cost to rebuild, leaving them short of the resources needed to repair their dwellings.²¹ The DHS OIG report also found that high construction costs, competition for available contractors, and new disaster mitigation requirements compounded these financial problems.²² According to some sources, the longer time frames and increased construction costs to repair damaged dwellings also impacted landlords, which in turn increased housing costs for renters.

A second commonly cited challenge that disaster victims faced in returning to permanent housing was significantly higher insurance premiums. According to a report from the Louisiana Housing Finance

¹⁹Mississippi Center for Justice, prepared for the Steps Coalition, *Is Mississippi Building Back Better Than Before: Problems and Solutions Regarding Mississippi’s Use of CDBG Disaster Recovery Fund* (Biloxi, Miss.: Aug. 29, 2008).

²⁰See Department of Homeland Security, Office of Inspector General, *Federal Emergency Management Agency’s Exit Strategy for Temporary Housing in the Gulf Coast Region*, OIG-09-02 (Washington, D.C.: Oct. 2, 2008). The Louisiana Road Home Program, which is mainly funded with CDBG funds, provided eligible homeowners affected by Hurricanes Katrina or Rita with compensation grants up to \$150,000 for their losses and to help them get back into their homes. Similarly, Mississippi’s Homeowner’s Grant Program provided eligible homeowners with compensation grants of up to \$150,000 for losses not covered by their homeowners insurance or FEMA assistance.

²¹PolicyLink, *A Long Way Home: The State of Housing Recovery in Louisiana 2008* (online publication).

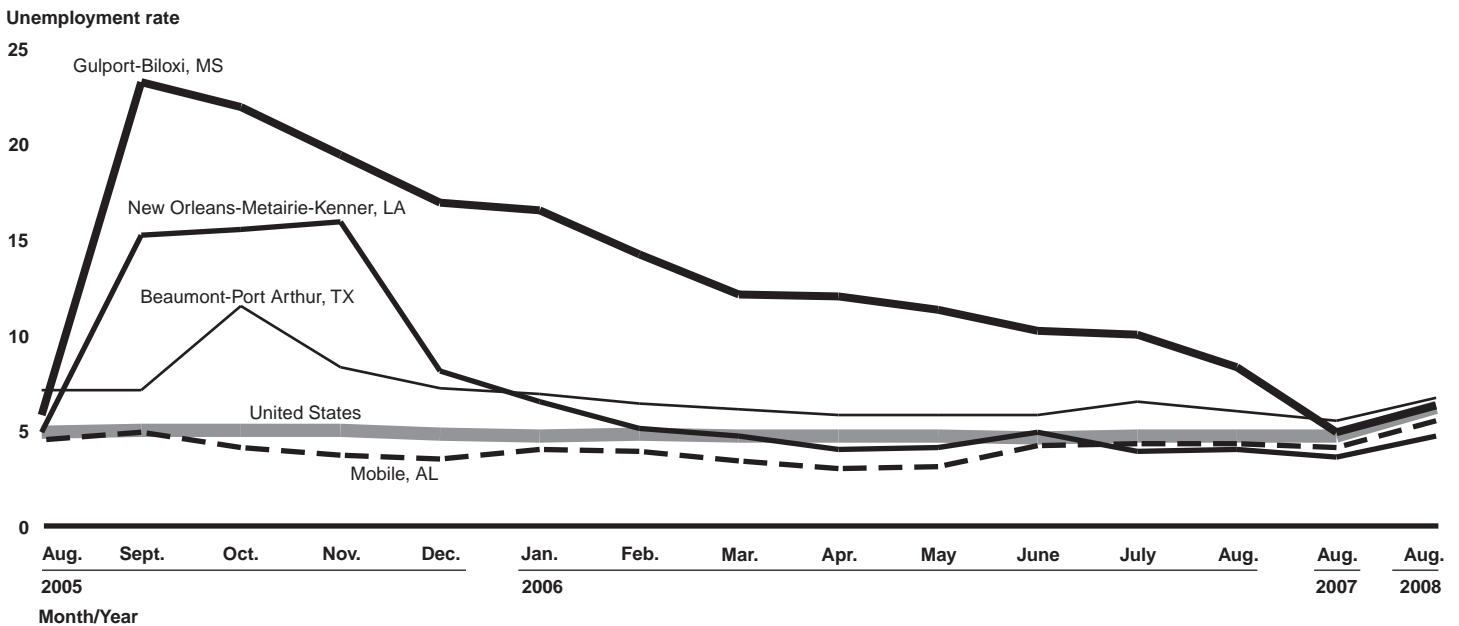
²²OIG-09-02.

Agency, premiums for homeowners insurance escalated to as much as four times their pre-Katrina level for certain areas in Louisiana that were severely impacted by the storm, putting insurance out of reach for most low- and moderate-income households.²³ According to some officials we contacted, some landlords passed the escalating costs of insurance to rental households through increased rents. In addition, some insurance companies suspended sales of new homeowner policies in all or parts of the Gulf Coast region following Hurricanes Katrina and Rita, making it increasingly difficult for households to obtain insurance coverage in these areas.

Finally, many households faced challenges in finding full-time employment to support a return to permanent housing. Following Hurricane Katrina in late August 2005 and Hurricane Rita in September 2005, unemployment rates increased significantly across the Gulf Coast region. For example, the unemployment rate in the New Orleans-Metairie-Kenner metropolitan area increased from 4.9 percent in August 2005 to more than 15.2 percent in September 2005, and the unemployment rate remained above pre-Katrina levels until March 2006 (see fig. 8). In the Gulfport-Biloxi metropolitan area, the unemployment rate increase following the storm was more significant, since the rate increased from 5.8 percent in August 2005 to more than 23.2 percent in September 2005. Moreover, the unemployment rate remained above pre-Katrina levels for 1 year following the storm.

²³GCR & Associates, Inc., *Louisiana and New Orleans Metro Housing Needs Assessment—Louisiana Housing Finance Agency* (New Orleans, La.: Feb. 15, 2008).

Figure 8: Unemployment Rates in Selected Gulf Coast Metropolitan Areas



Source: Department of Labor, Bureau of Labor Statistics.

In 2008, we reported that approximately 21 percent of those households living in group sites reported no source of employment, and that some of those households reported having a disability or being retired.²⁴ While FEMA did not update data on group site residents to reflect current employment status, some state and FEMA officials we contacted said that those who remained in the sites the longest were those with limited income and limited choices to find stable employment, including the elderly and persons with disabilities. Similarly, according to an April 2007 survey of FEMA group sites in Louisiana, more than two-thirds of the respondents were unemployed, and most of these respondents were not looking for employment.²⁵ Most of those respondents not looking for employment said they were disabled or had major health limitations.

²⁴See [GAO-09-81](#). These data represent information that individuals self-reported as part of their application for FEMA assistance.

²⁵Louisiana State University Agricultural Center, *Louisiana FEMA Park Survey, Interim Report* (April 2007).

FEMA Reports Basic Activities in Closing Group Sites, but Efforts to Measure Results Are Limited

FEMA's overall effectiveness in measuring its performance in closing group sites and transitioning households into permanent housing was limited. While FEMA made some efforts to measure its progress, its measures did not provide the information on program results that was needed to assess the agency's performance in achieving its goal of "helping individuals and communities affected by federally declared disasters return to normal functioning quickly and efficiently." Under the provisions of the Government Performance and Results Act of 1993 (GPRA), federal agencies are required to measure and report the performance of their programs.²⁶ GPRA was designed to inform congressional and executive decision making by providing objective information on the relative efficiency and effectiveness of federal programs and spending. Previously, we have reported that for performance measures to be useful, they should be linked or aligned with program goals, cover the activities that an entity is expected to perform to support the program's purpose, and have a measurable target.²⁷ These measures can capture several aspects of performance, including activities, outputs, outcomes, and impact (see fig. 9). Based on our past work, federal agencies have faced challenges in identifying program goals and performance measures that go beyond summarizing program activities (e.g., the number of clients served) to distinguishing desired outcomes or results (e.g., improving economic self-sufficiency among clients served).²⁸ As figure 9 shows, having measures that describe outcomes and impact helps describe the extent to which the program is effective in achieving its policy objectives. In the past, we have found that performance measures are an important results-oriented management tool that can enable managers to determine the extent to which desired outcomes are being achieved. Results-oriented measures

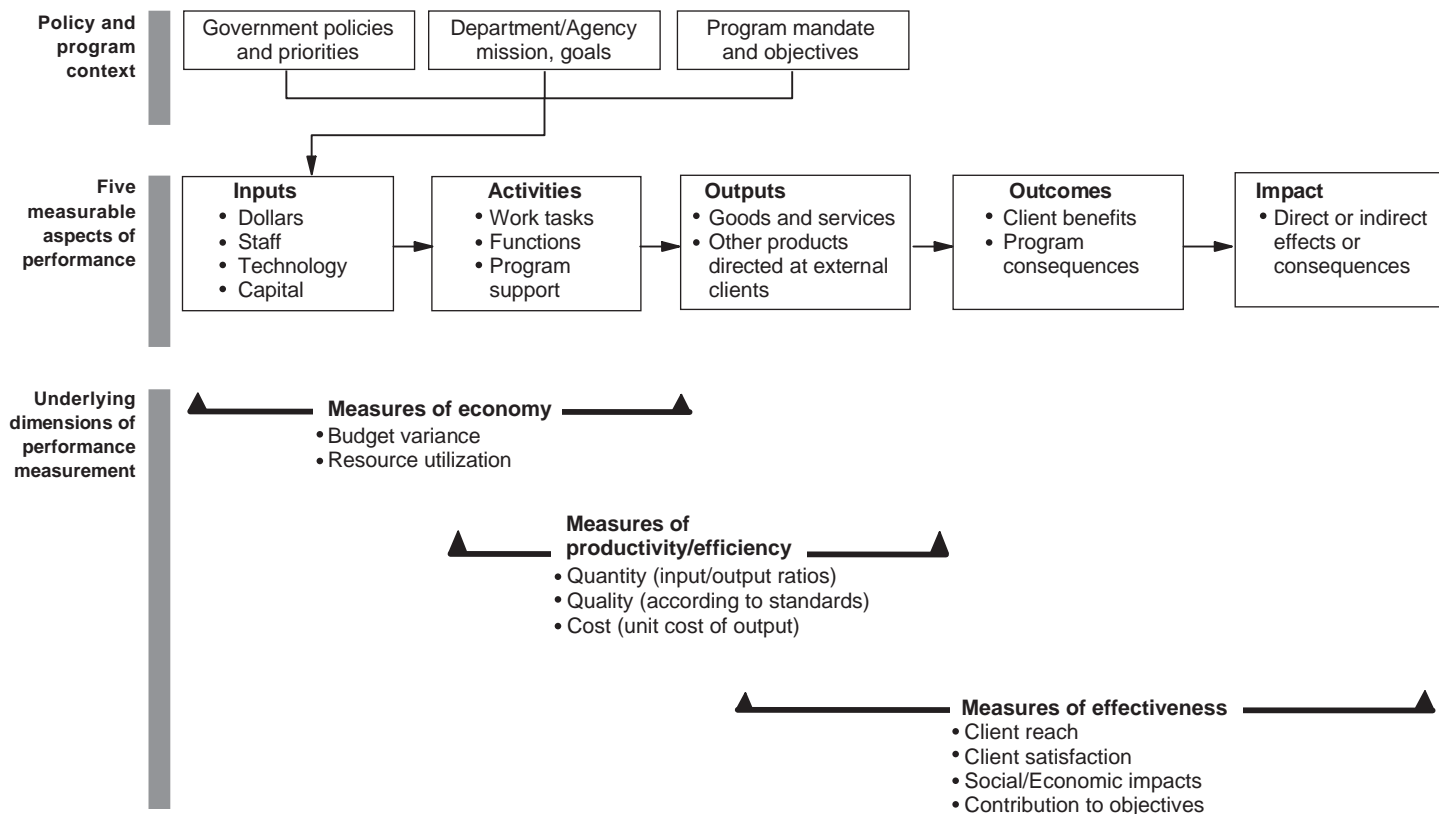
²⁶Pub. L. No. 103-62, 31 U.S.C. 1115 *et seq.* and 5 U.S.C. 306.

²⁷GAO, *HUD and Treasury Programs: More Information on Leverage Measures' Accuracy and Linkage to Program Goals Is Needed to Assessing Performance*, [GAO-08-136](#) (Washington, D.C.: Jan. 18, 2008); *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002); and *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996).

²⁸GAO, *Managing for Results: Analytic Challenges in Measuring Performance*, [GAO/HEHS/GGD-97-138](#) (Washington, D.C.: May 30, 1997).

further ensure that it is not the task itself being evaluated, but progress in achieving the intended outcome.²⁹

Figure 9: Performance Measurement Model



Source: Adapted from the Office of Management and Budget.

²⁹GAO, *Military Operations: Actions Needed to Improve DOD's Stability Operations Approach and Enhance Interagency Planning*, GAO-07-549 (Washington, D.C.: May 31, 2007).

FEMA's Performance Measures Focus on Program Activities at Group Sites, but Do Not Convey Information on Results

FEMA's performance measures for group sites are output measures that focus on the core program activity of closing group sites. But the measures do not provide the information on program results that is needed to assess the agency's performance in achieving its goal of "helping individuals and communities affected by federally declared disasters return to normal functioning quickly and efficiently."³⁰ The Post-Katrina Act required that FEMA develop performance measures to help ensure that it provided timely and efficient housing assistance to individuals and households displaced by Hurricanes Katrina and Rita.³¹ In September 2007, FEMA began publicly reporting data on a weekly basis to provide information on the housing assistance that the agency provided, including at group sites. Specifically, FEMA reported general data on the aggregate number of households that moved out of travel trailers, park models, or mobile homes and into other types of FEMA housing assistance or that were no longer in FEMA's program. However, these data do not provide information on whether households moved to permanent housing and are not reported by the specific type of site (e.g., group site). FEMA also reported data specific to group sites showing, for example, that FEMA provided temporary housing to 24,960 households, at one point, at these sites. These measures indicated that as of April 9, 2009, 577 households continued to live in group sites located in Louisiana and Mississippi.³²

These measures describe program outputs—that is, information on the number of sites established, current number of sites, number of households that lived in group sites, and current number of households—but do not provide information on results, such as successfully moving households to permanent housing, or on qualitative factors, such as the timeliness or efficiency of the assistance FEMA provided at group sites. The difficulties experienced in closing group sites and transitioning households to permanent housing—as we have previously discussed—

³⁰According to the Office of Management and Budget, output measures describe the level of a program's activity, whereas outcome measures describe the intended result from carrying out a program or activity.

³¹Pub. L. No. 109-295, section 638(e), 120 Stat. 1422 (2006).

³²On February 28, 2009, FEMA changed the format of its individual assistance weekly reports, which no longer include the total number of group sites established following Hurricanes Katrina and Rita and the current number of group sites still open. Prior to this date, FEMA also included data on industrial sites, private sites, and rental assistance. The last publicly available report on FEMA's Web site was published on April 9, 2009. According to FEMA, 348 households continued to live in 101 group sites located in Louisiana and Mississippi, as of June 18, 2009.

underscore the need to develop measures that describe how efficiently and effectively the program is addressing its goal of “helping individuals and communities affected by federally declared disasters return to normal functioning quickly and efficiently.”³³ For example, one potential measure could capture information on the amount of time households live in group sites before returning to permanent housing, and FEMA could establish a numerical target that facilitates the future assessment of whether its overall goal and objective were achieved. Having such information can help identify potential problems in meeting program goals and could be used to make management decisions about resources needed and steps to be taken.

In its annual performance plans, FEMA also reports the percentage of customers that are satisfied with its disaster assistance programs. Although this measure may be a useful overall metric for assessing agency efforts on the quality of assistance provided to program beneficiaries, it is of limited use in assessing the agency performance in operating group sites because it is not reported separately for assistance provided through group sites. In the absence of other performance indicators to measure the efficiency or effectiveness and numeric targets, it is not possible to determine whether the disaster assistance programs are achieving the program goal of “helping individuals and communities affected by federally declared disasters return to normal functioning quickly and efficiently.”

According to FEMA officials, the agency has not developed results-oriented performance measures, in part, because of the uniqueness and unpredictable circumstances of each disaster. We recognize that the circumstances can vary significantly from one disaster to another, and that FEMA generally provides housing assistance in group sites as a last resort and following catastrophic disasters, such as Hurricanes Katrina and Rita. Nevertheless, FEMA could leverage its experiences and lessons learned from its responses to past major disasters to identify potential measures of the agency’s performance in closing group sites. Such measures could be modified as needed to reflect actual conditions and types of assistance deployed. In fact, FEMA has designed performance measures for other types of assistance that may vary from one disaster to another. Specifically, according to FEMA officials, the agency has developed some

³³Department of Homeland Security, *Annual Performance Report for Fiscal Years 2008-2010* (Washington, D.C.: May 7, 2009).

potential outcome measures for other activities (such as case management services). For example, FEMA reports on the number of households that have achieved their recovery plans and, therefore, no longer need case management.

FEMA officials also told us that they recognized the importance of results-based measures and would like to develop them for measuring housing assistance provided at group sites. Furthermore, the *National Disaster Housing Strategy* recognizes that it is important to develop performance measures to achieve the agency's national goals, and that feedback on performance will enable those involved in the national effort to assess progress, adopt best practices, and make course corrections.³⁴ Nonetheless, FEMA has yet to specify whether and when it will develop outcome measures for group site assistance. Without performance measures that reflect program results and that are clearly linked to the agency's goals, FEMA cannot demonstrate program results and progress in achieving intended policy objectives. Although not all disasters may require the use of group sites, future major disasters that involve protracted recovery efforts may have to rely on such sites to provide temporary housing. As the experience from the 2005 hurricanes show, there will be a strong demand for results-oriented measures on the part of Congress in fulfilling its oversight responsibilities and holding FEMA accountable for its performance.

³⁴Federal Emergency Management Agency, *National Disaster Housing Strategy* (Washington, D.C.: Jan. 16, 2009).

The Housing Strategy Defines FEMA’s Roles and Responsibilities for Closing Group Sites, but Does Not Have Key Characteristics of an Effective Strategy

The Post-Katrina Act was enacted to address various shortcomings identified in the preparation for and response to Hurricane Katrina.³⁵ Among other things, the Post-Katrina Act required the FEMA Administrator, in coordination with specified federal and nonfederal government agencies—including the American Red Cross, HUD, the National Advisory Council, and the National Council on Disability—to develop, coordinate, and maintain a national disaster housing strategy to help plan and protect the nation against future catastrophes. Among other things, FEMA was to outline the most efficient and cost-effective federal programs that will best meet the short- and long-term housing needs of individuals and households affected by a major disaster and describe plans for the operation of group sites provided to individuals and households. FEMA was to provide the strategy to Congress by July 1, 2007. On July 21, 2008, FEMA released a draft strategy, with a 60-day comment period. However, the draft strategy did not include seven annexes that were to describe, among other things, the agency’s plans for operating group sites. Instead, the draft included seven blank pages of annexes marked “Under Development.”³⁶

On January 16, 2009, FEMA released the final version of the *National Disaster Housing Strategy*, with annexes attached containing the information that had been omitted from the draft strategy. The strategy states that it serves two purposes—to describe how the nation currently provides housing to those affected by disasters and, more importantly, to chart a new direction that disaster housing efforts must take to better meet the emerging needs of disaster victims and communities. The strategy includes a discussion of key principles, roles and responsibilities,

³⁵The provisions of the Post-Katrina Act became effective upon enactment, October 4, 2006, with the exception of certain organizational changes related to FEMA, most of which took effect on March 31, 2007.

³⁶According to a 2008 report by the Senate Subcommittee on Disaster Recovery, the draft strategy violated two-thirds of its legal requirements and in doing so failed in the planning needed to protect the nation. For example, the draft strategy did not describe the disaster housing group site operations. See Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Disaster Recovery, *FEMA’s Disaster Housing “Strategy:” Still Passing the Buck, Nearly Three Years After Katrina & Rita* (Washington, D.C.: July 21, 2008).

current practices, and future directions for the three phases of disaster housing (sheltering, interim housing, and permanent housing).³⁷

As we have previously mentioned, the Post-Katrina Act mandated that FEMA develop a disaster housing strategy, including plans for operating group sites. In earlier work, we identified certain key characteristics of effective national strategies and plans. For example, in 2007, we assessed the federal government's preparedness to lead a response to an influenza pandemic and reported that effective national strategies and plans should contain certain key characteristics. Among these are³⁸

- the agencies responsible for implementing the strategy or plan, the roles of the lead and supporting agencies, and mechanisms for coordination among the agencies;
- the types of resources required—funding, staffing, and training—to effectively implement the strategy or plan and the means of acquiring these resources; and
- the constraints and challenges involved in implementing the strategy or plan.

The Disaster Housing Community Site Operations Annex, which is one of seven attachments of the *National Disaster Housing Strategy*, states that FEMA is responsible for closing group sites and assisting households in transitioning to permanent housing, but it did not fully address these key characteristics of an effective national strategy.

³⁷The disaster housing strategy defines “sheltering” as housing that provides short-term refuge and life-sustaining services for disaster victims who have been displaced from their homes and are unable to meet their own immediate postdisaster housing needs; “interim housing” as the intermediate period of housing assistance that covers the gap between sheltering and the return of disaster victims to permanent housing; and “permanent housing” as safe, sanitary, and secure housing that can be sustained without continued disaster-related assistance.

³⁸GAO, *Influenza Pandemic: Further Efforts Are Needed to Ensure Clearer Federal Leadership Roles and an Effective National Strategy*, [GAO-07-781](#) (Washington, D.C.: Aug. 14, 2007).

The Strategy and Community Site Operations Annex Partially Address Roles and Responsibilities

We previously reported that a national strategy should address which organizations would implement the strategy, their roles and responsibilities, and mechanisms for coordinating their efforts. The strategy should answer the fundamental questions about who is in charge, not only during times of crisis, but also during all phases of emergency management, as well as the organizations that will provide the overall framework for accountability and oversight. This characteristic entails identifying the specific federal agencies and offices involved and, where appropriate, the different sectors, such as state, local, and private.

The *National Disaster Housing Strategy's* Disaster Housing Community Site Operations Annex, which discusses the issue of closing group sites, partially addresses this characteristic. The annex contains information on FEMA's roles and responsibilities for closing group sites and assisting households in transitioning to permanent housing.³⁹ Specifically, it states that FEMA will assist with finding and matching rental resources to households living at these sites that were renting homes or apartments before the event and track the progress of repairs to damaged or destroyed homes owned by affected households. The annex also states that FEMA will provide access to local, state, and federal agencies that could help affected households with their unmet needs.

However, the annex does not explain how other federal or state agencies will be involved in completing the tasks associated with transitioning a group site household to permanent housing and what mechanisms will be used to coordinate with these agencies in ensuring that victims can find a permanent housing unit. Furthermore, the annex does not reflect some of the experience that FEMA gained in responding to Hurricanes Katrina and Rita regarding coordinating with other agencies. For example, in response to widespread concerns about both the long periods that displaced

³⁹A community site is a site provided by the federal, state, or local government that accommodates two or more units and is connected to utilities. Before developing the current strategy, FEMA referred to these sites as group sites. In addition, the Disaster Housing Community Site Operations Annex of the *National Disaster Housing Strategy* includes information about all of the phases of establishing group sites, including (1) assessment of needs; (2) site selection; (3) site development; (4) placement of individuals and households; (5) site management; and (6) depopulation, conversion, and deactivation. We focused on the last phase of the process because our scope was on the closing of group sites and assisting households with transitioning to permanent housing. Furthermore, according to FEMA officials, the process of closing group sites and transitioning households into permanent housing that is described in the Disaster Housing Community Site Operations Annex is the same for commercial sites.

households were living in group sites and the health issues associated with the trailers on those sites, FEMA developed the 2007 FEMA Gulf Coast Recovery Office Housing Action Plan, which states that the agency would work with HUD to identify households that were receiving HUD assistance prior to the 2005 hurricanes. The plan also states that FEMA would transition the remaining households living in group sites into HUD's Disaster Housing Assistance Program (DHAP), which is a pilot federal housing assistance grant program that provides temporary rental assistance through local public housing agencies that are experienced in administering other federal housing assistance.⁴⁰ According to the *National Disaster Housing Strategy*, HUD's and FEMA's experience with DHAP demonstrates that rental assistance administered through HUD's existing network of public housing agencies is an effective way to meet the long-term housing needs of displaced families following a disaster. Nonetheless, the *National Disaster Housing Strategy* does not specify HUD's role in transitioning households out of group sites and into permanent housing.

The Strategy and Annex Do Not Address Resources Required

An effective national strategy should identify and describe the sources and types of resources required, such as funding, staff, and training, to effectively implement the strategy. Guidance on the costs and resources needed helps implementing parties allocate resources according to priorities, track cost, and shift resources, as appropriate, among other competing demands. Furthermore, the *National Disaster Housing Strategy* itself states that effective strategies identify the means or resources to achieve the strategies' goals. However, we found that neither the strategy itself nor the Disaster Housing Community Site Operations Annex contained these elements. Specifically, the documents do not address the cost of helping households transition to permanent housing, the staffing resources that would be needed to complete this task, the type of training that should be provided to staff assigned to this task, and the sources (e.g., HUD; FEMA; or other federal, state, local, or private agencies) of the resources necessary to achieving FEMA's goal of closing group sites and transitioning households into permanent housing.

⁴⁰In July 2007, FEMA and HUD entered into an interagency agreement to pilot DHAP, to temporarily extend rental assistance and case management services for victims displaced by Hurricanes Katrina and Rita. The program is funded by FEMA from the Disaster Relief Fund, which is the major source of federal disaster recovery assistance.

Again, the annex does not reflect some of the experience that FEMA gained in responding to Hurricanes Katrina and Rita. For example, in response to these hurricanes, FEMA's Mississippi and Louisiana Transitional Recovery Offices developed housing plans that discussed some of the resources needed to assist households with transitioning out of group sites and into permanent housing.⁴¹ The Louisiana Transitional Recovery Office's housing plan's staffing strategy was designed to create a more effective labor force and labor mix to meet specific needs of the disasters, including mobilizing more experienced individuals with targeted functional skills sets. Similarly, the Mississippi Transitional Recovery Office's housing plan provides information on the number of staff available to help households transition to permanent housing and states that no additional staff will be needed to complete this task. Furthermore, both of these plans emphasize the importance of providing training to their staffs to successfully assist affected households transition to permanent housing. In contrast, the *National Disaster Housing Strategy* does not identify and describe the resources needed, including staffing and training, to effectively transition group site households into permanent housing.

The Strategy and Annex Do Not Address Constraints and Challenges

Finally, an effective strategy should reflect a clear description and understanding of the problems to be addressed, their causes, and operating environment. A disaster housing strategy should discuss the constraints and challenges involved in closing group sites in the aftermath of a catastrophic incident, such as potential shortages in available permanent housing, and anticipate solutions to these challenges. However, the *National Disaster Housing Strategy* does not describe or anticipate challenges associated with helping people find permanent housing after a catastrophic event. In the past, FEMA has recognized the need to do so in order to help households move out of group sites. For example, FEMA's November 2007 Gulf Coast Recovery Office Housing Action Plan described the specific challenges involved in closing the sites that were established after Hurricanes Katrina and Rita and the mechanisms available to address these challenges. For example, the plan states that households that have been living in group sites would be reluctant to move to unfurnished rental units, and that FEMA was to work with voluntary or other governmental agencies to provide furniture to the households.

⁴¹FEMA, Louisiana Transitional Recovery Office, *Louisiana Depopulation Implementation Plan* (Nov. 6, 2007), and Mississippi Transitional Recovery Office, *Mississippi Transitional Recovery Office Housing Action Plan* (Nov. 28, 2007).

According to FEMA officials, the annex and strategy did not include the characteristics that we have previously discussed because these documents were meant to provide an overarching framework of FEMA's process. Furthermore, officials said that it was difficult to outline the specific resources needed and the particular challenges FEMA could face in closing group sites and assisting households with the transition into permanent housing, mainly because each disaster presents unique needs and challenges. We previously identified the need for documents supporting a key strategy or plan, such as an annex, to contain detailed and robust information on how these plans are going to be implemented. For example, in February 2006, we reported that although the National Response Plan—which was revised in March 2008 and is now known as the National Response Framework—envisions a proactive national response in the event of a catastrophe, the nation did not yet have the types of detailed plans needed to better delineate capabilities that might be required and how such assistance will be provided and coordinated.⁴² We agree that no national strategy can anticipate and specify the precise resources and responsibilities appropriate for every circumstance. Nonetheless, this does not preclude FEMA from identifying the range of resources and responses appropriate for most circumstances. FEMA could leverage its experiences and lessons learned from responses to past major disasters in order to anticipate the types of challenges that could arise and the resources needed to address them.

In 2007, we reported that the resources of certain federal agencies were not fully addressed in the National Response Plan, and that this hampered the ability of FEMA to provide leadership in coordinating and integrating overall federal efforts associated with housing assistance.⁴³ The absence of detailed information in the housing strategy and its Disaster Housing Community Site Operations Annex on the partnerships that FEMA needs to form, the resources it needs, and the mechanisms that FEMA is to use to address the challenges specific to a catastrophic disaster when closing group sites and transitioning households to permanent housing can lead to delays in helping disaster victims return to more stable and conventional living arrangements. Lack of such plans may have contributed to the fact

⁴²GAO, *Statement by Comptroller General David M. Walker on GAO's Preliminary Observations Regarding Preparedness and Response to Hurricanes Katrina and Rita*, [GAO-06-365R](#) (Washington, D.C.: Feb. 1, 2006).

⁴³GAO, *Disaster Assistance: Better Planning Needed for Housing Victims of Catastrophic Disasters*, [GAO-07-88](#) (Washington, D.C.: Feb. 28, 2007).

that more than 3 years after Hurricanes Katrina and Rita, 348 households continued to live in group sites as of June 18, 2009.⁴⁴

FEMA's Strategy Does Not Identify Alternatives or Provide Clear Guidance on Using Currently Available Options

Although several temporary housing options could offer alternatives to travel trailers, FEMA's *National Disaster Housing Strategy* does not identify alternatives to travel trailers or provide clear guidance on what other temporary housing options are available to states. In our discussions with officials and reports we reviewed, we identified various alternatives to travel trailers in group sites, many of which are already authorized under the emergency and temporary housing provisions of the Stafford Act that FEMA has used in recent disasters, including Hurricanes Katrina and Rita. FEMA's *National Disaster Housing Strategy* does not assess alternatives to travel trailers because evaluations are ongoing, nor does it provide clear guidance on what other temporary housing options states should use instead of travel trailers while FEMA completes these assessments. Such assessments could be useful to states that are responsible for identifying and selecting temporary housing options after a major disaster.

Several Temporary Housing Options Could Offer Alternatives to Travel Trailers

Alternatives to the use of travel trailers can be grouped into three broad categories of options, including (1) utilizing existing available housing, (2) repairing damaged rental housing, and (3) providing direct housing.

Utilizing Existing Available Housing

Current FEMA programs utilize existing available housing through emergency and financial assistance under sections 403 and 408 of the Stafford Act. Under section 403, FEMA provides direct grants to state and local governments, which use the grants to provide emergency shelter to households displaced from their residences following major disasters. Emergency shelters can include hotels and apartment rentals. The Stafford Act does not impose specific time limits on section 403 assistance, and FEMA's regulations generally restrict the amount of time to a maximum of 6 months. Although the purposes of emergency sheltering and temporary

⁴⁴As we have previously discussed, for the purposes of this report, our use of the term "group sites" includes both FEMA-constructed and preexisting commercial sites.

housing are different,⁴⁵ according to several sources, when the availability of temporary housing options is limited, allowing households to remain in emergency shelters until they can move to more suitable temporary or permanent housing options may be preferable.⁴⁶ Under section 408, FEMA has the authority to provide assistance for households to rent an apartment or other housing accommodations.

Such assistance is also being provided through a pilot program modeled after HUD's Housing Choice Voucher program, a rental subsidy program that serves more than 2 million low-income, elderly, and disabled households nationwide and is administered by local public housing agencies. In the summer of 2007, FEMA and HUD entered into an interagency agreement to pilot a federal housing assistance grant program, DHAP, to temporarily extend rental assistance for victims displaced by Hurricanes Katrina and Rita. The program is funded by FEMA, but is administered by selected public housing agencies that are currently administering a HUD-funded housing choice voucher program. In the fall of 2008, FEMA deployed a modified DHAP following Hurricanes Ike and Gustav. While DHAP is a pilot program, in the *National Disaster Housing Strategy*, FEMA recommended that Congress give HUD legislative authority to create a permanent DHAP-like program. According to the strategy, HUD's and FEMA's experience with the DHAP pilot demonstrated that rental assistance administered through HUD's existing network of local public housing agencies is an effective way to meet the long-term housing needs of displaced families following a disaster.

Citing HUD's experience with rental assistance programs, some of the officials we contacted and reports we reviewed have found that temporary rental housing assistance should be modeled after HUD's Housing Choice

⁴⁵Emergency sheltering provides immediate, short-term housing assistance for disaster victims who have been displaced from their homes, while temporary housing provides intermediate, longer-term housing assistance to cover the gap between emergency sheltering and the return to permanent housing.

⁴⁶A February 2009 report on deficiencies in federal disaster housing assistance after Hurricanes Katrina and Rita, recommended amending section 403 of the Stafford Act to permit extending the duration of section 403 emergency assistance in the event of a catastrophic disaster if FEMA determines that transition into section 408 assistance is not practicable or that such an extension is necessary to meet postcatastrophic housing needs. See Senate Committee on Homeland Security and Governmental Affairs, Ad Hoc Subcommittee on Disaster Recovery, *Far From Home: Deficiencies in Federal Disaster Housing Assistance After Hurricanes Katrina and Rita and Recommendations for Improvement*, S. Prt. No. 111-7, at 279 (2009).

Repairing Damaged Rental Housing

Voucher program. In particular, several of these sources noted HUD's experience with its voucher program in responding to disaster victims displaced by the 1996 Northridge Earthquake in Los Angeles, California. Vouchers allowed households displaced by this disaster to live in existing rental apartments of their choice. One report cited that if this specific temporary housing option had been deployed after the 2005 Gulf Coast hurricanes, FEMA could have deployed fewer travel trailers.⁴⁷ The choice and mobility that the housing voucher program has to offer to disaster victims and the help that the victims receive in locating rental housing were the reasons generally cited by the sources for using this type of program for providing temporary housing after a major disaster. However, this option is not currently authorized under the Stafford Act provisions.⁴⁸

Because of the limited number of rental units available following a major disaster and the amount of time required to construct new rental housing, a vital component of quickly bringing disaster victims back to the area is to repair damaged rental properties. Helping rental property owners quickly make repairs to existing properties could increase the number of available rental units.⁴⁹ In past disasters, FEMA has been reluctant to be directly involved in the rapid repair of damaged rental housing, partly because the agency does not view housing construction as part of its core mission. However, the extent of destruction to the housing stock following the Katrina and Rita disasters highlighted the need to increase the availability of rental housing. As a result, the Post-Katrina Act established a pilot program authorizing FEMA to repair rental housing located in areas covered by a major disaster.⁵⁰ The rental pilot, known as the Individuals and Households Pilot Program, permits FEMA to enter into lease

⁴⁷The Brookings Institution, *Housing Families Displaced by Katrina: A Review of the Federal Response to Date* (Washington, D.C.: Nov. 11, 2005).

⁴⁸The Emergency Supplemental Appropriations Act of 1994 was signed into law on February 12, 1994 (Pub. L. No. 103-211), and provided nearly \$900 million in appropriations to HUD programs for communities impacted by disasters. Of this, \$200 million was directed to provide Section 8 rental assistance to households displaced by the Northridge earthquake.

⁴⁹Under section 408 of the Stafford Act, FEMA also has the authority to provide financial assistance for the repair or replacement of owner occupied primary residences that sustained damage or were destroyed by a major disaster and FEMA can also provide assistance to construct permanent or semipermanent housing. We consider these forms of assistance as permanent housing options and do not include them in our discussion of available temporary housing options that can serve as alternatives to trailers in group sites.

⁵⁰Pub. L. No. 109-295, 689i, 120 Stat. 1454 (2006).

agreements with owners of multifamily rental properties and to repair damaged properties to meet federal housing quality standards. The repaired apartments are to be rented to displaced households for at least 18 months (or longer, if necessary).

In response to the midwest floods and Hurricane Ike, in September and December 2008, FEMA implemented pilots in Iowa and Texas, respectively. Specifically, FEMA selected apartments in Cedar Rapids, Iowa, and within this property funded the repair of seven two-bedroom units and in Galveston, Texas, funded the repair of 32 units. FEMA's authority for the pilot program expired at the end of 2008. In accordance with the act, FEMA was to evaluate the effectiveness of the program and to report its findings to Congress at the end of March 2009, including any recommendations to continue the pilot program or to make the program a permanent housing option. In May 2009, FEMA issued a report on the pilot program, which stated that additional analysis and recommendations on whether to make the program permanent would be provided at a later date. Some officials we contacted and reports we reviewed mentioned that the federal government needs to do more to rapidly repair existing rental housing damaged during a major disaster to increase the rental stock available to disaster victims in the immediate area. An official from a nonprofit organization we contacted viewed the rapid repair of damaged rental units as an effective way to help households transition back to permanent housing more quickly, potentially reducing the need for longer stays in temporary housing options, such as travel trailers in group sites, which are not meant to be a long-term option.

Providing Direct Housing

When rental housing is unavailable, FEMA has traditionally provided direct housing assistance to households displaced by major disasters, as it did after Hurricanes Katrina and Rita. Such assistance has included trailers and manufactured housing units that can be placed on homeowners' property or on group sites. Travel trailers had been an important means of providing temporary housing after major disasters because the magnitude of these events limits the effectiveness of other options. FEMA can provide such assistance under section 408 of the Stafford Act and may also provide housing units owned or subsidized by other federal agencies, such as HUD and the Department of Veterans Affairs (VA), through agreements with these agencies.

Travel trailers as direct housing assistance have been a standard part of FEMA's recovery operations in disasters prior to the 2005 hurricanes and were intended for short-term use, but safety concerns involving the travel trailers used after the 2005 disasters led FEMA to change its policy.⁵¹ The agency's 2008 disaster housing plan and the *National Disaster Housing Strategy* indicate that FEMA will no longer use group sites for the placement of travel trailers.⁵² Under current policies, FEMA will authorize the use of travel trailers only upon the request of the affected state when no other form of temporary housing is available. FEMA will also impose other restrictions on travel trailers, including that they be used only on private sites for no longer than 6 months and only after the state has determined that the trailers meet acceptable formaldehyde levels. In 2008, FEMA developed new performance specification requirements for all future temporary housing units purchased, including travel trailers, to eliminate the use of materials that emit formaldehyde.⁵³ Finally, FEMA will continue to authorize group sites as a last resort for the placement of manufactured housing units. Although FEMA's policy restricts trailers on group sites, several sources agreed that FEMA should use travel trailers or trailers on group sites as a last resort and only for a short period of time. Lots where these sites are located should be small and close to the displaced victims' communities, with access to needed services.

Utilizing government-owned or subsidized housing following a major disaster is another possible alternative, but this form of assistance tends to play a supportive role to other temporary housing options, since the number of units that could be utilized in a disaster tends to be relatively small. Under the Stafford Act, FEMA will enter into an agreement with other federal agencies, such as the U.S. Department of Agriculture, HUD, and VA, that own or subsidize property that could be used to provide temporary housing to disaster victims. For example, in response to Hurricane Katrina, about 10,000 federally owned or subsidized units were used to house disaster victims, including 5,600 HUD-owned single-family

⁵¹In 2008, the Centers for Disease Control and Prevention identified the presence of significant levels of formaldehyde in the travel trailers in group sites that FEMA used following the 2005 hurricanes. Formaldehyde can pose serious health and safety concerns to those exposed to the chemical.

⁵²The strategy adopted an approach that was previously described in FEMA's June 2008 Disaster Housing Plan, which was in effect during the 2008 hurricane season when Hurricanes Gustav and Ike hit the Gulf Coast in September 2008.

⁵³FEMA Notice HQ-08-056, April 11, 2008: *New FEMA Procurement Specifications Require Significantly Reduced Formaldehyde Levels In Mobile Homes And Park Models.*

properties. According to FEMA, it encountered difficulties verifying that housing units offered by support agencies after Hurricane Katrina were indeed available for disaster victims. The *National Disaster Housing Strategy* indicates that since Katrina, the federal government has made some progress in cataloging available housing inventory through a number of online databases, potentially making it easier for FEMA to identify available units following a disaster.

With Each Temporary Housing Option Involving Trade-offs, a Mix of Options Will Likely Be Needed to Respond to a Major Disaster

Temporary housing options involve trade-offs that policymakers should consider in providing temporary housing assistance. The limitations involved in these trade-offs are magnified during a major disaster—for example, when much of the existing housing stock is severely damaged or destroyed and recovery efforts take years to complete. FEMA’s *National Disaster Housing Strategy* points to several key factors that should be considered when assessing the relative efficiency and effectiveness of temporary housing options, such as total cost and deployment time. We identified three key factors that we used to assess how trailers in group sites compared with possible alternative temporary housing options: cost, availability, and suitability.

Cost

Cost involves the total cost to the government for purchasing, installing, maintaining, and (if applicable) deactivating the housing unit over the period of use. Based on information presented in a 2008 DHS OIG report, the average unit cost for trailers in group sites ranged from about \$75,000 to \$84,000, depending on whether FEMA purchases units that have to be manufactured or units that already exist.⁵⁴ Based on reports we reviewed, utilizing existing rental housing is generally considered to be a cost-effective approach for providing housing assistance, and, according to FEMA, it is less costly when compared with trailers in group sites. The principal cost to the government of existing housing is the monthly rents, which, under the section 408 program, are based on the fair market rent-level established by HUD. According to several sources, when compared with trailers, repairing damaged housing could cost less, and furthermore the benefits of repairs would be realized over a longer period of time. In a May 2009 report, FEMA estimated that completing rapid repairs and making monthly operating payments to two sites in Iowa and Texas were

⁵⁴Department of Homeland Security, Office of Inspector General, *FEMA’s Sheltering and Transitional Housing Activities After Hurricane Katrina*, OIG-08-93 (Washington, D.C.: Sept. 12, 2008).

substantially less expensive than deploying and operating manufactured units over a similar period of time.⁵⁵

Availability

Determining whether temporary housing options are available after a disaster occurs is a key consideration in assessing the viability of the options. Although utilizing existing housing is generally FEMA's preferred way of providing temporary housing after a major disaster, there may not be sufficient housing available in the affected area to house displaced victims. At the same time, although disaster victims could be relocated to areas outside of the disaster area, FEMA officials said that victims generally prefer to remain near the affected area. Another obstacle that affects the availability of utilizing existing housing is the willingness of landlords to participate in the program. No information is available on the time required to repair damaged housing, and the current pilot program is not permanently authorized and may not be available in future disasters. If authorized, rental repair programs could potentially be deployed quickly, provided that funding was available and property owners were willing to participate. As we have previously stated, FEMA will no longer place travel trailers on group sites following a major disaster. However, the extent to which FEMA will still use travel trailers in other sites and the availability of trailers is unclear. Specifically, while the strategy and FEMA policy state that trailers will be used as a last resort when other temporary housing options are unavailable, a recent report by the Senate Ad Hoc Subcommittee on Disaster Recovery included an acknowledgment by FEMA officials that the agency will continue to use trailers in large numbers in responding to temporary housing needs following a catastrophic disaster.⁵⁶ One FEMA official also acknowledged that the agency did not currently have sufficient housing resources to meet the demands of a large-scale event. Although FEMA awarded four contracts in April 2009 for the manufacture of low-emission travel trailers, the number of units contracted may not be sufficient to address housing needs after a major disaster, based on the number of units that were required in the Gulf Coast after the 2005 hurricanes.⁵⁷

⁵⁵Federal Emergency Management Agency, *Individuals and Households Pilot Program: Fiscal Year 2009 Report to Congress* (Washington, D.C.: May 19, 2009). FEMA estimated that rapid repair was about 83 percent less expensive than manufactured units in the Iowa pilot program and 66 percent less expensive than in the Texas pilot.

⁵⁶*Far From Home: Deficiencies in Federal Disaster Housing Assistance.*

⁵⁷The agency intends to order a minimum of 100 units from each contract award, with the ability to order 6,000 units each year for 5 years.

Suitability

Temporary housing options must also meet the needs of affected households, including proximity to work and access to health and social services. Existing housing generally provides the households with a choice of housing units that meet their needs and generally allows for longer stays. Furthermore, as it does with the DHAP program, FEMA could use existing administrative networks (such as public housing agencies) to help find suitable housing. When sufficient existing housing is not available, rapid repair of damaged rental housing offers some of the same advantages of using existing housing, including the possibility of longer stays. In terms of suitability, trailers in group sites are the least-preferred option. Concerns about trailers in group sites after the 2005 hurricanes often focused on the long-term use of this option in sites that were isolated and lacked access to needed services.⁵⁸ Although FEMA plans not to use trailers in group sites, several sources stated that these trailers are most suitable when they are used for a short period of time in proximity to the victims' communities, allow for access to needed services, and do not pose health and safety risks to the occupants.

While the temporary housing options discussed in this report can serve as possible alternatives to travel trailers in group sites, several of the officials we contacted and reports we reviewed agreed that no single alternative was best suited to providing temporary housing after a major disaster. According to some of these sources, officials should consider a mix of housing options that are determined to be most efficient, effective, and specific to the circumstances of the disaster.

FEMA's Disaster Housing Strategy Neither Assesses Alternatives to Trailers Nor Provides Clear Guidance on What Options States Can Use Instead of Trailers

FEMA's *National Disaster Housing Strategy* does not assess alternatives to trailers because evaluations are ongoing, nor does it provide clear guidance on what other temporary housing options states should use instead of trailers while FEMA completes these assessments. Such assessments could be useful to states that are responsible for identifying and selecting temporary housing options after a major disaster. In accordance with the Post-Katrina Act and as part of the strategy, FEMA

⁵⁸ In a related December 2008 GAO report on disaster assistance following Hurricanes Katrina and Rita, we reported that FEMA officials stated that given the level of destruction caused by these hurricanes and, in some cases, opposition from communities, FEMA was not always able to locate temporary housing in places with easy access to existing infrastructure, even though in instances where FEMA creates group sites, its guidance suggests that such sites should be located near existing supermarkets, public transportation, schools, and health care facilities. See GAO-09-81.

was to identify the most efficient and cost-effective federal programs for meeting the short- and long-term housing needs of households affected by a major disaster. In describing these programs in the strategy, FEMA

- identified currently available options for providing temporary housing after a major disaster under the housing assistance provision of FEMA's section 408 program, such as rental assistance to disaster victims in existing privately owned rental properties and temporary housing units, such as mobile homes;
- described a number of factors that were relevant in selecting and deploying temporary housing options, including relative costs, implementation time, and program funding levels; and
- provided a broad framework of how states were to consider these factors in selecting specific temporary housing options—for example, FEMA characterized the section 408 rental assistance provision as more efficient as long as rental housing was available and the direct assistance provision as less efficient due to the time needed to activate units, such as mobile homes.

The strategy describes ongoing initiatives that FEMA has undertaken since Hurricanes Katrina and Rita to identify alternative forms of temporary housing. These initiatives include the Alternative Housing Pilot Program (AHPP), which was created in 2006 to identify, implement, and evaluate disaster housing alternatives to travel trailers.⁵⁹ According to FEMA officials, the evaluation process will continue through 2011, at which time FEMA will issue a final report to Congress. FEMA also established in 2006 the Joint Housing Solutions Group (JHSG) to identify, among other things, viable alternatives to travel trailers and manufactured homes by working with manufacturers of these units.⁶⁰ FEMA has not established an estimated completion date for this effort.

⁵⁹FEMA designed the AHPP as a competitive grant to the Gulf Coast States and awarded projects to the following four states: Alabama, Louisiana, Mississippi, and Texas.

⁶⁰In 2008, FEMA conducted a solicitation and awarded provisional contracts to seven alternative housing manufacturers. The JHSG has recently begun to assess and evaluate the viability of the units identified by these manufacturers on the basis of criteria such as cost, livability, and deployment time. According to FEMA, once the testing of pilot units is complete and the JHSG determines that the units meet safety, security, and affordability requirements, FEMA will begin purchasing units.

The strategy is unclear regarding when travel trailers could be used following a major disaster or what other temporary housing options states should use instead of trailers while FEMA completes its assessments. Specifically, the strategy indicates that travel trailers will continue to be used as a last resort; however, it does not describe the specific conditions where trailers would be a viable option or those situations where trailers should not be used. In addition, the strategy does not recommend an option (or options) that would replace trailers and would be deployable on the scale needed to respond to a major disaster while it considers alternatives to trailers. In its March 2008 report, DHS OIG also raised concerns about how FEMA plans to temporarily house disaster victims for future catastrophic events.⁶¹ According to the OIG, FEMA needs to develop and test new and innovative catastrophic disaster housing plans to deal with the large-scale displacement of households for extended periods of time. In addition, in its February 2009 report on the federal government's disaster housing response after Hurricanes Katrina and Rita, the Senate Ad Hoc Subcommittee on Disaster Recovery concluded that FEMA has not planned sufficiently to replace travel trailers.⁶² According to the report, FEMA does not offer a substitute for mass trailers when other forms of temporary housing are unavailable, as can happen after major disasters.

Not only did the January 2009 strategy not specify what other temporary housing options states should use instead of trailers, prior FEMA guidance also did not communicate clearly to states and others on the use of trailers in future disasters. Since Hurricanes Katrina and Rita, FEMA's policies have been inconsistent regarding the use of travel trailers. For example, FEMA issued interim guidance in July 2007 that temporarily suspended the use of travel trailers while the agency worked with health and environmental experts to assess air quality and health-related concerns. On the basis of the preliminary results of this assessment, FEMA's revised guidance in March 2008 stated "it will not deploy travel trailers" as a temporary housing option. A month later, FEMA's Administrator told

⁶¹Department of Homeland Security, Office of Inspector General, *FEMA's Preparedness for the Next Catastrophic Disaster*, OIG-08-34 (Washington, D.C.: March 2008).

⁶²See *Far From Home: Deficiencies in Federal Disaster Housing Assistance*. Furthermore, the report indicated that FEMA's assessment on the efficiency and effectiveness of the options was "general" in nature, and suggested that FEMA should build on the information presented in the strategy and provide more specific cost-effectiveness studies of the available housing options so that policymakers and state and local governments can make informed decisions about which programs to use.

Congress that the agency was never going to use travel trailers again, yet 2 months later FEMA changed its policy to allow limited use of travel trailers. According to that guidance issued in June 2008, trailers would remain an option upon a state's request in extraordinary disaster conditions when no other form of temporary housing is available. The guidance also indicated that FEMA would no longer enter into contracts for the manufacture of travel trailers. However, FEMA awarded four contracts in April 2009 for the manufacture of low-emission travel trailers.

Given all of the changes in guidance on the use of trailers since the Gulf Coast hurricanes, FEMA did not ensure the strategy clarified its policies and provided sufficient details so that states understand the extent to which trailers (as well as other options) are available and practicable for future disasters. Officials from Texas and Louisiana with whom we spoke also agreed that the strategy did not clearly describe the circumstances under which temporary housing options could be used in responding to the needs of disaster victims and did not identify alternatives for options that could not be used. Louisiana officials, for example, told us that the strategy provided a good overview on the categories of assistance available to states following a major disaster. However, these descriptions lacked information on the specific situation or circumstance that would "trigger" when a particular option could be used, according to the officials. Furthermore, the officials noted that reference in the strategy regarding the options being currently available to meet the needs of disaster victims was misleading for some of the options described. In particular, the officials did not believe that the use of innovative forms of temporary housing should have been included as a current practice for housing disaster victims following major disasters because new options, including alternatives to travel trailers, were not yet available to the states for future disasters.

Without more specific information on interim alternatives to travel trailers while FEMA continues to conduct its assessments, state officials will not have the information needed to choose those that would be most effective and expedite decision making. As a result, FEMA and the states may not be fully prepared to respond to the temporary housing needs of those displaced by major or even catastrophic events. The absence of clear guidance for state officials on the most appropriate housing options and the lack of specific options to replace travel trailers can lead to delays in deciding on what forms of temporary housing assistance to deploy.

Conclusions

FEMA began reporting basic performance measures about closing group sites in the Gulf Coast region after the 2005 hurricanes, but these measures did not provide information on the effectiveness of the program in meeting its goals. As we have previously reported, it is important for federal agencies to identify performance measures that go beyond summarizing program activities. We have found that performance measures focused on results are most effective in assessing the achievement of policy objectives. FEMA officials agree that developing measures that focus on results is critical, and, with the establishment of the *National Disaster Housing Strategy*, FEMA will have an opportunity to develop such measures consistent with the strategy in future disasters. We recognize that each disaster presents its own unique set of challenges, but FEMA can leverage its experiences and lessons learned from its responses to past major disasters to identify a range of potential measures of the agency's performance in closing group sites and assisting households with transitioning to permanent housing. Furthermore, the agency can modify such measures as needed to reflect the realities of future disasters. Having results-oriented measures, such as the amount of time that households live in group sites before returning to permanent housing, and developing numerical targets can help identify potential problems in meeting program goals and could be used to make decisions about resources needed and actions to be taken. Without measures that reflect program results and clearly link to the agency's goals, FEMA will not be able to demonstrate program results and progress in achieving its intended objectives.

The completion of the *National Disaster Housing Strategy* and the Disaster Housing Community Site Operations Annex is an important step in the agency's efforts to more clearly describe its roles and responsibilities for closing group sites and assisting households with the transition into permanent housing. However, these documents lack several key characteristics for an effective strategy and plan. As a result, their usefulness as a management tool for ensuring that FEMA meets its goal of helping households find safe and suitable permanent housing after a disaster is limited. For example, because the strategy and the annex do not address the roles and responsibilities of other federal and state agencies in closing group sites and transitioning households into permanent housing, stakeholders and the public may not have a full understanding of their role and responsibilities. Furthermore, because these documents did not address the resources to assist households living in group sites transition into permanent housing, it is unclear what resources are needed to build capacity and whether they would be available. Finally, because these documents did not describe or anticipate challenges associated with helping people find permanent housing after a catastrophic event, delays

could occur in helping disaster victims return to more stable and conventional living arrangements. Opportunities exist to improve the usefulness of these documents, especially the annex, because FEMA views them as evolving documents that are to be updated on a regular basis to reflect ongoing policy decisions.

Historically, FEMA has relied on travel trailers to provide temporary housing to displaced households, especially after a major disaster when other temporary housing options (such as existing rental housing) are not sufficient. The use of these trailers has received significant criticism after the 2005 hurricanes due to safety and health issues as well as suitability for long-term use. While FEMA has changed its policy, it has made little progress in issuing or providing clear and consistent guidance on when travel trailers should be deployed following major disasters. Furthermore, while FEMA has initiated various assessments to identify potential temporary housing options that retain many of the conveniences of trailers but are safer and more suitable to the occupants, the lack of specific information on the interim alternatives to travel trailers will impede decision making by the states and places disaster victims at risk of not receiving temporary housing assistance as quickly as possible following a major disaster.

Recommendations for Executive Action

To ensure that Congress and others have accurate information about the performance of Federal Emergency Management Agency's direct housing assistance in group sites, we are making three recommendations to the Secretary of the Department of Homeland Security to direct FEMA to develop performance measures and targets that the agency will use for reporting on the results of closing group sites and assisting households with transitioning to permanent housing, and ensure that these measures are clearly linked with FEMA's goals for disaster assistance.

In addition, because of the multiple agencies with which FEMA must coordinate in delivering temporary housing assistance, we recommend that the Secretary of Homeland Security direct FEMA to take the following actions:

- Update its planning documents (e.g., the Disaster Housing Community Site Operations Annex of the *National Disaster Housing Strategy*) to describe how it will work with other agencies in closing group sites and transitioning households into permanent housing, what resources it needs

to perform these activities, and how it will deal with specific challenges of a major disaster, such as potential shortages in available permanent housing.

- Describe clearly in its guidance to states how trailers or other options identified by the states can be deployed when other preferred housing options, such as existing rental housing, are not sufficient after a major disaster.

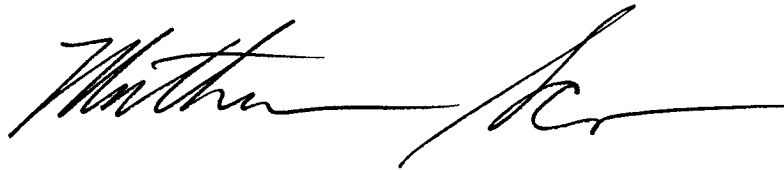
Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Homeland Security's Federal Emergency Management Agency for its review and comment. We received written comments from the Secretary of the Department of Homeland Security, which are reprinted in appendix II. The agency also provided a technical comment, which we incorporated into the report.

FEMA generally agreed with our recommendations and is planning to take steps to address them. Specifically, FEMA intends to work through the National Disaster Housing Task Force to establish standard performance measures and reporting methods for all aspects of its direct assistance program, including group sites. FEMA also intends to work through the task force to address interagency operational issues. Although FEMA indicated that the strategy, including its annexes, will be updated as needed, it did not specifically discuss (1) whether these particular or other planning documents will describe how FEMA will work with other agencies in closing group sites and transitioning households into permanent housing; (2) what resources it needs to perform these activities; and (3) how it will deal with specific challenges of a major disaster, such as potential shortages in available permanent housing. We continue to believe that FEMA should update its planning documents to include these key characteristics of effective strategies and plans. Finally, FEMA said that the agency has been working to develop guidance for Joint Field Offices and the states on formally requesting and approving the use of temporary housing assistance programs following a disaster, including direct assistance. According to FEMA, the agency intends to clearly describe this process in the *National Disaster Housing Concept of Operations*.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of the Department of Homeland Security, and other interested parties. The report will also be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me at (202) 512-8678 or sciremj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.

A handwritten signature in black ink, appearing to read "Mathew J. Scire", with a long horizontal flourish extending to the right.

Mathew J. Scire
Director, Financial Markets and
Community Investment Issues

Appendix I: Scope and Methodology

The objectives of this report were to examine (1) challenges that households living in group sites faced in transitioning to permanent housing; (2) the extent to which the Federal Emergency Management Agency (FEMA) effectively measured its performance in closing group sites and assisting households with transitioning into permanent housing; (3) the *National Disaster Housing Strategy's* effectiveness in defining FEMA's roles and responsibilities for closing group sites and assisting households with transitioning to permanent housing; and (4) the alternatives to travel trailers in group sites when providing temporary housing after major disasters, how they compare with respect to identified policy factors, and how well FEMA's *National Disaster Housing Strategy* assessed these alternatives. Our review focused on FEMA's programs for temporary housing in Alabama, Louisiana, Mississippi, and Texas, including the use of group sites in the aftermath of Hurricanes Katrina and Rita. For the purposes of this report, the term "group sites" refers to both sites established by FEMA and commercial sites that already existed and were used to house hurricane victims.

For all four objectives, we interviewed officials from FEMA's Disaster Assistance Directorate, Individual Assistance Branch, Office of Policy and Program Analysis, Office of the Federal Coordinator for Gulf Coast Rebuilding, Gulf Coast Recovery Office (GCRO), and Recovery Division. We also interviewed state officials from the Louisiana Recovery Authority, the Mississippi Governor's Office of Recovery and Renewal, and the Texas Department of Housing and Community Affairs.

To identify challenges that households living in group sites faced transitioning to permanent housing, we examined reports related to the federal government's response to Hurricanes Katrina and Rita and its efforts to provide housing assistance in group sites. Specifically, we reviewed relevant reports, including reports from the Department of Homeland Security's (DHS) Office of Inspector General (OIG), Louisiana Family Recovery Corps, The Brookings Institution, RAND Gulf States Policy Institution, PolicyLink, Congressional Research Service, and GAO. In addition to interviewing FEMA officials and officials from the state agencies that we have previously mentioned, we conducted site visits to Baton Rouge and New Orleans, Louisiana, where we met with officials from the following selected local housing agencies and not-for-profit organizations to obtain their perspectives on the challenges that households living in group sites faced:

- *Local agencies*
Jefferson Parish Housing Authority
Housing Authority of East Baton Rouge
Housing Authority of New Orleans
Louisiana Housing Finance Agency
New Orleans Office of Recovery and Development Administration
- *Not-for-profit organizations*
Louisiana Family Recovery Corp
Catholic Charities
Greater New Orleans Fair Housing Action Center
Louisiana Justice Institute

We also visited three group sites, including Renaissance Village—the largest group site established. To corroborate some of the challenges mentioned during our interviews, we analyzed several data sources. Specifically, to determine the extent to which Hurricanes Katrina and Rita had an impact on rents in these areas, we analyzed data from the Department of Housing and Urban Development (HUD) on the fair market rents for two-bedroom units in the Beaumont-Port Arthur, Texas, metropolitan statistical area (MSA); Gulfport-Biloxi, Mississippi, MSA; Mobile, Alabama, MSA, and New Orleans-Metairie-Kenner, Louisiana, MSA, from fiscal years 2005 to 2009. Furthermore, to determine the change in unemployment rates in the selected MSAs following Hurricanes Katrina and Rita, we analyzed annual unemployment rates data from the Department of Labor’s Bureau of Labor Statistics from fiscal years 2004 to 2007. In addition, we collected and analyzed data from FEMA to determine the average reported income for households living in group sites in Louisiana and Mississippi. We focused on group sites in Louisiana and Mississippi for this analysis because FEMA established most sites in these states. Specifically, we obtained information from two of FEMA’s databases—the FEMA Response and Recovery Applicant Tracking System (FRRATS) and the National Emergency Management Information System (NEMIS).

- FRRATS data are collected through FEMA field offices. Information obtained from FRRATS included receipts for the purchase of travel trailers and data on the type of site and the state where the trailer or mobile home was located.

- NEMIS data are collected through the national FEMA office. Information obtained from NEMIS included date of birth, age, income of those receiving housing assistance, owner or renter status, and former and current addresses.
- Both FRRATS and NEMIS contain a unique registration ID that we used to match the data we collected from these databases.

We have tested the reliability of these data as part of a previous study and found the data to be reliable.¹ We determined that the data provided were sufficiently reliable for the purposes of this report. However, it is important to note that the demographic data in NEMIS are largely self-reported by applicants, and FEMA does not independently verify all of the data it collects. As an example, while some of FEMA's assistance programs are based on income, the incomes reported in NEMIS are not verified. Our analysis was based on the highest income reported by an individual. Also, our analysis was limited to individuals who provided the information, and we did not determine whether nonrespondents were likely to differ from those who responded.

To assess the extent to which FEMA effectively measured its performance in providing housing assistance in group sites, we reviewed FEMA's strategic plan and DHS's annual performance report and other documents related to the measures that FEMA developed to assess its performance. To identify the measures that FEMA developed to track the number of group sites it used after Hurricanes Katrina and Rita and the number of households that lived in those sites, we examined FEMA's GCRO Individual Assistance Global Report Executive Summary weekly reports. We determined that these reports were sufficiently reliable for the purposes of our report. Finally, we assessed FEMA's measures against criteria for effective performance measures described in our prior work.²

¹GAO, *Disaster Assistance: Federal Efforts to Assist Group Site Residents with Employment, Services for Families with Children, and Transportation*, [GAO-09-81](#) (Washington, D.C.: Dec. 11, 2008).

²GAO, *HUD and Treasury Programs: More Information on Leverage Measures' Accuracy and Linkage to Program Goals Is Needed to Assessing Performance*, [GAO-08-136](#) (Washington, D.C.: Jan. 18, 2008); *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002); and *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996).

To determine the *National Disaster Housing Strategy's* effectiveness in defining FEMA's roles and responsibilities for closing group sites and assisting households with transitioning to permanent housing, we reviewed the strategy and supporting annexes as well as federal emergency plans, including the National Response Framework and supporting annexes and the 2008 Disaster Housing Plan. Furthermore, we reviewed relevant sections of major statutes, regulations, and plans to better understand FEMA's roles and responsibilities for closing group sites and assisting households with transitioning into permanent housing. Specifically, our review included the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (Stafford Act)—as amended—and the Post-Katrina Emergency Management Reform Act (Post-Katrina Act). Additionally, we drew upon our extensive body of work on the federal government's response to Hurricanes Katrina and Rita, as well as our prior work on pandemic influenza, to compare the relevant sections of the *National Disaster Housing Strategy* with the characteristics of an effective national strategy.³ Specifically, we assessed the extent to which the strategy and the Disaster Housing Community Site Operations Annex addressed certain desirable characteristics and the related elements of these characteristics developed in previous GAO work.⁴ Because we were not assessing the effectiveness of the entire *National Disaster Housing Strategy* and supporting annexes, we focused on three characteristics identified in previous work: organizational roles, responsibilities, and coordination; problem definition and risk assessment (i.e., challenges and constraints); and resources, investments, and risk management. Finally, we reviewed reports issued by Congress, DHS's OIG, and the Congressional Research Service.

To determine the alternatives to travel trailers in group sites and examine how they aligned with identified policy factors, we reviewed the Stafford Act, the Post-Katrina Act, and other related legislation. We also reviewed our previous reports and relevant literature, including reports from Congress, DHS's OIG, and the Congressional Research Service and academic reports. In addition, we interviewed officials from FEMA, state

³For examples, see GAO, *Influenza Pandemic: Further Efforts Are Needed to Ensure Clearer Federal Leadership Roles and an Effective National Strategy*, [GAO-07-781](#) (Washington, D.C.: Aug. 14, 2007); and *Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the National Preparedness, Response, and Recovery System*, [GAO-06-618](#) (Washington, D.C.: Sept. 6, 2006).

⁴[GAO-07-781](#).

housing agencies in the Gulf Coast region, and selected nonprofit and housing research groups. We reviewed the *National Disaster Housing Strategy* to determine how well it assessed the capacity of available temporary housing options to respond to the housing needs of individuals displaced by a major disaster on the basis of certain factors, such as cost-effectiveness and efficiency. We also interviewed officials from the previously mentioned state agencies to obtain their perspective on the extent to which FEMA provided sufficient information on the factors that should be considered when selecting an interim housing approach in response to a disaster.

We conducted this performance audit from January 2008 through August 2009 in Atlanta, Chicago, Louisiana, and Washington, D.C., in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

August 14, 2009

Mr. Matthew J. Scire
Director
Financial Markets and Community Investment
Government Accountability Office
Washington, D.C. 20548

Dear Mr. Scire:

Thank you for the opportunity to comment on the draft report GAO-09-796, "FEMA Needs More Detailed Guidance and Performance Measures to Help Ensure Effective Assistance after Major Disasters." The Department of Homeland Security (DHS) appreciates GAO's in planning and conducting and issuing this report.

The following is our response to the recommendations.

Recommendation #1:

To ensure that Congress and others have accurate information about the performance of FEMA's direct housing assistance in group sites we recommend that the Secretary of DHS direct FEMA to develop performance measures and targets that the agency will use for reporting on the results of closing group sites and assisting households with transitioning to permanent housing and ensure that these measures are clearly linked with FEMA's goals for disaster assistance.

Response: FEMA generally concurs with this recommendation. FEMA intends to work through the National Disaster Housing Task Force to establish standard performance measures and reporting methods for all aspects of its direct assistance program, including group sites.

In addition, FEMA is returning to the fundamentals of housing assistance; that is, applicants receiving direct temporary housing assistance are temporarily housed until rental resources become available in a community or until habitable repairs have been made to their pre-disaster dwellings. FEMA is currently working on improving the methods and strategies that it will use to document FEMA's support of the applicant's efforts to locate and secure permanent or alternate housing. FEMA is finalizing the documentation process that will be used to measure whether the applicant is making progress in repairing their dwelling. This process will allow FEMA to assess and monitor any systematic or individual impediments to recovery. During the recovery period, FEMA will also continue to monitor the availability of rental resources. The various actions mentioned above will be solidified in a new policy for continued direct assistance. As is the goal of disaster recovery, once the applicant returns to permanent housing and moves towards self-sufficiency, FEMA will disengage from the process.

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Recommendation #2:

In addition, because of the multiple agencies with which FEMA must coordinate in delivering temporary housing assistance, FEMA should update its planning documents (e.g., the Disaster Housing Community Site Operations Annex of the disaster housing strategy) to describe how it will work with other agencies in closing group sites and transitioning households into permanent housing, what resources it needs to perform these activities, and how it will deal with specific challenges of a major disaster, such as potential shortages in available permanent housing.

Response: FEMA generally concurs with this recommendation. FEMA intends to work through the National Disaster Housing Task Force (NDHTF) to address inter-agency operational issues. The NDHTF will continually focus on improving the delivery of the assistance for the entire continuum of disaster housing, from sheltering to transitioning disaster survivors into permanent housing.

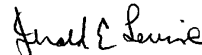
Through the development of a Concept of Operations, the NDHTF will revisit lessons learned and the Strategy, including its Annexes, to improve the process of identifying housing needs following a disaster and the sequence of delivery for delivering assistance. The Strategy and its Annexes are living documents, and will be updated, as needed, to eliminate identified shortfalls and incorporate best practices.

Recommendation #3:

Describe clearly in its guidance to states how trailers or other options identified by the states can be deployed when other preferred housing options such as existing rental housing, are not sufficient after a major disaster.

Response: FEMA generally concurs with this recommendation. FEMA has been working to develop guidance for Joint Field Offices and States to formally request and approve the use of temporary housing assistance programs following a disaster, including direct assistance. FEMA intends to clearly describe this process in the National Disaster Housing Concept of Operations. FEMA is working on policy and guidance to develop standard and criteria to determine the need for a temporary housing unit mission.

Sincerely,



Jerald E. Levine

Director

Departmental GAO/OIG Liaison Office

Appendix III: GAO Contact and Acknowledgments

GAO Contact

Mathew J. Scirè, (202) 512-8678 or sciremj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Daniel Garcia-Diaz, Assistant Director; Emily Chalmers; Marshall Hamlett; John McGrail; Marc Molino; Josephine Perez; and Rose Schuville made key contributions to this report.

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