



Why This Matters

On October 29, 2012, Hurricane Sandy made landfall, impacting coastal and inland communities resulting in loss of life, major flooding, structural damage, and power loss to over 8.5 million homes and businesses. Thirteen days after Hurricane Sandy's landfall and initial impact, 166,649 customers across three states, remained without power, in large part due to damage to their electrical systems, which prevented the electric utility companies from restoring power to the homes.

Developing new housing programs in response to catastrophic disasters is important for a number of reasons, but a key one is the cost of the current approach to post-disaster housing. The Federal Emergency Management Agency (FEMA) historically has not had sufficient tools, operational procedures, and legislative authorities to aggressively promote the cost-effective repair of housing stocks. If successful, this pilot program would increase the amount of housing available and likely limit increases in the cost of housing, particularly rental rates.

FEMA's Sheltering and Temporary Essential Power Pilot Program

What We Determined

FEMA established the Sheltering and Temporary Essential Power (STEP) Pilot Program to enable residents in New York, New Jersey, and Connecticut to return or remain in their homes, as a form of shelter while permanent repairs are completed, thereby reducing the number of individuals in shelters or in the Transitional Shelter Assistance Program. The STEP Pilot Program will provide access to power and essential repairs to affected residences, thereby reducing the demand for other shelter options and allowing individuals to return or to remain in their homes. This program is for residential properties only, and will provide a maximum of \$10,000 per residential unit.

We determined that FEMA's actions in promulgating this pilot program were consistent with the authorities granted by the Stafford Act, and given the number of individuals affected by Hurricane Sandy, FEMA needs to maintain strong internal controls. We commend FEMA for the rapid response in designing this urgently needed program less than a month after Hurricane Sandy devastated communities on the Atlantic coast. If successful, the program can provide the assistance necessary to save lives, protect public health and safety, and protect property. Nevertheless, FEMA needs to be mindful of the vulnerabilities associated with implementing pilot programs and institute adequate internal controls to protect against those vulnerabilities.

For Further Information:

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