



Department of Homeland Security Office of Inspector General

Federal Emergency Management Agency's Exit Strategy for Temporary Housing in the Gulf Coast Region





Homeland
Security

October 2, 2008

Preface

The Department of Homeland Security, Office of Inspector General, was established by the *Homeland Security Act of 2002 (Public Law 107-296)* by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

Our report addresses the Federal Emergency Management Agency's strategy for ending its direct housing assistance program in the aftermaths of hurricanes Katrina and Rita. It is based on interviews with employees and officials of relevant agencies, direct observations, and a review of applicable documents.

The analysis herein has been developed to the best knowledge available to our office, and has been discussed with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

Table of Contents/Abbreviations

Executive Summary	1
Background	2
Results of Review	5
Exit Strategy	5
Progress Recovering Temporary Housing Units	6
Eligibility Recertification	7
Permanent Housing Plans	9
Periodic Recertification Visits	9
Documentation Supporting Progress	10
Communication of Responsibility	10
Termination for Not Accepting Reasonable Housing Offer	10
Conclusion and Recommendations	10
Management Comments and OIG Analysis	11

Appendices

Appendix A: Objective, Scope, and Methodology	13
Appendix B: Management Comments to the Draft Report	14
Appendix C: Types of FEMA Housing Assistance	19
Appendix D: FEMA's Gulf Coast Inventory of Temporary Housing Units	21
Appendix E: Major Contributors to this Report	22
Appendix F: Report Distribution	23

Abbreviations

CDC	Centers for Disease Control and Prevention
CFR	Code of Federal Regulations
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
IA	Individual Assistance
OIG	Office of Inspector General
Stafford Act	The Robert T. Stafford Disaster Relief and Emergency Assistance Act
TRO	Transitional Recovery Office

Executive Summary

The Federal Emergency Management Agency's (FEMA) strategy for ending its direct housing assistance program for Hurricanes Katrina and Rita is generally sound, and FEMA has made considerable progress recovering its temporary housing units, i.e., travel trailers, mobile homes, and park models. However, FEMA's strategy is not complete because it has not been periodically reassessing resident eligibility for the direct housing assistance program or taking action to recover temporary housing units from ineligible residents. Unless FEMA begins this process, it will not recover all temporary housing units by March 1, 2009; the scheduled ending date of FEMA's direct housing assistance program.

FEMA's process for recertifying resident eligibility includes:

- Permanent housing plans developed by each head of household that include timelines for relocating.
- Periodic recertification visits that include monitoring progress in meeting the timelines.
- Documentation supporting that residents continue to qualify for direct housing assistance and are making satisfactory progress in meeting housing plans.
- Regular communication with residents that they are expected to find permanent housing at the earliest possible time and that FEMA will remove temporary housing units on March 1, 2009; the scheduled program termination date.
- Regular communication with residents that they may no longer qualify for FEMA direct housing assistance should they decline FEMA's first reasonable offer of alternative housing.

Due to the unprecedented magnitude of Hurricanes Katrina and Rita, it is understandable that FEMA did not immediately begin reassessing resident eligibility. However, over 2 years have passed and the program is scheduled to end in less than a year. Therefore, we are recommending that FEMA implement the periodic recertification of eligibility process outlined in federal regulations. FEMA also should implement procedures to terminate resident participation in the program and, when appropriate, evict uncooperative residents.

Background

The magnitude and scope of the devastation caused by the 2005 hurricanes presents unprecedented challenges. These storms destroyed wide swaths of housing, infrastructure, and businesses, and displaced hundreds of thousands of people. Hurricane Katrina made landfall in Mississippi and Louisiana in August 2005, and caused more damage than any other single natural disaster in the history of the United States. Hurricane Katrina destroyed over 300,000 homes and affected approximately 90,000 square miles - an area larger than Great Britain. Hurricane Rita followed a few weeks later, making landfall in Texas and Louisiana, and severely damaging or destroying 23,600 homes.

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (*Stafford Act*) grants the President the authority to provide assistance in mitigating, responding to, and preparing for disasters and emergencies such as earthquakes, hurricanes, floods, tornadoes, and terrorist acts.¹ FEMA administers the *Stafford Act* and provides direct temporary housing assistance, generally in the form of travel trailers, mobile homes, and park models, under its Individuals and Households Program. FEMA provides direct temporary housing assistance in response to disasters for a period of up to 18 months. FEMA extended this period an additional 24 months due to the magnitude of the disasters.

FEMA provided these temporary housing units to satisfy the short-term housing needs of residents whose homes were damaged or destroyed. FEMA placed these units on private sites while homeowners make repairs, and in group configurations to support displaced renters. FEMA also placed units on pre-existing commercial trailer park sites, as well as on industrial sites, to support the operations of critical infrastructure.

As an alternative to direct housing assistance, FEMA provides hurricane victims with other types of housing assistance including financial housing assistance for monthly rent expenses. FEMA also places disaster victims in hotels for a limited time when rental units are not immediately available. Recently, the U.S. Department of Housing and Urban Development began working with FEMA under an interagency agreement to provide housing and case management services to hurricane victims under the Disaster Housing Assistance Program. (See Appendix C)

¹ The *Stafford Act* is codified as amended at 42 U.S.C. §§ 5121-5207.

Figure 1: FEMA Provided Temporary Housing on Private Sites



Source: FEMA

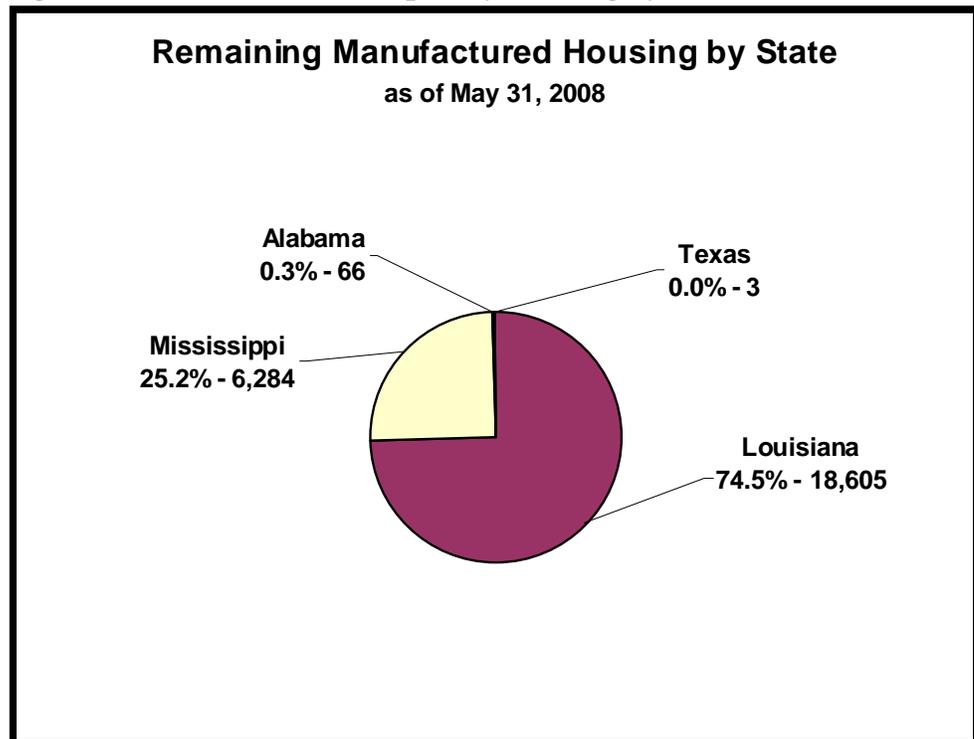
Figure 2: FEMA Built Group Sites to House Multiple Residents



Source: FEMA

FEMA placed over 130,000 temporary housing units in the four hurricane-impacted states - Texas, Louisiana, Mississippi, and Alabama. As of May 31, 2008, FEMA reported 1,002 units on group sites; 3,111 on commercial sites; and 20,845 on private sites for a total of 24,958 travel trailers and mobile homes in the gulf region. The vast majority of FEMA's remaining temporary housing units are located in Louisiana followed by Mississippi. Few remain in Texas and Alabama. See Appendix C for data on FEMA's progress in recovering Gulf Coast temporary housing.

Figure 3: Breakdown of Temporary Housing by State



Source: *FEMA Individual Assistance Global Report*

Starting in March 2006, residents raised concerns about air quality in the temporary housing units and the occurrence of respiratory and other symptoms. The Centers for Disease Control and Prevention (CDC) has been working with FEMA to investigate these health concerns and take action to protect residents. On February 14, 2008, the CDC released preliminary results from testing that found high indoor levels of formaldehyde. Formaldehyde is a common chemical irritant that can come from a variety of sources including fiberglass, carpets, and manufactured wood products. In response to these findings, FEMA increased its efforts to find residents alternative forms of housing, including moving individuals to hotels/motels or subsidized rental units.

Disaster victims, especially in Louisiana, face significant challenges repairing their homes or securing other permanent housing. A December 2007 survey conducted by a FEMA consultant indicated that FEMA staff in Louisiana said that renters prior to the storms have had difficulty finding affordable housing in desired areas.²

² *Louisiana Transitional Recovery Office Assessment Report*, January 10, 2008, Hagerty Consulting.

The FEMA staff surveyed also responded that homeowners faced financial obstacles including insufficient insurance coverage and limited Road Home Program funding.³ High construction costs, competition for available contractors, as well as new disaster mitigation requirements compounded these financial problems. The FEMA staff surveyed said residents with special needs also faced additional challenges finding permanent housing. Half of the FEMA staff responding to the survey did not believe there were sufficient rental resources available in areas where residents wished to live.

Results of Review

FEMA's strategy for ending its direct housing assistance program is generally sound, and FEMA has made considerable progress recovering temporary housing units. However, FEMA's strategy is not complete since FEMA's strategy has not recertified resident eligibility or taken action to recover temporary housing units from ineligible residents. FEMA must implement the recertification of eligibility process to ensure recovery of all temporary housing units by March 1, 2009, which is the ending date of FEMA's direct housing assistance program.

Exit Strategy

FEMA's Gulf Coast housing strategy generally is to pursue all available and legal means, resources, and programs to move individuals out of temporary housing units and into more permanent housing. To that end, FEMA staff at group sites work closely with residents to find permanent housing. FEMA then closes each group site after the final resident moves out or is located to another group site. FEMA staff also work with state and local governments as well as non-profit organizations to help residents locate suitable housing and meet other needs.

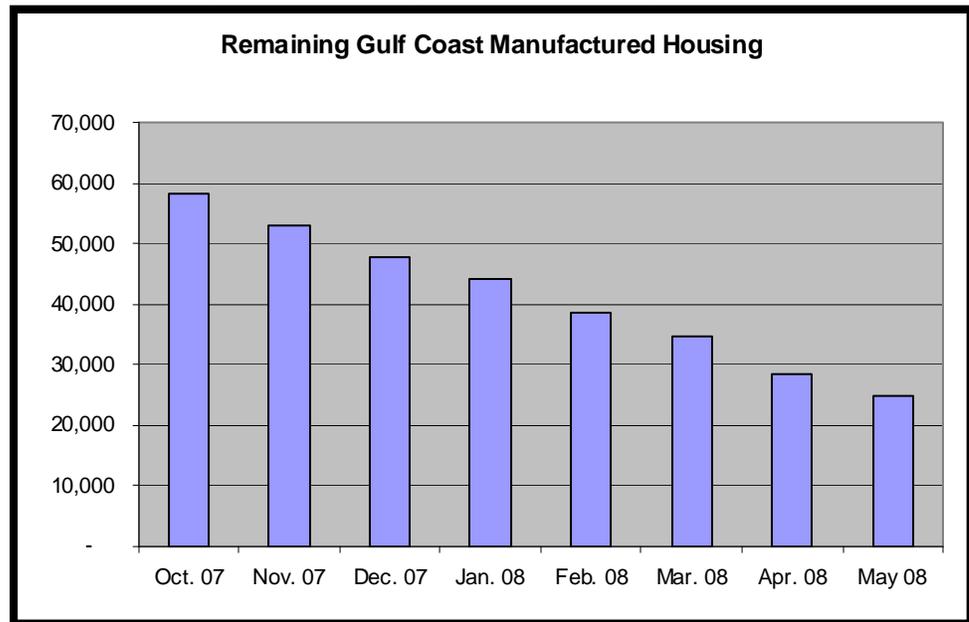
FEMA is near meeting its goal of closing all group sites by June 2008. As of the end of May, only 14 sites remain open. Further, concerns over the potential adverse health effects of formaldehyde exposure have accelerated FEMA's efforts to help group site residents find alternate housing solutions. FEMA then plans to direct resources toward helping commercial site residents find permanent housing. Concurrent with this effort, FEMA plans to continue to work with state, local and voluntary organizations to help private site residents repair and move back into their homes.

³ Louisiana's Road Home program is funded by the U.S. Department of Housing and Urban Development and is designed to provide eligible homeowners up to \$150,000 in compensation for the loss of their homes.

Progress Recovering Temporary Housing Units

FEMA has made considerable progress recovering its temporary housing units. FEMA reported installing over 130,000 travel trailers and mobile homes following the 2005 hurricanes. By the end of May 2008, FEMA reported about 25,000 units remaining in the four states affected by hurricanes Katrina and Rita - an 81% reduction. More recently, during the eight months ending May 2008, FEMA reported recovering approximately 37,000 units or about 150 per day.

Figure 4: Temporary Housing Units Remaining in Gulf Coast

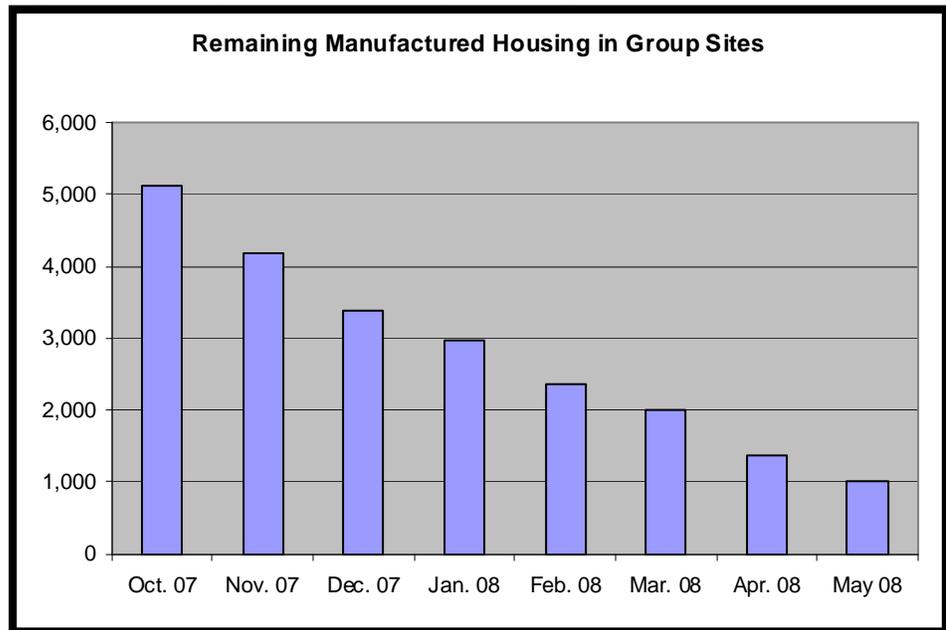


Source: *Gulf Coast Recovery Office Individual Assistance Global Report.*

Although FEMA's temporary housing unit recovery rate, if maintained, would result in recovering all units by the program end date, there is no guarantee this recovery rate will continue. For example, FEMA managers said they anticipate it will become more difficult to find suitable, affordable housing in many areas as the program ending date approaches.

FEMA's strategy in 2007 and early 2008 was to emphasize helping group site residents find permanent housing and closing group sites. During the eight months ending May 2008, FEMA reported reducing the number of group site units from approximately 5,800 to 1,000 (83%) while the number of occupied group sites fell from 96 to 14 (85%).

Figure 5: Group Site Temporary Housing Units



Source: *Gulf Coast Recovery Office Individual Assistance Global Report*.

Eligibility Recertification

Although FEMA’s strategy for closing group sites during 2008 is generally sound, more can be done. FEMA needs to periodically recertify the eligibility of the approximately 21,000 private-site residents and 3,000 commercial-site residents.⁴ Also, FEMA needs to implement policies and procedures for terminating participation in the program and removing temporary housing units when it determines that residents no longer qualify for direct housing assistance.

Failure to recertify resident eligibility could result in residents remaining longer than appropriate while others could remain indefinitely. For example, private site residents could keep temporary housing units even when they have completed repairs, or conversely, made little or no progress toward repairing their homes. Further, some residents could remain even though they were not making efforts to find permanent housing. Others may have simply moved out and failed to notify FEMA.

It is FEMA’s goal to help residents find permanent housing solutions as soon as possible because of the high costs and potential dangers of prolonging the program. FEMA pays millions of dollars each month for housing

⁴ Results reported by FEMA as of May 31, 2008, *Gulf Coast Recovery Office Individual Assistance Global Report*, Executive Summary.

maintenance while residents remain vulnerable to severe weather and exposure to potential formaldehyde-related health risks. However, limited affordable housing along the coastal areas of Louisiana and Mississippi, especially in the New Orleans area, has made finding suitable affordable housing extremely difficult.

According to FEMA officials, it has not been recertifying eligibility and terminating participation for several reasons, including:

- The large number (over 130,000) of temporary housing units originally installed made it impractical for FEMA staff to routinely visit and recertify tens of thousands of residents;
- The number of variables, e.g., contractor availability, affecting rebuilding efforts on private sites made assessing the occupant's permanent housing plan too dynamic and subjective;
- FEMA has not implemented a termination policy that would require ending participation in the program for those individuals who are no longer eligible for direct assistance, or who have not voluntarily vacated the temporary housing unit; and
- FEMA officials believed it would have been inequitable to begin recertifying *direct* housing assistance recipients when court decisions prevented FEMA from actively recertifying the eligibility of residents receiving *financial* housing assistance, i.e., rental assistance payments, rather than FEMA-provided temporary housing units.

FEMA officials further emphasized that, even though it has not been recertifying eligibility, it continues to work with residents to find permanent housing solutions.

Recertification guidance is outlined in federal regulations and FEMA internal procedures.⁵ This guidance sets out a recertification process that includes the following elements:

- Permanent housing plans developed by each head of household that includes timelines for achieving planning milestones.
- Periodic recertification visits that include monitoring progress toward meeting these housing plan timelines.
- Documentation supporting that residents continue to qualify for direct housing assistance and are making satisfactory progress in meeting their housing plans.

⁵ 44 CFR § 206.114 and FEMA Disaster Assistance Policy 9451.5, *Termination of Leases and Occupancy Agreements Under Direct Assistance (Temporary Housing Units)*, December 7, 2007.

-
- Regular communication with residents that they are expected to find permanent housing at the earliest possible time and that FEMA will remove the temporary housing unit before March 1, 2009, the program termination date.
 - Regular communication with residents conveying that they may no longer qualify for FEMA direct housing assistance should they decline FEMA's first reasonable offer of permanent housing.

FEMA has only been terminating resident participation when the resident violates the terms of the lease agreement, generally for breaking group site rules, e.g., illegal or disruptive behaviors. FEMA has developed, but not yet implemented, a more comprehensive policy for terminating assistance for ineligible residents.

Permanent Housing Plans

FEMA has not required residents in Louisiana to provide permanent housing plans, including timelines for meeting the plans, as a condition for continued direct housing assistance. FEMA officials in Mississippi did obtain housing plans. FEMA should use the housing plans to monitor progress toward securing permanent housing. FEMA should also emphasize to residents that working to meet the plans is a requirement for continued participation in the program and that failure to meet milestones set forth in the plans is grounds for FEMA to terminate their participation in the program and remove the temporary housing unit.

Periodic Recertification Visits

FEMA needs to routinely visit private sites in Louisiana to recertify residents and monitor their progress in meeting permanent housing plans. FEMA officials in Mississippi said their staff periodically visit residents, but do not recertify the residents during those visits. Requirements for direct housing assistance are in federal regulations and discussed in FEMA internal documents.⁶ To administer these requirements, FEMA should recertify residents periodically, typically about every 30 days.⁷ When FEMA determines that the residents are no longer eligible for direct housing assistance, it should provide the residents written notices of termination.⁸ On-site visits would also provide FEMA an opportunity to identify any unmet needs and refer the residents to the appropriate agency or voluntary assistance organization.

⁶ 44 CFR § 206.117(b)(ii).

⁷ Individuals and Households Program—Direct Assistance Specialist & Support Specialist Operations Manual, page 37.

⁸ 44 CFR § 206.117(b)(ii)(H).

Documentation Supporting Progress

FEMA needs to enforce the requirement that residents in Louisiana provide documentation supporting their continued eligibility for the direct housing assistance program. FEMA officials in Mississippi obtained supporting documentation from residents. This documentation is important to show that the residents are making progress toward obtaining permanent housing. Failure to document the efforts made to find permanent housing is also grounds for terminating residents from the program.⁹

Communication of Responsibility

FEMA needs to regularly communicate to residents that they are expected to find permanent housing at the earliest possible time¹⁰ and, when the program ends on March 1, 2009, any remaining units will be scheduled for removal. FEMA staffs have been encouraging residents to find permanent housing. Although federal regulations limit the period of assistance to 18 months, FEMA extended the timeline to 42 months due to the extraordinary circumstances presented by Hurricanes Katrina and Rita.¹¹ Periodic reminders to residents during recertification visits of their responsibility to secure permanent housing should help ensure a higher level of cooperation when the time comes to remove any remaining temporary housing units.

Termination for Not Accepting Reasonable Housing Offer

FEMA needs to continue to communicate to residents that they are expected to accept FEMA's first offer of alternative housing assistance and that unwarranted refusal of assistance could result in their termination from the housing program and removal of their temporary housing unit. This provision is addressed in federal regulations¹² and is a condition for use of the temporary housing unit on FEMA Form 90-69D, *Receipt for Government Property*. Although this expectation is listed on the resident's receipt, to help ensure a higher level of cooperation, FEMA should remind residents of the requirement during periodic recertification visits.

Conclusion and Recommendations

Due to the unprecedented magnitude of the disasters, it is understandable that FEMA did not immediately begin recertifying residents for continued

⁹ 44 CFR § 206.117(b)(ii)(G)(5).

¹⁰ 44 CFR § 206.114(a).

¹¹ 44 CFR § 206.110(e).

¹² 44 CFR § 206.110.(c).

eligibility. However, over 2 years have passed and the program is scheduled to end in less than a year. Therefore, to help end the direct housing assistance program by March 1, 2009, FEMA should implement the periodic recertification process as outlined in federal regulations and its internal policy. Failure to include this process in its exit strategy could jeopardize its ability to vacate and recover all temporary housing units by the scheduled ending date of the program.

We recommend that the Administrator, Federal Emergency Management Agency:

Recommendation #1: Obtain permanent housing plans from each resident, including timelines for achieving permanent housing.

Recommendation #2: Perform periodic recertification visits to: (1) reestablish eligibility, (2) monitor progress in finding permanent housing, (3) identify unmet needs, (4) obtain support for continued eligibility, and (5) communicate resident responsibility for finding permanent housing.

Recommendation #3: Implement policies and procedures for terminating residents from the direct housing assistance program that no longer qualify for the assistance, and evicting uncooperative residents from temporary housing units.

Management Comments and OIG Analysis

FEMA provided written comments on the draft of this report (See Appendix B). FEMA concurred with the three recommendations in this report. The following summarizes FEMA's responses to each recommendation, our analysis of FEMA's responses, and the status of each recommendation.

Recommendation #1: Obtain permanent housing plans from each resident, including timelines for achieving permanent housing.

FEMA concurs with this recommendation. The Louisiana Transitional Recovery Office (TRO) Individual Assistance (IA) -Recertification Department has obtained permanent housing plans along with timelines for completion for applicants housed in FEMA temporary housing units. Through periodic site visits and phone contacts, each TRO has continued to monitor and update these permanent housing plans.

OIG Analysis: We consider FEMA's planned action responsive to the recommendation. However, we reiterate that FEMA should ensure that the

requirement for permanent housing plans is emphasized in the recertification process, for current and future disasters. Therefore, the recommendation is resolved and closed.

Recommendation #2: Perform periodic recertification visits to: (1) reestablish eligibility, (2) monitor progress in finding permanent housing, (3) identify unmet needs, (4) obtain support for continued eligibility, and (5) communicate resident responsibility for finding permanent housing.

FEMA concurs with this recommendation. The Louisiana TRO IA-Recertification Department has obtained permanent housing plans along with timelines for completion for applicants housed in FEMA temporary housing units and have continued to make site visits to monitor and update these permanent housing plans. They require applicants to provide documentation to support their continued eligibility. This has included insurance settlements information, Road Home information, contractor information, income information, documentation regarding issues with local and state permitting and various other types of documentation that supports the progress or lack thereof with regards to completing their permanent housing plans.

OIG Analysis: We consider FEMA's planned action responsive to the recommendation. However, we reiterate that FEMA should ensure that the requirement for monitoring of continued applicant eligibility is emphasized in the recertification process, for current and future disasters. Therefore, the recommendation is resolved and closed.

Recommendation #3: Implement policies and procedures for terminating residents from the direct housing assistance program that no longer qualify for the assistance, and evicting uncooperative residents from temporary housing units.

FEMA concurs with this recommendation. FEMA is currently developing policies and procedures that will address this issue. Further information will be provided in their 90-day status update upon issuance of the final report.

OIG Analysis: We consider FEMA's planned action responsive to the recommendation. Therefore, the recommendation is resolved and open pending FEMA's issuance and our review of the indicated policies and procedures.

Our objective was to determine whether FEMA has developed and implemented an effective strategy for ending its direct housing assistance program and recovering temporary housing units, i.e., travel trailers, mobile homes, and park models. Our fieldwork consisted of interviews with FEMA and state officials, document reviews, and analysis of program performance data. We did not test the accuracy of statistical data provided by FEMA in its *Individual Assistance Global Report*.

We reviewed relevant laws, federal regulations, and FEMA policies. We also reviewed Congressional testimony and prior Office of Inspector General and Government Accountability Office audit reports. In January 2008, we visited FEMA temporary housing sites and interviewed FEMA and state officials in New Orleans and Baton Rouge, Louisiana, and Biloxi, Mississippi. We limited our analysis to a review of FEMA's exit strategy regarding temporary housing units located in Louisiana and Mississippi because these two states comprised 99% of the remaining temporary housing units as of May 31, 2008. We did not assess the adequacy of FEMA's controls over its direct housing program because it was not necessary to accomplish our audit objective.

We conducted this audit from September 2007 to May 2008 under the authority of the *Inspector General Act of 1978*, as amended, and according to *Generally Accepted Government Auditing Standards*.

Appendix B
Management Comments to the Draft Report

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



FEMA

SEP 24 2008

MEMORANDUM FOR: Richard M. Skinner
Inspector General

FROM: Marko Bourne, Director 
Office of Policy & Program Analysis

SUBJECT: FEMA's response to the Office of Inspector
General (OIG) Draft Report
FEMA's Exit Strategy for Temporary Housing in the Gulf Coast Region-
FOR OFFICIAL USE ONLY (FOUO)

This memorandum provides FEMA's response to OIG Draft Report, *FEMA's Exit Strategy for Temporary Housing in the Gulf Coast Region*.

We sincerely appreciate the opportunity to provide an updated status in our response to the OIG's recommendations in this report. As FEMA works towards refining its programs, the Office of the Inspector General's independent analysis of program performance greatly benefits our ability to continuously improve our activities.

We look forward to continuing this partnership in the future. Questions concerning the attached document should be addressed to Brad Shefka, Chief, FEMA GAO/OIG Audit Liaison Office, 202-646-1308.

Attachment:
FEMA's response

FEMA Comments
OIG Draft Report *FEMA's Exit Strategy*
For Temporary Housing in the Gulf Coast Region

General Comments

Comment #1

Page 7, Paragraph 1, Lines 2-4:

*"FEMA needs to periodically recertify the eligibility of the approximately 21,000 private site residents and 3,000 commercial-site residents."*¹

Comment:

In early 2006, the Individual Assistance Sections of the Transitional Recovery Offices in Louisiana, Mississippi, Alabama and Texas created and put into affect a Recertification Department that, in accordance with federal regulations, was responsible for monitoring and evaluating the continued eligibility of applicants housed in FEMA travel trailers and mobile homes in all group, commercial and private sites. This required periodic site visits be conducted with each applicant, permanent housing plans be documented, eligibility for continued assistance be explained to the applicant, unmet needs be identified and addressed and progression of the applicant's progress toward locating more permanent housing be monitored. This process will continue until all applicants have been moved out of the Temporary Housing Units (THUs).

Comment #2

Page 7, Paragraph 2 in its entirety:

"Failure to recertify resident eligibility could result in residents remaining longer than appropriate while others could remain indefinitely. For example, private site residents could keep temporary housing units even when they have completed repairs, or conversely, made little or no progress toward repairing their homes. Further, some residents could remain even though they were not making efforts to find permanent housing. Others may have simply moved out and failed to notify FEMA."

Comment:

Again each TRO has been continuously monitoring applicants who are residing in FEMA temporary housing units.

1. *"Private site residents could keep temporary housing units even when they have completed repairs..."*
 - a. While this statement is accurate, it is not accurate in the context that it is used regarding failure to recertify applicants. It is accurate because at this time a termination policy has not been implemented to handle this situation. However, over the past 2 ½ years, the IA-Recertification Department has been very successful in the recovery of units no longer needed by the applicants and has only encountered a small number of applicants who have refused to relinquish the unit after completing their repairs.

¹ These numbers were based off of information obtained on May 31, 2008 and include units located in both Louisiana and Mississippi. As of August 28, 2008, there are approximately 700 applicants remaining in commercial sites in Louisiana and approximately 8,900 applicants remaining on private sites in Louisiana.

2. "... or conversely, made little or no progress toward repairing their homes"
 - a. The IA-Recertification Department at the TROs has continuously monitored each applicant's progress toward repairing their homes. Along with the Recertification visits made with the applicants at the actual unit, the Recertification staff has also conducted Habitability Inspections on the applicant's damaged dwellings to monitor the repairs that have been made, gather information regarding timeframes for completion/reasons for delay and to assess the "habitability" of the damaged dwelling.

3. "Others may have simply moved out and failed to notify FEMA."
 - a. The TRO field staff monitors all units located in each Gulf Coast State with their continuous sites visits. If an applicant fails to notify FEMA that they have moved out of a unit, the field staff will post abandon notices on the unit and if there is not a response within a reasonable period of time the unit is removed.

Comment #3

Page 8, Paragraph 2 (Including bullet points)

"According to FEMA officials..."

Comment:

This section of the report begins with reasons provided by FEMA officials for why it has not been recertifying eligibility and terminating participation. While the reasons provided in the report in bullet form on Page 8 do constitute reasons that the recertification of the applicants has been somewhat monotonous at times, they do not properly reflect the fact that the recertification requirements for continued eligibility of direct housing assistance have continuously been monitored by the TROs.

Comment #4

Page 9, Paragraph 2, Lines 1-3

"FEMA has not required residents in Louisiana to provide permanent housing plans, including timelines for meeting the plans, as a condition for continued direct housing assistance."

Comment:

The TRO IA-Recertification Department has obtained permanent housing plans along with timelines for completion from applicants housed in FEMA temporary housing units. Through periodic site visits and phone contacts, each TRO has continued to monitor and update these permanent housing plans.

Comment #5

Page 9, Paragraph 3, Lines 1-2

"FEMA needs to routinely visit private sites in Louisiana to recertify residents and monitor their progress in meeting permanent housing plans."

Comment:

The Louisiana TRO IA-Recertification Department has obtained permanent housing plans along with timelines for completion from applicants housed in FEMA temporary housing units and have continued to make site visits to monitor and update these permanent housing plans.

Comment #6

Page 10, Paragraph 1, Lines 1-3

"FEMA needs enforce the requirement that residents in Louisiana provide documentation supporting their continued eligibility for the direct housing assistance program."

Comment:

The Louisiana TRO IA-Recertification Department has required applicants to provide documentation to support their continued eligibility. This has included insurance settlement information, Road Home information, contractor information, income information, documentation regarding issues with local and state permitting and various other types of documentation that support the progress or lack thereof with regards to completing their permanent housing plans.

Comment #7

Page 10, Paragraph 2, Lines 1-3

"FEMA needs to regularly communicate to residents that they are expected to find permanent housing at the earliest possible time and, when the program ends on March 1, 2009, any remaining units will be scheduled for removal."

Rebuttal:

The TROs have, as part of the recertification visits that have continuously taken place over the past 2 ½ years, advised applicants to find permanent housing as quickly as possible. Recertification staff have also reminded applicants frequently of all program deadlines, including the current deadline of March 1, 2009.

Conclusion

On page 11 of the report, three (3) recommendations are made as suggestions on how to accomplish the housing of all applicants by the current program deadline of March 1, 2009. The comments explained above show that two of these recommendations and the processes recommended are already in place. Below is a brief outline of these recommendations:

Recommendation #1: Obtain permanent housing plan from each resident, including timelines for achieving permanent housing.

FEMA concurs with this recommendation. As stated in the comments above, FEMA is accomplishing this suggestion.

Recommendation #2: Perform periodic recertification visits to: (1) reestablish eligibility, (2) monitor progress in finding permanent housing, (3) identify unmet needs, (4) obtain support for continue eligibility, and (5) communicate resident responsibility for finding permanent housing.

FEMA concurs with this recommendation. As stated in the comments above, FEMA is accomplishing this suggestion.

Recommendation #3: Implement policies and procedures for terminating residents from direct housing assistance program that no longer qualify for the assistance, and evicting uncooperative residents from temporary housing units.

FEMA concurs with this recommendation. FEMA is currently developing a policies and procedures that will address this issue. Further information will be provided in our 90 day status update once the final report is published.

In the aftermath of a declared disaster, FEMA's actions focus on supporting state efforts to ensure that all disaster victims are provided safe and secure shelters, with access to food and other necessary life-sustaining commodities and resources. As the situation stabilizes, FEMA works with the state to transition shelter residents back to their pre-disaster dwellings or, if those dwellings cannot be re-inhabited, temporary housing.

For most disasters, individuals are generally able to return to their homes within hours or days. However, for more serious disasters, where numerous dwellings have been destroyed or rendered uninhabitable for an extended period, additional housing assistance may be needed. The type of housing assistance provided during the intermediate housing period (generally up to 18 months) covers the gap between sheltering and securing permanent housing and is referred to as interim housing.

FEMA's approach is to provide safe, flexible interim housing assistance that can be adjusted to the range of requirements generated by a disaster.

Types of Assistance:

Immediate Temporary Repairs. FEMA provides plastic roof tarps, through the U.S. Army Corps of Engineers, to limit further damage to homes and make them habitable until permanent roof repairs can be made.

Repair and Replacement Assistance. Following inspection and verification of damages, FEMA provides eligible homeowners up to \$28,800 for repairs to make their home habitable, or to replace a destroyed or condemned home.

Financial Rental Assistance. If a damaged home is destroyed or cannot be repaired quickly, FEMA provides financial assistance. This assistance can be used to rent an apartment or other temporary housing while repairs are underway or for disaster victims to look for permanent housing.

Transitional Shelters. If emergency shelters are overwhelmed or FEMA determines that evacuees will not be able to return to their homes for an extended period of time, FEMA may authorize eligible disaster victims to receive temporary hotel-motel funding assistance under the *Transitional Shelter Protocol*.

Host-State Housing Protocol. If significant numbers of disaster victims have been displaced to other states, FEMA may implement the *Host-State Housing Protocol*. This protocol enables FEMA to make rental assistance payments directly to property owners through federal partners or a contract agent and

can be provided for up to 18 months. While this protocol is designed for use in situations where states are hosting large numbers of evacuees from another state over an extended period of time, it may also be used within the affected home state.

Manufactured Housing Assistance. If no apartments or other rentable properties are available within a reasonable commuting distance, temporary housing units may be needed. When requested by a state, FEMA provides a range of options for temporary housing units, which may include mobile homes, park models, or other alternative forms of temporary housing. Once the appropriate options are determined acceptable by the state, temporary housing can be located on an eligible victim's private property, on a pre-existing commercial pad, or, as a last resort, on a new group site approved by local officials and constructed and maintained by FEMA.

Alternative Forms of Direct Housing. FEMA works with states to identify eligible households for alternative housing. In general, the priority for such housing goes to private site applicants whose property is too small to accommodate a mobile home or park model, but may accommodate an alternative form of housing.

Appendix D
 FEMA's Gulf Coast Inventory of Temporary Housing Units

	July 2007	Aug. 2007	Sept. 2007	Oct. 2007	Nov. 2007	Dec. 2007	Jan. 2008	Feb. 2008	Mar. 2008	Apr. 2008	May 2008
Louisiana											
Group	5,729	5,314	4,374	3,801	3,023	2,312	1,990	1,499	1,263	1,003	710
Private	38,396	37,842	34,651	32,934	30,414	27,820	26,016	23,213	21,137	18,360	15,895
Commercial	5,581	5,532	5,170	5,060	4,655	4,251	3,842	3,333	2,878	2,473	2,000
Industrial	1,109	1,064	1,012	969	882	843	781	652	635		
Totals	50,815	49,752	45,207	42,764	38,974	35,226	32,629	28,697	25,913	21,836	18,605
Mississippi											
Group	1,524	1,499	1,402	1,309	1,153	1,071	991	850	745	495	292
Private	14,017	13,585	12,290	11,343	10,344	9,408	8,512	7,315	6,485	5,622	4,895
Commercial	2,171	1,499	2,019	1,892	1,742	1,625	1,633	1,568	1,394	1,244	1,097
Industrial											
Totals	17,712	16,583	15,711	14,544	13,239	12,104	11,136	9,733	8,624	7,361	6,284
Alabama											
Group											
Private	282	248	228	192	132	109	98	88	63	63	52
Commercial	53	46	38	34	20	23	19	17	16	16	14
Industrial											
Totals	335	294	266	226	152	132	117	105	79	79	66
Texas units:											
Group											
Private	1,074	1,038	881	773	612	470	354	187	127	73	3
Commercial	31	28									
Industrial											
Totals	1,105	1,066	881	773	612	470	354	187	127	73	3
Total Units	69,967	67,695	62,065	58,307	52,977	47,932	44,236	38,722	34,743	29,349	24,958

Source: FEMA Gulf Coast Recovery Individual Assistance Global Report

Appendix E
Major Contributors to this Report

Gina Smith, Director
Christopher Dodd, Audit Manager
John Polledo, Auditor-in-Charge
Stuart Josephs, Auditor

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary, Office of Policy
Assistant Secretary, Office of Public Affairs
Assistant Secretary, Office of Legislative Affairs
FEMA Assistant Administrator, Disaster Assistance Directorate
FEMA Assistant Administrator, Gulf Coast Recovery
FEMA Audit Liaison (Project Code DP7R09)

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as appropriate



ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this report, please call the Office of Inspector General (OIG) at (202) 254-4199, fax your request to (202) 254-4305, or visit the OIG web site at www.dhs.gov/oig.

OIG HOTLINE

To report alleged fraud, waste, abuse or mismanagement, or any other kind of criminal or noncriminal misconduct relative to department programs or operations:

- Call our Hotline at 1-800-323-8603;
- Fax the complaint directly to us at (202) 254-4292;
- Email us at DHSOIGHOTLINE@dhs.gov; or
- Write to us at:
DHS Office of Inspector General/MAIL STOP 2600,
Attention: Office of Investigations - Hotline,
245 Murray Drive, SW, Building 410,
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.