



Strengthening the Disaster Housing Assistance Program

Increasing the Speed and Efficiency of Providing Disaster Housing Assistance

WHITE PAPER

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Introduction

In 2010, there were 81 federally declared natural disasters and emergencies in the United States—an average of one every 4.5 days. These events, by definition, disrupt a wide range of public and private resources and functions. An effective, long-term recovery requires that each of those functions be restored in a full and timely manner. One of the functions most critical to recovery is housing. Indeed, public perception of how well a recovery is unfolding is determined in part by how well the housing needs of the affected population are met¹. Because of this, it is important to continually look for ways to maximize the speed and efficiency of the disaster housing recovery process.

Reznick Group has significant experience working with government agencies during disaster response. Through our disaster management work during Hurricanes Katrina, Rita, Ike and Gustav, and a wide range of other incidents, we have implemented project management systems and managed the complex series of transactions and controls necessary to ensure that relief funds are distributed accurately and promptly. Drawing upon this experience, this paper proposes a number of suggestions for the Department of Housing and Urban Development's Disaster Housing Assistance Program (DHAP).

Calling on the Housing Experts

While the Federal Emergency Management Agency (FEMA) typically provides *initial* temporary housing assistance in the immediate aftermath of a disaster, FEMA delegates housing solutions after that initial response to the Department of Housing and Urban Development (HUD). This arrangement allows HUD to bring to bear its four decades of experience in helping families secure safe and affordable housing. Central to HUD's mission is the Housing Choice Voucher (HCV) Program, the nation's largest tenant-based housing subsidy program. This program was used as the basis for the Disaster Housing Assistance Program (DHAP), which HUD developed in 2007 at FEMA's request to provide rental assistance and case management services that disaster victims typically need to transition from initial post-disaster shelter to long-term housing.

Importantly, DHAP is not an ongoing program. Rather, each iteration of the program comes into being in response to a specific disaster. (To date, there have been two DHAP programs, DHAP-Katrina and DHAP-Ike.) This ad hoc approach, however, introduces the potential for inefficiencies, which become apparent when one examines the DHAP process in detail.

In order to launch a new DHAP program, FEMA and HUD enter into an Interagency Agreement (IAA) that authorizes HUD to service and manage the DHAP. To handle the front-line work of implementing the program, HUD recruits from its existing network of local public housing agencies (PHAs) that administer the standing HCV program. Their ongoing experience managing the HCV program in their local areas gives the PHAs the necessary housing market knowledge and expertise to assist families with the similar

¹ In the 2009 FEMA Disaster Recovery Working Group Stakeholder Forums, "housing" was usually on the short list of things "defining success" for disaster recovery.

<http://disasterrecoveryworkinggroup.gov/outreach/memphis.pdf>,

<http://disasterrecoveryworkinggroup.gov/outreach/neworleans.pdf>,

<http://disasterrecoveryworkinggroup.gov/outreach/la.pdf>

DHAP program. It is important to note, however, that PHAs are not required to participate in the DHAP. They must volunteer to do so, for which the PHA receives management fees for administering the DHAP in its area. The management responsibilities, however, are considerable and include calculating the monthly rent subsidy for which each participating household is eligible, making monthly rent subsidy payments on behalf of participating families, performing housing quality standards inspections when necessary, applying appropriate subsidy standards for families, and determining rent reasonableness for certain units. The PHAs are also responsible for terminating the family's participation if they fail to comply with the obligations of the program.

Given these responsibilities, a PHA might very well decide after a cost-benefit analysis not to participate. This is particularly so given the problem of scale; in the aftermath of a disaster, a PHA may have to handle the housing needs of several thousand families through the DHAP. To meet such a large spike in demand, PHAs often must hire additional temporary staff specifically to manage the DHAP. When that DHAP ends, the temporary staff—and the experience they have gained—leaves the PHA. When a new disaster affects that PHA, the entire process begins again from scratch.

“Because the [DHAP] program is temporary, OPHVP is unable to staff a permanent office or team to manage the program.”

– Response to OIG Audit Report Number 2010-FW-0004 issued September 30, 2010.

A similarly ad hoc response unfolds at the agency level.

At the Department of Housing and Urban Development, DHAP falls under the jurisdiction of the Office of Public Housing and Voucher Programs (OPHVP). There is, however, no permanent DHAP staff within that office. Instead, when a new DHAP program is established, OPHVP reassigns existing staff, primarily from the HCV program, to manage that DHAP's implementation and execution. OPHVP is obviously limited in the resources it can allocate to the DHAP as any resources so directed reduce those available to handle the office's pre-existing responsibilities.²

The Costs of the Current Approach

It should not be surprising that the current approach, in which the housing assistance response to each disaster must be created anew, carries with it a number of structural costs. These include:

Extended lead time to initiate programs. Before a disaster housing program can begin, FEMA and HUD must enter into an interagency agreement. HUD then must seek out PHAs willing to facilitate the program and those housing authorities must sign a grant agreement. More than a month can easily pass while these various agreements are reached, severely delaying the distribution of assistance to affected families.

Ambiguous roles and responsibilities. Each partner in the process (FEMA, HUD, and the PHAs) and their support teams have defined roles, responsibilities, and procedures, but may not fully be aware of

²See the response of the Office of Public Housing and Voucher Programs to OIG Audit Report Number 2010-FW-0004, issued September 30, 2010.

each other's roles and processes, preventing everyone involved from sharing a common vision of the recovery and working together in the most efficient manner.

A lack of uniform data collection and definitions among program partners. Accurate information plays a central role in any assistance program, ensuring that families receive the benefits to which they are entitled without duplication or waste. The current structure of the DHAP program, however, means that data is not always updated in all places in a timely manner. For example, FEMA provides HUD with the initial information on affected households; HUD then passes this data on to the PHAs so that they can implement and track actual implementation. In the course of administering the program on the local level, the PHAs often receive new or updated information directly from their client households. While the PHAs usually enter updated data directly into HUD's Disaster Information System, FEMA only receives manual updates, causing its system to lag and introducing the possibility of human error in the additional data handling. Furthermore, while FEMA, HUD and the PHAs ultimately use the same set of data regarding recipients and benefits, they do so for different purposes and without a documented, agreed-upon, common definition, leading to inconsistencies.

While the timing and extent of individual disasters may be hard to predict, the need for an ongoing response capability is not.

Delayed communication of program changes. As disaster housing programs unfold, extensions or conversions can occur to reflect changing needs and circumstances. These changes often bring with them changes in policies and procedures. These changes can occur with little time allowed for implementation, hindering the PHAs ability to provide assistance to affected households and causing public ill will.

A Structural Solution

The challenges faced in improving the efficiency of the nation's disaster housing assistance response are structural in nature and thus require structural solutions. While the timing and extent of individual disasters may be hard to predict, the need for an ongoing response capability—of which housing plays a central role—is not. The DHAP program can better reflect this reality through improvements to its long-term infrastructure and processes. We recommend the following steps:

Establish a multi-year IAA. Drawing upon the experience of DHAP-Katrina and DHAP-Ike, HUD and FEMA should establish a multi-year agreement that would eliminate delay caused by the need to establish a new agreement in response to each disaster. The multiyear agreement could be crafted similarly to an Indefinite Delivery/Indefinite Quantity contract, in which overall terms and requirements are outlined but the specifics of delivery are determined by the parties on an ongoing basis.

Maintain a roster of PHAs willing to participate. When a disaster housing assistance program is initiated, HUD must spend considerable time and effort recruiting PHAs to participate. Having a list of pre-selected PHAs from across the country that have an understanding of the program's requirements will help ensure a more rapid response. For those PHAs located in prime hurricane and flood zone areas, FEMA can go further and establish multiyear grant agreements that would automatically carry over from

disaster to disaster, eliminating the need to establish new agreements with this core group for each DHAP. (Increasing the efficiency of DHAP administration may well increase PHA participation, as their tangible and intangible costs of involvement decline.)

Standardize PHA processes and monitor compliance. A standardized disaster program plan should be maintained and continually refined based upon disaster program experiences. It can then serve as guidance so that the PHAs can efficiently and effectively start and end their disaster programs. This plan should include best practices, program structure, policies and procedures, resource requirements (including personnel, office space and hardware) and personnel training programs. The roles and responsibilities of all partners in the program should be formally defined and documented. HUD should also develop a standardized process for monitoring PHA compliance with program standards. This would address the recommendation made by the Regional Inspector General for Audit, Fort Worth Region, regarding guidance to, and oversight of, PHAs.³

Communicate changes promptly. Changes to programs, policies and requirements need to be posted to the appropriate sections of the FEMA and HUD websites within 24 hours and sent via email alerts to the PHAs and other program participants.

Establish a centralized, cross-agency database system. A centralized data recording system tracking the vital information of displaced residents will reduce costs and increase efficiency by reducing duplicative data entry processes and ensuring that all partners have access to the same up-to-date information at the same time. In addition, there should be documentation that establishes uniform data definitions across agencies.

Establish and maintain a disaster housing Project Management Office (PMO). Rather than assemble a team on an ad hoc basis when a disaster strikes, HUD should establish a standing disaster housing Project Management Office with the authority necessary to coordinate comprehensive disaster response across different levels of government. The PMO would consist of a small core team with extensive experience in disaster housing and large-scale project management that can expand and deploy quickly when circumstances dictate. The primary responsibilities of a disaster housing PMO would be to:

- Combat applicant fatigue by streamlining processes, facilitating data sharing, increasing outreach efforts, and improving citizen and community participation.
- Strengthen and enhance compliance with the Stafford Act by preventing the duplication of benefits through a centralized office with improved data sharing and communications.
- Establish relationships and protocols with non-federal recovery organizations to better coordinate and deliver disaster case management services.
- Evaluate the affected area's long-term recovery needs so that housing assistance strategies are informed by economic environmental and infrastructure developments.

³OIG Audit Report Number 2010-FW-0004 issued September 30, 2010 to HUD's Office of Public Housing and Voucher Programs.

- Ensure transparency and accountability by establishing protocols and performance standards for the PHAs and by monitoring for compliance.
- Establish procedures and protocols for the distribution of funds by the PHAs while creating safeguards to prevent fraud, waste and abuse of the system.

Improving disaster response is an important issue on the public agenda, and housing assistance is a central element of that response. While each DHAP program is temporary, created to respond to a specific disaster, the overall DHAP program must be considered a permanent part of the national disaster response framework and be given the necessary infrastructure and resources. These suggestions, along with others made by various stakeholders, will remove many of the current structural obstacles the program now faces.



Reznick Government

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