



### Why This Matters

Post-disaster housing assistance is critically important to disaster survivors and a major expense for Federal Emergency Management Agency (FEMA). Major problems were experienced in providing housing assistance after Hurricane Katrina. Consequently, in 2006, Congress required FEMA to determine the most efficient and cost-effective means of providing post-disaster housing. Two principal programs to explore future directions for disaster housing were the Alternative Housing Pilot Program (AHPP) and the Disaster Housing Pilot Project. The funds expended in these two efforts have been over \$400 million.

### DHS Response

FEMA concurred with most of the report's findings and conclusions, and with recommendations 1, 2, 3 and 4. FEMA partly concurred with recommendation 5, agreeing with the need to examine the increased costs of alternative housing. But FEMA did not believe a mandate is appropriate, seeing it as restricting speed and flexibility in programs. We believe cost versus effectiveness examinations are critical, and that a mandate is needed. FEMA does not concur with recommendation 6, viewing current law and operating agreements with the Department of Housing and Urban Development as sufficient. Although we remain concerned about the costs of providing housing for more than 18 months, we accept FEMA's argument that recommending further clarification is not justified.

#### For Further Information:

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## Future Directions of FEMA's Temporary Housing Assistance Program

### What We Determined

Both the AHPP and the Disaster Housing Pilot Project have provided insight, if not clear solutions, for future disaster housing but demonstrate that significant timeliness and costliness issues remain to be addressed.

Under the \$400 million AHPP, grants were made to Alabama, Mississippi, Louisiana and Texas to develop alternative forms of disaster housing while providing housing for hurricane survivors. The grants resulted in more than 3,700 units of interim housing, more than 1600 of which will remain in place as permanent housing units. However, there were major delays in completing the projects, some of the more innovative concepts were not completed, and costs were significantly higher than planned. Although the grant awards were announced in 2006, construction of the agreed upon disaster housing units was still ongoing in both Louisiana and Mississippi in 2011. The \$16.5 million Texas project encountered the most problems and was terminated by state officials after the developer received over \$5.5 million and completed only six residences. The state was left with a warehouse of parts that might be able to be assembled into 42 more units. Weaknesses in program design and inadequate planning and cost data were the primary causes of the problems encountered. For approximately \$1.4 million, the Disaster Housing Pilot Project tested and evaluated ten different types of housing units and provided more cost effective insight than the AHPP into future housing options.

### What We Recommend

Associate Administrator, Response and Recovery, FEMA:

1. Avoid program proposals that try to combine innovation with mass production in short timeframes, particularly in the housing area.
2. Allow competitors in any housing grant competition sufficient time to develop fully thought-out and detailed proposals that do not rely exclusively on the proprietary designs of commercial firms.
3. Ensure adequate time and process to test community acceptance before undertaking housing projects.
4. Develop complete cost data for all components of disaster housing in order to be able to compare alternative options.
5. Mandate that any decision concerning the implementation of alternative types of housing be based on an examination of the increased costs of such changes and the effects of such cost increases on FEMA's effectiveness.
6. Obtain clarification as to whether the provision of interim housing is a legitimate part of FEMA's mandate or is more appropriately left to agencies responsible for providing permanent housing.