

**Testimony of Sheila Crowley, Ph.D., MSW
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presented to the
Ad Hoc Subcommittee on Disaster Recovery of
The Committee on Homeland Security and Government Affairs
United States Senate
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Senator Landrieu, Senator Graham, and Members of the Subcommittee, thank you for the opportunity to testify today on reform of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

I am Sheila Crowley, President of the National Low Income Housing Coalition; our members include non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens. The National Low Income Housing Coalition does not represent any sector of the housing industry. Rather, NLIHC works only on behalf of and with low income people who need safe, decent, and affordable housing, especially those with the most serious housing problems. NLIHC is entirely funded with private donations.

Since September 2005, NLIHC has advocated for a just and comprehensive federal response to the acute housing crisis of the low income people of the Gulf Coast in the aftermath of Hurricanes Katrina and Rita. We have convened weekly conference calls of the Katrina Housing Group since the fall of 2005. Over 100 national and Gulf Coast based organizations are part of the group. NLIHC monitors federal policy as it pertains to Gulf Coast housing recovery and the future of disaster housing policy and circulates relevant news to the group two to three times a week. Our recommendations for Stafford Act reform are based on the knowledge we have gained in our nearly five years of interaction with people in the Gulf Coast states who are on the front lines helping displaced people find their way home.

Let me begin by thanking you, Senator Landrieu, for your steadfast commitment to the complete recovery of all the Gulf Coast states from the 2005 hurricanes. When it seems like much the country and the Congress have “moved on,” you remain doggedly determined to make sure we honor our obligation to the people who lost their homes and their communities when Hurricane Katrina came ashore nearly five years ago. You are an inspiration to me and others who will keep doing this work for as long as it takes.

At the outset, we would like to associate ourselves with those who suggest that the current disaster response structure, which places primary responsibility on state and local governments, is inadequate in the face of catastrophes such as Hurricane Katrina.² Katrina was a

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²See for example Martel, C. (2007). Bringing it home: A Gulf Coast Marshall plan based on international humanitarian standards. *Vermont Law Review*, 32(1), pp.57-128;and Nathan, R.P. & Landy, M. (2009, June 2).

weather disaster that directly affected the several Gulf Coast states, and a human disaster that affected the entire country. The Katrina diaspora can be found in every state in the union. Moreover, Katrina was a disaster of such magnitude that state and local governments were stretched beyond their capacity. The devastation and displacement caused by Katrina was so extreme that it begged for a federal authority to oversee the response and recovery.

We recommend that a priority for Stafford Act reform should be to more clearly define when a disaster is catastrophic and direct the President to intervene swiftly and comprehensively in such a case. The President has a duty to protect all citizens regardless of what state in which they happen to reside. Therefore, the President must have the authority to step in and take control. States vary considerably in their capacity and willingness to respond to emergencies in a manner that treats each of their residents fairly. U.S citizens must be guaranteed equal treatment in a disaster no matter who their governor might be.

The remainder of my remarks today will focus on general recommendations on Stafford Act reform, primarily on temporary housing and case management. We will submit more extensive and detailed recommendations for the record within the next thirty days.

Housing

The National Disaster Housing Strategy (NDHS),³ in its current form, acknowledges the difficulty of planning for housing when the dimensions of any given disaster are unknowable in advance. However, the dimensions of a given population and its housing needs are quite knowable and should serve as the basis for disaster housing planning. Every community that receives federal housing and community development dollars must study its housing market and document its housing needs using the most current data. These “Consolidated Plans” offer disaster planners a great deal of information about housing problems and housing resources in communities.

For most people who are displaced by a disaster, finding shelter or a temporary or new home is time consuming and costly, but not beyond their capacity. But for low wage earners, the under- and unemployed, or seniors and disabled people on fixed incomes who must leave their homes because of a disaster, the obstacles can be insurmountable. These are the people for whom government must plan. The true measure of how complete a disaster housing plan is will be the degree to which the most vulnerable people are covered. The NDHS is required to take into account special needs populations, but does not deal with the problems of people who are just too poor to make their own way when disaster strikes.

The NDHS delineates the three forms of disaster housing: shelter, interim housing, and permanent housing. Considerably more detail is offered on shelter than on the other two forms. Shelter is a natural and necessary immediate response. However, if the effect of a disaster is that

Who's in charge? Who should be? The role of the Federal government in megadisasters: Based on lessons learned from Hurricane Katrina. Nelson A. Rockefeller Institute of Government, State University of New York.

³ Federal Emergency Management Agency. (2009, January 16.) *National disaster housing strategy.*

people's homes are destroyed or damaged to such an extent that they are inhabitable without extensive repair, the disaster response must prioritize getting people out of shelters and into homes. In the absence of a cogent housing response, as was the case with Hurricane Katrina and documented in the Subcommittee's report *Far From Home*,⁴ the trauma of displacement will adversely affect each individual's recovery from disaster, which in turn will impede each community's recovery.

To the maximum extent possible, the quick repair and reoccupancy of damaged housing should be the first order of business. All possible resources should be deployed to achieve this objective, including those of the Department of Defense. Disaster housing policy can draw from the lessons learned on ending homelessness in the U.S. Rapid rehousing is the key concept in homeless services today. Time spent in shelter is minimized and people are provided the subsidies and services needed to move quickly into new permanent homes. Not only is the trauma reduced, but rapid rehousing is much less costly than lengthy stays in shelters or hotels/motels.

While the reality is that temporary housing will be required for many people after a disaster, the emphasis should be on making the transition from temporary to permanent housing as seamless as possible. One of the most serious flaws in the Katrina housing response has been the disconnect between the temporary housing programs and the housing recovery strategy. For example, a renter displaced by Katrina and living in a trailer encampment is told to come up with a permanent housing strategy, as his or her use of the trailer is time limited. Yet the community in which the renter resides does not have a strategy for how it will replace the rental housing that was lost. A displaced family's temporary housing plan and permanent housing plan should be one in the same, just as a community's temporary and permanent housing plans should be.

People who must have temporary housing should have housing options that are physically near the site of their former homes or at least in the same community. This not only allows people to stay close to what they know, it means they are available to participate in the recovery. People recover physically, emotionally, and financially sooner from disasters the closer they are to home and the more they are able to take part in community recovery efforts.

In some cases, members of households will be separated from one another while in temporary housing. Stafford Act reform should end the "shared household rule" and provide sufficient assistance to families who must live apart due to circumstances caused by the disaster.

For homeowners, temporary housing units (THUs) that can be placed on their property and from which they can oversee the repair or reconstruction of their homes may be the best option. For many low income homeowners, especially elderly people, this strategy presumes that there will be sufficient assistance to cover repair and rebuilding costs.

⁴ Ad Hoc Subcommittee on Disaster Recovery, U.S. Senate Committee on Homeland Security and Governmental Affairs. (2009, February). *Far from home: Deficiencies in Federal disaster housing assistance after Hurricanes Katrina and Rita and recommendations for improvement*.

Rental housing repair. For private market rental housing that is damaged, disaster resources should be used to restore the properties to habitable use, as temporary and permanent housing. In the aftermath of Hurricane Katrina, the decision by FEMA to allow damaged rental homes to go unrepaired and instead spend billions of dollars on trailers and mobile homes was uniquely shortsighted. Imagine how much more quickly neighborhoods could have rebounded if rental properties had been rapidly repaired and occupied. The pilot program that allowed FEMA to pay for repairs to private rental housing in Iowa and Texas after disasters in 2008 showed that this approach is considerably more cost effective than the use of temporary housing units.⁵ Any reform of the Stafford Act should incorporate these findings.

Public and other federally assisted rental housing stock must be repaired just as quickly. HUD must assure that all HUD-assisted properties are properly insured and that HUD has sufficient resources to repair and reoccupy these properties after a disaster. It was absurd that public housing agencies and private owners of HUD-assisted properties in the Gulf Coast states were left to compete with other developers for the GOZONE Low Income Housing Tax Credits and the CDBG dollars allocated to the states. Moreover, a disaster should not be used as an excuse to demolish and not replace public and assisted housing.

Rent assistance. One of the most positive developments out of the Katrina housing experience was the designation of HUD as the agency to administer disaster rent assistance. Senator Landrieu and others will recall that on September 14, 2005, the Senate passed legislation to fund 350,000 Section 8 housing vouchers for Katrina evacuees. But the Administration and the House did not agree. The result was the dreadful FEMA rent assistance program, the problems with which are well documented in *Far From Home*.

The HUD Disaster Housing Assistance Program (DHAP), announced in April 2007, was a vast improvement over the FEMA program. Any future disaster rent assistance program should be run by HUD and its 3500 affiliated local public housing agencies. The use of DHAP to provide rent assistance to people displaced by Hurricane Ike indicates that FEMA and HUD are heading in that direction.

However, we recommend that before codifying DHAP, Congress should carefully consider how DHAP and the Section 8 housing voucher program work together. One of the concerns that advocates have had with DHAP is that rents are not based on tenant income and the tenant's share of the rent increases by \$50 a month until it equals or exceeds the amount of assistance, unless they can demonstrate economic hardship. Fortunately, under HUD Secretary Donovan's leadership, very low income people have been or will be transferred from DHAP to the Section 8 housing voucher program. This should be made a permanent feature of DHAP.

One of the most egregious problems with the FEMA rent assistance program was how easily someone could be denied assistance or have his or her assistance terminated with little or no recourse. We estimate that up to 25% of the over 700,000 households that received rent assistance after Hurricane Katrina were cut off improperly. Stafford Act reform must assure that

⁵ McCarthy, F.X. (2009, September 16). *FEMA disaster housing: From sheltering to permanent housing*. Congressional Research Service.

DHAP recipients are afforded the same due process rights as are other recipients of HUD housing assistance.

Temporary housing units. As noted above, mobile homes and other forms of temporary housing units are best suited for use by homeowners while they are repairing or rebuilding their homes. The use of THUs in large scale encampments for displaced renters should be the housing response of last resort. Encampments that are physically isolated from other communities should be banned all together. The National Disaster Housing Strategy does not rule out group sites, but rather calls for making sure they have a full array of community amenities. While this may be well intended, the effect will be to segregate evacuees from the community in which they reside.

Katrina cottages. In 2006, Congress provided \$400 million for the alternative housing pilot program, more commonly known as Katrina cottages. The report on the pilot is not expected before the end of 2011. It would seem appropriate for Congress to ask for a more timely report if the pilot program is to inform Stafford Act reform.

A number of issues have been raised by Gulf Coast housing advocates about how the Katrina cottages are being used today. The subcommittee may want to consider a hearing just on the alternative housing pilot program.

A vivid example was the subject of a front page story in the *Washington Post* last June. The story featured an elderly man in Mississippi who was still living in a FEMA trailer on his property. His house was destroyed by wind damage in Hurricane Katrina, making him ineligible for rebuilding assistance from the state CDBG program. He had no funds of his own to rebuild his house. FEMA was threatening to take the trailer away. Yet, so close that he could see them sat 700 unused “Mississippi cottages,” purchased through the alternative housing pilot program.⁶

In other cases in Mississippi, displaced families who received cottages and were promised their use until their homes were replaced, have had the cottages removed because the state wants to end its program.

The cottages are owned and deployed by the states that received the pilot program funding. If they are intended to be permanent housing as advertised by the designers, what rules govern how they will be used? Who is eligible to receive one and at what cost? What are the consequences for local jurisdictions that pass zoning ordinances prohibiting the siting of Katrina cottages? Do these ordinances have a disparate impact on racial minorities or persons with disabilities? At a minimum, states should be required to be assure that all the cottages produced under their programs are used to provide permanent homes for their low income citizens who lost their homes due to the 2005 hurricanes.

Low income housing supply. It is outside the scope of Stafford Act reform to address the structural shortage of rental homes affordable to low income Americans, but the Subcommittee should know that there can be no viable National Disaster Housing Strategy as long as this shortage persists.

⁶ Hsu, S.S. (2009, June 13.) Permanence eludes some Katrina victims. *The Washington Post*. pp.A1, A9.

In the United States today, there are 9.2 million extremely low income (ELI) renter households (incomes of 0-30% of their area median) and only 6.1 million rental homes they can afford (paying no more than 30% of their income for their housing). For every 100 extremely low income household in the United States, there are just 37 rental homes that are affordable and available to them.⁷ As a result, these households pay precariously high portions of their income for the homes, leaving little left for other necessities. Nearly three quarters (71%) of ELI renter households spent over half of their incomes for housing in 2007, and the average ELI renter spent 83% of household income on housing.⁸

In the wake of the foreclosure crisis, conventional wisdom is that the nation has an excess supply of housing and higher than normal vacancy rates. While that may be the case for high cost housing, there is no evidence that the available supply of low cost rental housing has increased. Indeed, the supply of low cost rental housing continues to decline.⁹

Moreover, rents at the lower end of the market continue to rise. The National Low Income Housing Coalition's annual study of housing costs, *Out of Reach*, found that in 2010 the hourly wage that a full-time worker must earn in order to afford a two-bedroom rental home, is \$18.44 an hour, up from \$17.84 an hour in 2009. There remains no place in the United States where a full time minimum wage worker can afford the rent on a one-bedroom rental unit.¹⁰

To address this shortage, Congress established the National Housing Trust Fund in 2008, but has yet to provide funding. The National Housing Trust Fund Campaign has set the goal of 1.5 million units of rental homes affordable for the lowest income households and estimates this will cost \$15 billion a year for ten years. The Administration has requested \$1 billion this year as the initial capitalization for the National Housing Trust Fund. Yesterday, we delivered a letter to every Senator with this request signed by over 2,200 national, state, and local organizations that represent all 435 Congressional districts, plus the District of Columbia and Puerto Rico. We urge your support of this funding now.

Case management

One of the most serious flaws of the Katrina housing response was the disjointed and chaotic manner in which disaster victims received information (or misinformation) about services and programs to which they were entitled. Part of the blame lays in how federal disaster relief is structured. People in crisis are required to interact with multiple agencies, each with its

⁷ Pelletiere, D. (2009). *Preliminary assessment of American Community Survey data shows housing affordability gap worsened for lowest income households from 2007 to 2008*. Washington, DC: National Low Income Housing Coalition.

⁸ Ibid.

⁹ Collison, R. & Winter, B. (2010). *U.S. Rental Housing Characteristics: Supply, Vacancy, and Affordability*. HUD PD&R Working Paper 10-1.

¹⁰ National Low Income Housing Coalition. (2010). *Out of Reach*. Washington, DC: Author.

own rules on how much money a given household can receive for what needs. Even the most assertive and articulate clients have difficulty understanding and navigating the labyrinth of disaster assistance programs and rules.

Use of case managers in the aftermath of disasters, especially for vulnerable people, is one solution. Case management is a relatively recent invention in human services that was necessitated by increasingly complex and multilayered service systems that ordinary human beings, let alone people in crisis, could not be expected to navigate.

The Post Katrina Emergency Management Reform Act of 2006 amended the Stafford Act to allow FEMA to fund case management services for victims of disasters. A 2009 GAO report was highly critical of the services provided to people affected by Hurricanes Katrina and Rita under this authority.¹¹

Last year, the members of the Katrina Housing identified a disjointed and ineffective case management system as one of the factors impeding the transition of displaced people from temporary to permanent housing in the Gulf Coast. We wrote to Administration officials urging a more unified and intensive approach to providing case management. Among our recommendations are the following:

- No one should have more than one case manager. If any one person or family has more than one case manager, by definition, the case is not being managed. The point of case management is for the person or family in need of assistance to have one person on whom to rely as together they navigate the complex array of programs for which they may or may not be eligible and the rules that may or not apply to them. Once a client has to relate to more than one case manager, the potential for case mismanagement grows exponentially. At best, multiple case managers become nothing more than clerks, facilitating single transactions. At worst, harm can result when no one is coordinating the many transactions.
- Case management should never be provided long distance by phone or email. All case management relationships must be in person with phone and email used only as a secondary means of providing information.
- The intensity of case management must match the intensity of the needs of the clients, which first requires that case managers be skilled enough to conduct the kind of assessment that is required to uncover the extent and depth of needs. This requires case managers to “go where the client is,” both literally and figuratively. Outreach means meeting with clients when and where works best for them, instead of telling them to show up at an office at an appointed time between 9am and 5pm, Monday to Friday.
- Case managers must be skilled in establishing rapport with people with physical, emotional, and developmental limitations and with people who are suspect of representatives of government agencies. Social workers who have experience in

¹¹ U.S. Government Accountability Office. (2009, July). *Disaster assistance: Greater coordination and an evaluation of programs' outcomes could improve disaster case management.*

working in non-traditional or client-centered agencies should be recruited for this work.¹²

- Case managers should have a reasonable number of clients that makes it possible to provide the quality and intensity of service required. The 1:50 case worker-client ratio used by FEMA is too high for the intensity of services that are required.
- Case managers should be able to rely on high quality clinical supervision.
- Case managers must be knowledgeable about and be able to access the full range of resources available to assist their clients settle in the best possible permanent housing option for each person or family. Regardless of the agency that controls the housing resource (FEMA, HUD, different state agencies), the case manager should be able to tap into all that he or she determines the client is eligible for and that which best matches each client's given situation. The agencies that control these funds should devise a system by which they can deploy the resources in a unified fashion, so that case managers can access them with a minimum of red tape. A unified and accessible resource pool will not only yield better results for clients, but will be more cost effective by reducing the time that it takes case managers and clients to negotiate with multiple agencies.
- If the case managers are properly trained, have the right size caseload, necessary supervision, and the authority to access and deploy available resources, then they, and the agencies for which they work, can and should be held accountable for successful outcomes; i.e. clients who are permanently housed in a manner that best suits their needs. The number of contacts, number of referrals, or any other process measures should NOT be used to measure case managers' performance or the performance of the agency providing the case management services.
- Under no circumstances should a case be closed before an appropriate permanent housing outcome to which the client agrees has been achieved.

The Administration for Children and Families at the Department of Health and Human Services has published for comment an implementation guide for ACF Disaster Case Management. The guide emphasizes that the case manager be the single point of contact and that both short and long term service be provided. We noted in our comments that it is very easy for any number of agencies to simply declare they are providing case management with no attention to professional standards or coordination with other providers. We urged ACF to not only set standards for the services that will be provided, but to coordinate the provision of services across federal agencies and at the state and local levels.

We also expressed concern that the ACF guide did not place the same emphasis on housing as it did on healthcare, mental health, and other human services. This is despite housing being the most frequently cited need of clients of the FEMA funded Katrina Aid Today case management program.¹³ We strongly urged that case managers be trained to assess housing status, know their clients' housing rights, and have the most up-to-date information on housing related resources.

¹² Rapp, C.A. & Poertner, J. (1992). *Social administration: A client-centered approach*. New York: Longman.

¹³ GAO, 2009.

Finally, a case management system to assist people who are displaced from their homes by disaster should be community-based. People should be able to rely on a local agency that will be prepared to gear up in time of disaster to assist them. We recommend consideration of assigning that responsibility to the 3500 public housing agencies across the country. They have a direct funding and accountability relationship with HUD, and will likely be running DHAP going forward. They could be charged with the responsibility, along with the requisite resources, of providing case management services to all people in their jurisdiction who are displaced from their homes by a disaster. This would include finding temporary housing as well as determining what it will take to reoccupy the home that was damaged or find new permanent housing. PHAs do not employ enough people to take on this assignment, but could be the base of operation for the corps of skilled caseworkers to be “called up” in the case of disaster envisioned by the ACF disaster case management model.

Thank you for again for the opportunity to testify today.