

**Better Oversight and
Planning are Needed to
Improve FEMA's
Transitional Sheltering
Assistance Program**





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

February 11, 2021

MEMORANDUM FOR: Robert Fenton
Senior Official Performing the Duties of the
Administrator
Federal Emergency Management Agency

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V CUFFARI**
Inspector General

SUBJECT: *Better Oversight and Planning Are Needed to Improve FEMA's Transitional Sheltering Assistance Program*

Digitally signed by JOSEPH V CUFFARI
Date: 2021.02.10 15:35:02 -05'00'

For your action is our final report, *Better Oversight and Planning are Needed to Improve FEMA's Transitional Sheltering Assistance Program*. We incorporated the formal comments provided by your office.

The report contains two recommendations aimed at improving the Transitional Sheltering Assistance program. Your office concurred with both recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 and 2 open and resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts. Please send your response or closure request to OIGAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act of 1978, as amended*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Thomas Kait, Acting Assistant Inspector General for Audits, at (202) 981-6000.

Attachment



DHS OIG HIGHLIGHTS

Better Oversight and Planning Are Needed to Improve FEMA's Transitional Sheltering Assistance Program

February 11, 2021

Why We Did This Audit

FEMA is responsible for helping state and territorial governments develop pre-disaster plans for mass care, emergency assistance, transitional sheltering, interim housing, and human services. For the 2017 disasters, FEMA spent about \$642 million for hotel rooms for disaster survivors in the TSA program. We conducted this audit to determine to what extent FEMA met survivors' transitional sheltering needs.

What We Recommend

We made two recommendations that, when implemented, will improve FEMA's oversight and pre-disaster planning of transitional sheltering.

For Further Information

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

The Federal Emergency Management Agency (FEMA) provided hotel rooms to about 90,000 households (nearly 227,000 survivors) after the 2017 California wildfires and Hurricanes Harvey, Irma, and Maria. However, FEMA did not oversee and manage the Transitional Sheltering Assistance (TSA) program to ensure it operated efficiently and effectively to meet disaster survivors' needs. Specifically, FEMA:

- did not accurately validate taxes charged for hotel rooms and did not ensure the contractor responsible for administering the TSA program maintained accurate records to show taxes charged were reasonable and allocable;
- paid for unoccupied rooms;
- did not transition survivors from TSA hotels to interim or permanent housing timely; and
- did not adequately coordinate with states and a territory to prepare initial housing strategies.

The deficiencies occurred because FEMA officials did not establish standard operating procedures and a dedicated program office with sufficient staff to support the TSA program. As a result, FEMA paid more than \$55.8 million in unverified taxes, disbursed indeterminate amounts for unoccupied rooms, and left over 146,000 disaster survivors to remain in hotels for more than the recommended 30 days.

FEMA Response

FEMA concurred with both recommendations.



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Background

In 2017, the Gulf Coast, U.S. Virgin Islands, and Puerto Rico endured major hurricanes that made landfall from August through September. During October 2017, nearly two dozen wildfires burned more than 200,000 acres of land in northern California. These events resulted in Presidential declarations for Hurricanes Harvey in Texas, Hurricane Irma in Florida and Puerto Rico, Hurricane Maria in Puerto Rico, and the wildfires in California.

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* is the statutory authority for most Federal disaster response activities, especially for the Federal Emergency Management Agency (FEMA) and its programs. The *Response – Federal Interagency Operational Plan* (Plan) supports these activities and describes how the Federal Government should coordinate efforts in response to disasters. According to the Plan, FEMA is responsible for helping states and other territorial governments develop pre-disaster plans for mass care, emergency assistance, transitional sheltering, interim housing, and human services. Before and during disaster response, the Mass Care and Emergency Assistance Branch (Mass Care), within FEMA's Office of Response and Recovery, is directly responsible for preparing and managing the Transitional Sheltering Assistance (TSA) program.

The TSA program is a form of temporary shelter such as hotel rooms for survivors who will be displaced from 5 to 14 days. The program may extend to 30 days and, in rare cases, can be extended up to 6 months. Survivors qualify for TSA if they:

- are registered with FEMA for assistance and pass identity and citizenship verification;
- have a pre-disaster primary residence in the area designated for TSA;
- are displaced from their pre-disaster residence due to the disaster;
- have remained in transitional, congregate, or other shelters; and
- are unable to obtain lodging through another source.

The TSA program is designed to transition survivors from congregate shelters to hotels. Survivors are then transitioned from hotels and into interim housing, if needed, or into a permanent residence. Interim housing is a long-term option up to 18 months until a permanent housing option becomes available. Interim housing includes lodging in manufactured homes or FEMA's short-term leasing programs. For permanent housing, FEMA provides survivors with financial assistance to make repairs to their pre-disaster

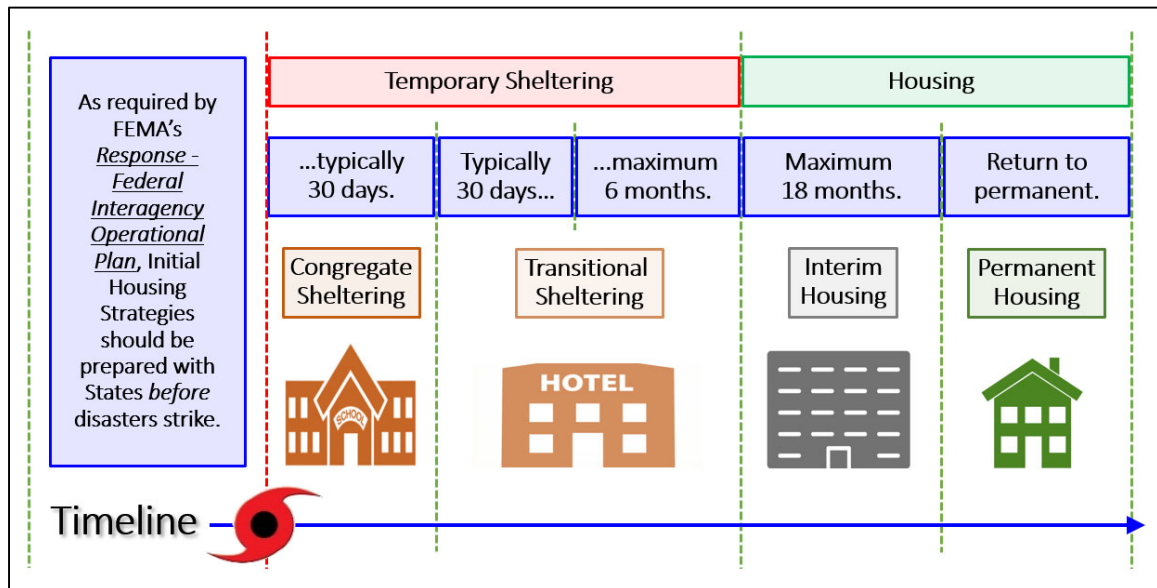


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dwellings or enter into leasing agreements. (See Figure 1 and Appendix C for more details on housing programs and types of sheltering.)

Figure 1. Types of Temporary Sheltering and Housing Programs



Source: Office of Inspector General (OIG) analysis of response – *Federal Interagency Operational Plan* (Aug. 2016)

Since 2005, Corporate Lodging Consultants (CLC) has administered the TSA program and pays hotels for eligible stays. FEMA awarded CLC its latest contract in May 2016. FEMA's responsibilities for the TSA program include determining disaster survivors' eligibility for the TSA program, notifying applicants of their eligibility status, and sending eligibility information to CLC. Subsequently, CLC adds disaster survivors' information to its Emergency Lodging Assistance system, which allows eligible survivors to check into participating hotels anywhere in the Nation. For the 2017 disasters, FEMA provided hotel rooms to about 90,000 households (nearly 227,000 survivors) and spent approximately \$642 million in lodging costs for over 5 million nights in TSA-participating hotels, as of October 2018.

We conducted this audit to determine to what extent FEMA met survivors' transitional sheltering needs. This is a follow-up to prior related audits of the FEMA-TSA contract and program.¹

¹ *Management Alert – FEMA Did Not Safeguard Disaster Survivors' Sensitive Personally Identifiable Information*, OIG-19-32, Mar. 15, 2019; *Additional Controls Needed to Better Manage FEMA's Transitional Sheltering Assistance Program*, OIG-19-37, Mar. 29, 2019; and



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Results of Audit

FEMA Did Not Sufficiently Oversee and Manage the TSA Program

FEMA did not sufficiently oversee and manage the TSA program to ensure it operated efficiently and effectively to meet disaster survivors' needs. Specifically, FEMA officials did not validate taxes charged for hotel rooms and did not ensure CLC maintained accurate records. FEMA also paid for unoccupied rooms and did not ensure timely transition of survivors from hotels to interim or permanent housing. These deficiencies occurred because FEMA officials did not establish a dedicated TSA program office with the staff needed to develop standard operating procedures and coordinate with states to prepare disaster-housing strategies in advance of disasters.

FEMA Did Not Verify Accuracy of Hotel Taxes and Records

According to *Standards for Internal Control in the Federal Government*, FEMA must ensure efficient operations that minimize waste of resources. Consistent with Federal Acquisition Regulations, contractors are responsible for appropriately accounting for costs by maintaining accurate records to ensure costs are reasonable and allocable.

Despite these requirements, FEMA officials did not accurately validate taxes charged for hotel rooms under the TSA program and did not ensure CLC maintained accurate records to confirm taxes charged were reasonable and accurate. Specifically, CLC used its Emergency Lodging Assistance system to receive hotel payment requests, in the form of electronic invoices, but did not require hotels to provide detailed itemization of room rates, taxes, and fees. As permitted by the TSA contract,² CLC sent FEMA invoice reports that lumped all hotel charges together in one total that included room costs, taxes, and fees.

FEMA's review process to identify erroneous charges on the invoice reports consisted of only two steps:

- 1) FEMA verified whether the dates billed for the hotel nights were within the survivor's eligibility period; and

FEMA Did Not Properly Award and Oversee the Transitional Sheltering Assistance Contract, OIG-20-58, Aug. 5, 2020.

² *FEMA Transitional Sheltering Assistance Contract with CLC* (Order Number: HSFE80-16-0211; May 13, 2016).



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- 2) FEMA verified whether the total nightly amounts billed did not exceed the FEMA approved lodging rate for the corresponding disasters.

This two-step process could not fully determine if TSA program costs were allowable and did not permit FEMA to ensure costs were accurate, reasonable, and allocable as required by Federal Acquisition Regulations. The review process limited FEMA's reimbursements to ceilings based on the approved lodging rates. FEMA's review process also did not align with the TSA contract stating FEMA would cover the lodging taxes and fees in addition to applicable lodging rates. Therefore, FEMA should consider all those components separately when reviewing hotel charges. As such, the process adversely affected hotels' ability to accurately charge room taxes for survivors sheltered under the TSA program.

Based on our review of lodging data reported to CLC by hotels, we requested an itemization of the underlying hotel charges including taxes. In February 2019, CLC provided OIG with data for 4,120 TSA-participating hotels that reported taxes charged to CLC for rooms supplied to survivors of the 2017 disasters. These hotels charged about \$471 million for about 3.9 million hotel room nights, of which \$55.8 million was for taxes.

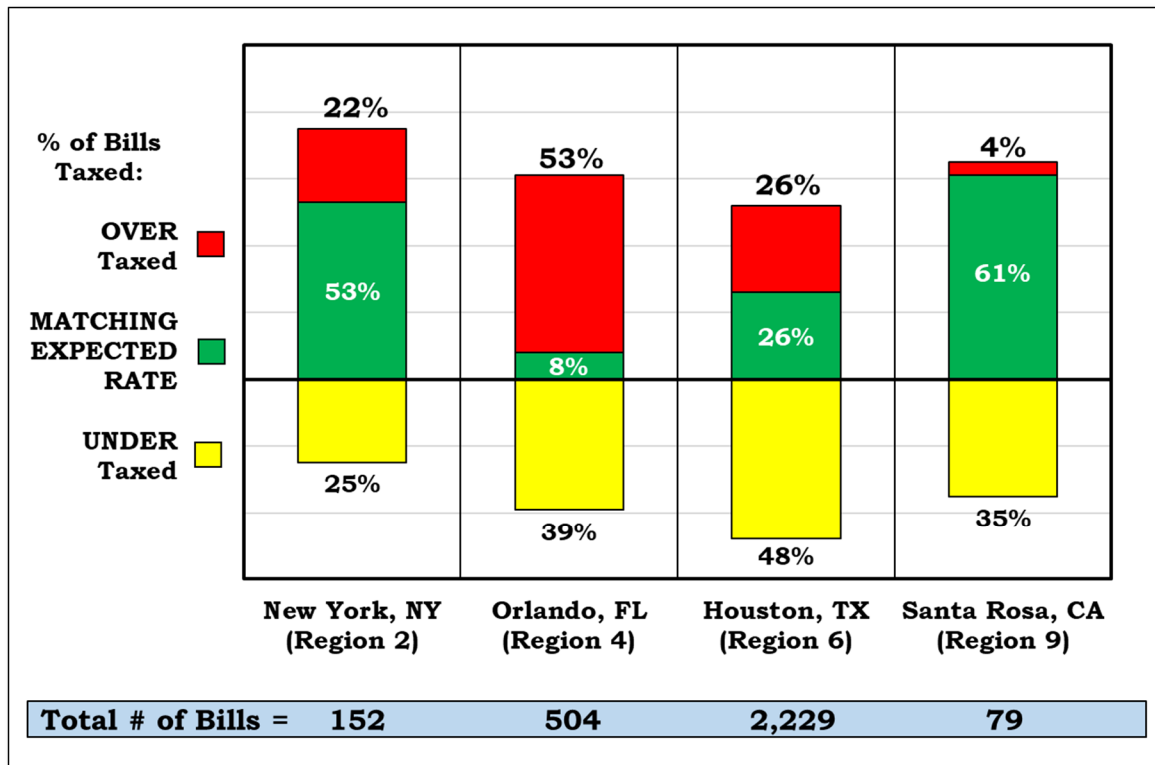
We reviewed the tax data provided by CLC and identified numerous instances in which the amounts listed in the tax lines did not align with the corresponding city's tax rate. For example, the New York, NY tax rate is 14.75 percent. However, according to CLC's data, the taxes charged by hotels in New York city ranged from 1 percent to as high as 22 percent. Similarly, the CLC data showed tax amounts charged by hotels in Orlando, FL; Houston, TX; and Santa Rosa, CA, that also did not align with the corresponding city's tax rates. We reviewed a judgmental sample of 2,964 hotel bills of which only 744 (about 25 percent) matched the corresponding city's tax rate. (See Table 1 and Appendix D for details.)



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Table 1. Percent of Bills with Questionable Tax Charges



Source: OIG analysis of CLC data

Without reviewing the itemized costs, FEMA has no assurance the hotel costs charged were accurate or allowable. We therefore question the accuracy of the \$55.8 million FEMA paid in taxes to hotels during the 2017 disasters.

FEMA Paid for Unoccupied Hotel Rooms

To verify applicant eligibility for the TSA program,³ FEMA requires hotel personnel to ensure disaster survivors complete TSA Terms and Conditions forms with survivor information, FEMA registration number, check-in date, signature, and date acknowledging acceptance of TSA program requirements.

As indicated in our March 2019 report, FEMA paid hotels participating in the TSA program for an indeterminate number of unoccupied rooms. For example, FEMA identified five instances of disaster survivors departing the TSA program without notifying FEMA or hotel personnel. The hotels continued to bill FEMA

³ As required per FEMA's *Transitional Sheltering Assistance Playbook*, Aug. 2017.



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for the rooms even though the disaster survivors had vacated the hotels. In these five instances, FEMA collectively paid TSA hotels about \$4,700 for 41 nights of unoccupied rooms.

Although FEMA required disaster survivors to sign and date TSA Terms and Conditions forms at check-in, FEMA did not require survivors to document or notify FEMA or hotel personnel upon checkout. Additionally, we determined that FEMA did not provide information on its TSA Terms and Conditions form for reporting allegations of fraud, waste, and abuse.⁴ As a result, FEMA is uncertain about the true magnitude of unnecessary payments for unoccupied hotel rooms from August 27, 2017, to September 14, 2018. Further, in response to our March 2019 interim report, FEMA has updated its Terms and Conditions forms, starting with Hurricane Florence in 2018, to include a hotline number for reporting fraud.⁵

FEMA Did Not Ensure Survivors' Timely Transition from TSA Hotels to Interim or Permanent Housing

The DHS *Response Federal Interagency Operational Plan*⁶ and FEMA's *National Disaster Housing Strategy*⁷ direct FEMA to work with states to create initial housing strategies in preparation for disasters. To do so, FEMA will work with state entities to conduct joint planning to address housing needs, engage appropriate stakeholders, identify a range of options, describe how those options would be implemented, and identify the necessary resources. Once disasters occur, FEMA is required to adapt the initial housing strategies to address actual incidents. An initial housing strategy helps ensure FEMA is better prepared and able to transition survivors quickly from congregate and transitional shelters to interim or permanent housing.

However, FEMA did not transition survivors from TSA hotels timely following the 2017 disasters. FEMA officials acknowledged that the DHS *Response Federal Interagency Operational Plan* instructs the component to work with the states prior to a disaster to develop a temporary housing strategy. However, for the 2017 disasters, FEMA did not dedicate staff to support this effort, and many states did not have temporary housing strategies in place. Further, FEMA also stated that although some states used housing strategies in 2018, FEMA did not have a standardized national approach for the 2017 disasters. Consequently, FEMA allowed TSA program extensions beyond the

⁴ *FEMA TSA Terms and Conditions Form – DR-4339-PR* (Updated Nov. 1, 2017).

⁵ *FEMA TSA Terms and Conditions Form – DR-4393-NC* (Updated Sept. 20, 2018).

⁶ *DHS Response Federal Interagency Operational Plan* (Second Edition; Aug. 2016).

⁷ *FEMA's National Disaster Housing Strategy* (Jan. 16, 2009).



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recommended 30-day stay for the 2017 disaster survivors without transitioning them to interim or permanent housing as required. To illustrate, FEMA extended hotel stays up to 4 months for all survivors participating in the TSA Program from the four disasters and did not transition survivors as required. Further, based on our analysis of the various *FEMA Transitional Sheltering Assistance Extension Request memos*, for disaster survivors of Hurricanes Irma, Maria, and Harvey, FEMA waived the recommended 6-month maximum timeframe for participation and extended some survivors' hotel stays to almost a year.

Because FEMA did not have a strategy to transition survivors to interim or permanent housing, more than 26,700 disaster survivors remained in hotels past the TSA Program's recommended 6-month timeframe. (See Table 2 column A for TSA disaster declaration dates and column B for disaster survivors participating during the 2017 disasters.)

Table 2. TSA Activation Timelines and Populations after the 2017 Hurricanes and Wildfires

Disaster and Location	Disaster Declaration Date (A)	Survivors in Hotels after 30 Days (B)	Survivors in Hotels after 6 Months (C)	End Date for TSA Programs (D)	Survivors in Hotels at End of TSA Programs (E)
Hurricane Harvey in Texas	8/25/2017	92,278	20,919	6/30/2018	1,184
Hurricane Irma in Puerto Rico	9/10/2017	17,000*	5,814*	9/13/2018	2,082
Hurricane Maria in Puerto Rico	9/20/2017				
Hurricane Irma in Florida	9/10/2017	36,179	-	3/10/2018	2,439
Wildfires in California	10/10/2017	915	-	3/15/2018	2
TOTAL		146,372	26,733		5,707

Source: DHS OIG analysis of FEMA data

* Combined registrant count for Hurricanes Irma and Maria

Further, thousands of survivors were still sheltering in TSA-participating hotels when FEMA ended the TSA programs and stopped providing these transitional sheltering benefits. (See Table 2, columns D and E for details). FEMA was



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unable to confirm whether the more than 5,700 survivors in hotels successfully transitioned to interim or permanent housing.

FEMA Did Not Have Standard Operating Procedures and a Dedicated Program Office for the TSA Program

According to the *Standards for Internal Control in the Federal Government*,⁸ management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives. This entails management providing an understanding of the overall responsibilities, assigning the responsibilities to discrete business units to enable the organization to operate in an efficient and effective manner, and implementing control activities through policies and procedures.

Deficiencies in the TSA program were due to FEMA officials not implementing effective internal controls. Specifically, FEMA did not develop and implement standard operating procedures to carry out processes and activities of the TSA program. Additionally, FEMA did not establish a dedicated program office with staff to oversee and manage the TSA program. FEMA assigned a single headquarters official as the TSA program manager during the 2017 disasters, but the role was secondary to the official's primary duties. FEMA also assigned field personnel in the regions to oversee disaster activities of their TSA program, but the program tasks were either secondary or tertiary duties.

According to FEMA management, the component plans to create a dedicated TSA program office. However, as of May 2020, FEMA's Office of Response and Recovery had not yet formally approved the proposed TSA business unit concept or assigned full-time employees to manage the TSA program. Without a dedicated TSA program office to improve overall program oversight and management, develop standard operating procedures, and work with states to develop housing strategies prior to disasters, FEMA risks not meeting disaster survivors' needs in future catastrophic events.

Recommendations

Recommendation 1: We recommend FEMA's Office of Response and Recovery direct the Mass Care and Emergency Assistance Branch to establish a business unit, assign responsibility, and delegate authority to ensure the effective and efficient implementation, oversight, and management of the TSA program.

⁸ *Standards for Internal Control in the Federal Government*, GAO-14-704G, Sept. 2014.



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Recommendation 2: We recommend FEMA's Office of Response and Recovery direct the Mass Care and Emergency Assistance Branch to develop, document, and implement standard operating procedures for the TSA Program specifically designed and implemented to ensure:

- CLC collects and maintains detailed cost data and FEMA verifies that costs and taxes are reasonable, allocable, and accurate;
- FEMA does not pay for unoccupied hotel rooms and consistently requires disaster survivors to personally sign and date the TSA Terms and Conditions form during the hotel checkout process;
- FEMA and CLC transition survivors from hotels to interim or permanent housing within the TSA program's 6-month timeframe; and
- FEMA works with states and territories to develop initial temporary sheltering and interim housing strategies before disasters occur, as required by the *Response Federal Interagency Operational Plan*, so FEMA best meets the needs of disaster survivors going forward.

FEMA Management Comments and OIG Analysis

FEMA concurred with both recommendations. We included a copy of the Management Comments in their entirety in Appendix B. We also received technical comments to the draft report and revised the report as appropriate. A summary of FEMA's responses and our analysis follows.

FEMA Response to Recommendation 1: Concur. According to FEMA, the Individual Assistance Division established a dedicated TSA unit under the Mass Care, Voluntary Agency Coordination and Community Services Branch to oversee the implementation and management of the TSA program and non-congregate sheltering efforts in response to future events. Currently, there is one full-time dedicated staff member with three additional detailees to provide support. Mass Care is preparing to on-board additional staff to support this unit.

OIG's Analysis: We are pleased FEMA is standing up the TSA unit. This recommendation will remain resolved and open until FEMA provides documentation showing that the additional staff are on-board, assigned responsibility, and delegated authority to ensure the effective and efficient implementation, oversight, and management of the TSA program.

FEMA's Response to Recommendation 2: Concur. According to FEMA, the TSA unit is actively developing resources, tools, and procedures to support a more effective TSA program.



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OIG's Analysis: Recommendation 2 is resolved and open until FEMA provides supporting documentation, including final approved copies of the *Transitional Sheltering Assistance Policy* (FEMA Policy #104-009-20), the *TSA Tool Kit*, a sample of the new *Terms and Conditions* documents, and the *Quality Assurance Surveillance Plan* signed by both FEMA and the contractor.



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Appendix A

Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment of the *Inspector General Act of 1978*. This audit addresses the extent to which FEMA met disaster survivors' transitional sheltering needs after the California wildfires and Hurricanes Harvey, Irma, and Maria in 2017.

To accomplish our objective, we reviewed Federal guidance, relevant documents, and applicable Federal laws. In addition, we conducted visits to Texas, Florida, and Puerto Rico to gather documentation and visually inspect hotels in the TSA program. We judgmentally selected locations based on the duration of participation and expenditures in the FEMA TSA program after the 2017 disasters. We interviewed Federal and state officials, officials from Florida, Texas, and Puerto Rico's departments of emergency management, and more than 50 hotel managers from TSA-participating hotels in the locations. We telephonically interviewed Federal and state officials in California assigned to the same roles.

At the national level, we interviewed officials from FEMA and the Department of Housing and Urban Development to understand the process for planning, coordinating, and providing sheltering and interim housing services after major disasters. Similarly, we interviewed officials from CLC, the contractor FEMA selected to administer the TSA program, to understand their roles and responsibilities in implementing the program. We also interviewed a representative of the National Low Income Housing Coalition to gather information about experiences with disasters and observations regarding transitional sheltering and interim housing in response to the 2017 hurricanes and California wildfires.

We performed extensive analyses using TSA records FEMA provided from August 2017 to October 2018. The data contained records for eligible applicants participating in the TSA programs in California, Florida, Puerto Rico, and Texas and billing and invoices from TSA-participating hotels that served eligible disaster survivors from these locations. To assess the reliability of the data, we interviewed knowledgeable FEMA officials about their process for ensuring accurate applicant information is entered into CLC's Emergency Lodging Assistance system, and reviewed a sample of the submissions to identify missing or invalid data elements. We found the data to be sufficiently reliable for the purposes of our reporting objective.



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We evaluated FEMA's actions against Federal internal control standards for oversight and documentation. We also evaluated FEMA's efforts to develop pre-disaster strategies for sheltering and interim housing with Florida, Puerto Rico, and Texas against FEMA's responsibilities outlined in the *Response Federal Interagency Operational Plan*.

We conducted this performance audit between June 2018 and September 2019 pursuant to the *Inspector General Act of 1978, as amended*, and according to 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 upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



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Appendix B
FEMA Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20472



FEMA

December 29, 2020

MEMORANDUM FOR: Joseph V. Cuffari, Ph.D.
Inspector General
Office of Inspector General

FROM: Cynthia Spishak
Associate Administrator
Office of Policy and Program Analysis

CYNTHIA
SPISHAK

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Date: 2020.12.29 10:36:09
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Management Response to Draft Report, "Better Oversight
and Planning are Needed to Improve FEMA's Transitional
Sheltering Assistance Program"
(Project No.18-078-AUD-FEMA(a))

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (OIG) work in planning and conducting its review and issuing this report.

FEMA focuses on quickly providing assistance to survivors after a disaster. Transitional Sheltering Assistance (TSA) is a short-term sheltering option for eligible registrants as they transition from locations other than their pre-disaster primary residence to interim housing solutions. Disaster survivors who are unable to return to their pre-disaster primary residence because their home is uninhabitable or inaccessible as a result of a major disaster declared under the Stafford Act may be eligible for assistance. FEMA contractor, Corporate Lodging Consultants (CLC), makes direct payments on FEMA's behalf to participating TSA lodging providers. These payments are not to exceed the lodging/tax rate established by the General Services Administration (GSA), unless an increase has been approved, and may include pet fees as appropriate.

FEMA understands the importance of effective and efficient implementation, oversight, and proper management of TSA, and continuously strives to improve the disaster assistance process.

The draft report contained two recommendations for FEMA, with which the Agency concurs. Attached please find our detailed response to each recommendation. DHS previously submitted technical comments under a separate cover for OIG's consideration.



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Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Attachment



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Attachment: Management Response to Recommendations Contained in OIG-18-078(a)

OIG recommended that FEMA's Office of Response and Recovery:

Recommendation 1: Direct the Mass Care, Voluntary Agency Coordination and Community Services Branch to establish a business unit, assign responsibility, and delegate authority to ensure effective and efficient implementation, oversight, and management of the TSA program.

Response: Concur. FEMA Individual Assistance Division (IA) established a dedicated TSA Unit under the Mass Care, Voluntary Agency Coordination and Community Services (MCVCS) Branch to oversee the implementation and management of TSA and non-congregate sheltering efforts in response to future events. Currently, there is one full-time equivalent dedicated staff with three additional staff detailed to provide support. The MCVCS Branch prepares to on-board additional staff to support this unit.

Estimated Completion Date (ECD): January 31, 2021.

Recommendation 2: Direct the Mass Care, Voluntary Agency Coordination and Community Services Branch to develop, document, and implement standard operating procedures for the TSA program specifically designed and implemented to ensure:

- CLC collects and maintains detailed cost data and FEMA verifies that costs and taxes are reasonable, allocable, and accurate;
- FEMA does not pay for unoccupied hotel rooms and consistently requires disaster survivors to personally sign and date the TSA Terms and Conditions document during the hotel checkout process;
- FEMA and CLC transition survivors from hotels to interim or permanent housing within the TSA program's 6-month timeframe; and
- FEMA works with states and territories to develop initial temporary sheltering and interim housing strategies before disasters occur, as required by the Response Federal Interagency Operational Plan, so FEMA best meets the needs of disaster survivors going forward.

Response: Concur. The TSA Unit is actively developing resources, tools, and procedures to support a more effective TSA program. The first accomplishment was the publication of the Transitional Sheltering Assistance Policy (Interim), FEMA Policy #104-009-20. Additionally, a series of Activation Checklists were developed to provide consistency in the implementation process and stakeholder coordination to provide visibility throughout the activation timeline. Field staff is developing a TSA Tool Kit to ensure consistency in program delivery throughout individual activations. Beginning



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with the DR-4473-PR earthquakes in January 2020, FEMA implemented an Exit Interview process for those households remaining in TSA at the end of the program to determine their post-TSA interim or permanent housing solution. This process will be conducted on TSA activations moving forward.

FEMA IA executed Option year #4 of the current TSA contract. Beginning October 30, 2020 all disaster survivors accessing TSA will be required to sign a Terms and Conditions document at check in and when they vacate the facility. The TSA Unit, in collaboration with the Contract Officer Representative Team, held a Partnering Meeting with the Contractor on December 11, 2020 to discuss the Quality Assurance Surveillance Plan invoice review and validation process, method for verifying occupancy, and for assuring signature of the terms and conditions document.

ECD: January 31, 2021



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Appendix C

Type of Sheltering and Interim Housing Options Provided to Survivors during the 2017 Responses⁹

Sheltering Options

Congregate Sheltering

Local and state territorial governments establish initial shelter operations. The operations are often in public buildings, including coliseums, stadiums, and sports arenas, to provide a safe and secure environment for survivors. This option is a short-term solution ordinarily open for 60 days. Wrap-around services include childcare; feeding; medical and mental health; access and functional needs support services; and support to children, household pets, and service animals.

Transitional Sheltering Assistance (TSA)

FEMA may provide TSA services to applicants who are unable to return to their pre-disaster primary residence because the home is either uninhabitable or inaccessible. The goal of this program is to reduce the number of disaster survivors in congregate shelters by transitioning survivors into short-term accommodations, typically hotels. The program is usually intended to end after 30 days, but may be extended up to 6 months.

Sheltering and Temporary Essential Power

FEMA used Sheltering and Temporary Essential Power to assist state, territorial, and tribal governments in performing work and services essential to saving lives, protecting public health and safety, and protecting property to enable survivors to shelter at home. FEMA determined that this program could not be implemented as intended and discontinued use of the program in 2019.

Recreational Vehicles

FEMA leases recreational vehicles from vendors and provides them to disaster survivors. Survivors may use the vehicles for up to 6 months during the sheltering phase.

⁹ *Catastrophic Housing Annex to the 2012 Federal Interagency Operations Plan – Hurricane* (Aug. 2012).



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Interim Housing Options

Direct Lease

FEMA leases property from landlords and then provides housing units to survivors when rental resources are unavailable in specific areas.

Manufactured Housing Units

Manufactured homes or other readily fabricated dwellings owned by FEMA are provided to eligible applicants for use as interim housing for a limited time.

Multi-family Lease and Repair

FEMA repairs existing multi-family housing units, such as apartments, to use as interim housing for eligible applicants who are unable to use rental assistance.

Rental Assistance

FEMA provides financial assistance to disaster survivors to rent interim housing units. The amount of rental assistance is based on the Department of Housing and Urban Development's Fair Market Rents in the area where the rental resource is located.¹⁰

¹⁰ The Department of Housing and Urban Development calculates Fair Market Rents including the cost of housing plus the cost of utilities to determine payment standard amounts for several of its housing programs.



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Appendix D

Detailed Sample of Hotels Participating in the TSA Program by City and Analysis of Hotel Tax Rates

City, State	New York City, NY *	Orlando, FL	Houston, TX	Santa Rosa, CA
Total # of Hotels	25	52	347	8
Total # of Nights	35,834	114,006	878,832	6,431
Total # of Bills	152	504	2,229	79
# of Bills Over Location Tax Rate	34	268	586	3
% of Bills Over Location Tax Rate	22%	53%	26%	4%
# of Bills At Location Tax Rate	80	40	576	48
% of Bills At Location Tax Rate	53%	8%	26%	61%
# of Bills Under Location Tax Rate	38	196	1,067	28
% of Bills Under Location Tax Rate	25%	39%	48%	35%
Location Tax Rates	14.75%**	12.50%	17.00%	14.00%**
Highest Over Taxed Rate	20.78%	30.01%	30.10%	30.00%
Lowest Under Taxed Rate	0%	0.51%	0.03%	11.40%

Source: OIG analysis of CLC-provided data

* New York, NY data includes all five boroughs (New York, Staten Island, Queens, Brooklyn, and the Bronx) and accounting for New York City and New York State Excise Taxes.

** Base lodging tax rate, but varying excise taxes also applicable and considered in our calculations.



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Appendix E

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Appendix F

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