

Testimony of Karen Paup, co director, Texas Low Income Housing Information Service,
before the Ad Hoc Subcommittee on Disaster Recovery
of the
Committee on Homeland Security and Government Affairs
United States Senate

Status report on the use of Community Development Block Grants (CDBG) funds to
support disaster recovery along the Gulf Coast from the 2005 and 2008 hurricanes

March 20, 2009

Chairwoman Landrieu and Members of the Subcommittee, thank you for the opportunity to testify today about the status of disaster recovery in Texas and the effectiveness of Community Development Block grants in addressing the immense housing challenges caused by the hurricanes that have devastated our state in recent years.

I would like to express my sincere appreciation to you and the members of your staff who are working to create a better future for long-term disaster recovery. You have done a terrific job of raising awareness of the housing needs of Gulf Coast hurricane survivors and of supporting federal resources to help them recover. The thoughtful process with which you have addressed this issue and organized this committee hearing is a cause for optimism among survivors and advocates who continue to be overwhelmed by the immense housing needs left in the wake of Katrina, Rita, Ike, Gustav and Dolly.

I am Karen Paup, co-director of the Texas Low Income Housing Information Service (TxLIHIS). Our mission is to support low-income Texans' efforts to obtain a safe, decent, affordable home in a quality neighborhood. We collaborate with low-income housing consumers, anti-poverty advocates, housing developers and policy makers to achieve our mission. TxLIHIS does not represent any sector of the housing industry. Rather, TxLIHIS works only on behalf of and with low-income people.

In 2005, the onslaught of Texas disasters began with the massive evacuation of Hurricane Katrina survivors to Texas, followed by Hurricane Rita, which impacted one of the poorest regions of our state. In 2008 Hurricanes Ike, Gustav and Dolly followed the 2005 hurricanes, together creating a housing crisis in Texas unlike any I have seen in my 27 years as a housing advocate.

As a result, we have refocused much of our recent advocacy to this vulnerable population of low-income disaster survivors in need of safe, affordable, long-term replacement housing. For example, my organization took the lead on the Texas Grow Homes project, in partnership with the Texas Society of Architects, the Texas Department of Housing and Community Affairs, private financial institutions, and a Houston community development corporation to design and model innovative, affordable modular homes that can transform from temporary housing into a long-term home.

We take on projects such as this not to simply come up with ideas of how recovery programs could work better, but to use these housing models as tools for policy change. The status quo of disaster recovery we have witnessed in Texas is not working either efficiently enough nor quickly enough.

My testimony today will focus specifically on the role of Community Development Block Grant (CDBG) funding in disaster recovery in Texas. In keeping with the Committee's request I will focus my testimony on Texas' use of CDBG disaster relief dollars, and specifically on state-managed housing programs created in the aftermath of hurricanes along the Gulf Coast.

OVERVIEW OF TEXAS CDBG DISASTER RELIEF FUNDING AND ACCOMPLISHMENTS.

I preface my analysis with an overview of the CDBG disaster relief funding, which Texas has received and I will summarize the state's housing related disaster accomplishments to date.

Texas has received three rounds of CDBG disaster relief funding, two rounds related to Hurricane Rita and the third related to Hurricanes Ike and Dolly.

Unlike some Gulf Coast states, Texas received a fraction of the amount of funds needed to address the housing and infrastructure damages sustained in this state.

With regard to disaster relief funding related to Hurricane Rita, in large part, Texas received inadequate federal funding because of FEMA's under-estimation of the number of homes and extent of damages brought about by Hurricane Rita. FEMA reported that 11,195 Texas homes had "severe" or "major" damage due to Hurricane Rita.¹ However, the Governor's office estimated that more than 75,000 homes had been damaged or destroyed. In addition, the governor estimated some 40,000 uninsured homeowners would need federal assistance to re-cover.²

After the federal Administration's second supplemental appropriations request only included funding for Louisiana, Texas Governor Rick Perry requested \$2.017 billion in CDBG assistance including \$367 million for housing.³

¹ Report of the Federal Emergency Management Agency, March 21, 2006.

² *Texas Rebounds: Helping Our Communities and Neighbors Recover from Hurricanes Katrina and Rita*, Governor Rick Perry and Commissioner Michael Williams, February 2006, pp. 12, 22. Available: <http://www.governor.state.tx.us/files/press-office/Texas-Rebounds.pdf>.

³ *Texas Rebounds: Helping Our Communities and Neighbors Recover from Hurricanes Katrina and Rita*, Governor Rick Perry and Commissioner Michael Williams, February 2006, p. 5. Available: <http://www.governor.state.tx.us/files/press-office/Texas-Rebounds.pdf>.

Governor Perry also testified before the March 8, 2006 Senate Appropriations Committee hearing on the supplemental request, requesting \$2 billion dollars in CDBG disaster recovery funding for Texas. Texas Senator Kay Bailey Hutchison pointed out that in addition to damages suffered as a result of Hurricane Rita, Texas had used its regular CDBG allocation to assist Katrina evacuees from Louisiana. The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery (P.L. 109-234), which became law in June 2006, included \$5.2 billion in CDBG disaster assistance for the five states affected by the 2005 hurricanes. Congress left HUD to make allocation decisions between the states.⁴ HUD allocated \$4.2 billion to Louisiana and established a new methodology, in part because of pressure from Texas officials, to allocate the \$429 million of the remaining \$973 million to Texas.

Yet with the additional funds provided in the second round, Texas still had far too little money to address the housing needs of Hurricane Rita survivors, not to mention the Katrina evacuees who had moved to Texas. Even if all of approximately one-half billion dollars of funding in combined Round I and Round II appropriations had been directed toward housing, there would have been less than \$7,000 to address each of the approximately 75,000 households impacted by Hurricane Rita.

Texas earmarked a substantial portion of Rounds I and II Rita funding to housing, a combined 84% of the available funds.

The following table indicates the funding levels from Rounds I and II and the funds set aside from each round to provide housing assistance.

Round	Total allocation	Housing funds	Housing percent
Rita I	\$74,500,000	\$40,885,181	54.9
Rita II	\$428,600,000	\$383,500,169	89.5

Lacking any experience in administering large-scale disaster recovery funding, Texas initially turned to regional consortia of local governments to administer the funds.

These consortia of local governments are known in Texas as Councils of Government (COGs). The councils are comprised of representatives of cities and counties within particular regions of the state. Round I of the Hurricane Rita funding was administered under a program where the councils of governments in the disaster-impacted areas became grant subrecipients and developed and administered their own programs with oversight provided by the Texas

⁴ Eugene Boyd, *CRS Report for Congress: Community Development Block Grant Funds in Disaster Relief and Recovery*, April 25, 2006. Order Code RL 33330. 8. Available: http://cip.gmu.edu/archive/DisasterRecovery_CDBG.pdf.

Department of Housing and Community Affairs.

In the wake of long delays and inefficient administration of the Round I program by the councils of government, a new approach was taken to the administration of Round II funds. The state agency charged with operating housing programs, the Texas Department of Housing and Community Affairs (TDHCA), undertook to directly administer the housing disaster relief funds in the second round.

Rita II has been administered under a plan in which the state has not utilized subrecipients. Instead the state administered the program itself, using a prime contractor (ACS) to manage the program, including intake, qualification, and construction management. ACS has used two major subcontractors, Shaw Engineering to assist in construction management and Reznick to assist in benefit determinations.

Congress appropriated \$1.3 billion in CDBG funds to Texas as initial funding to provide disaster assistance for Hurricanes Dolly and Ike. Texas Governor Rick Perry adopted a third different approach for the administration of these funds, designating the state Office of Rural Community Affairs (ORCA) to assume overall administrative responsibility under a plan which involves local communities in making decisions on where and how funds are utilized. The councils of governments make decisions as to which entities (including the councils of governments themselves, if they so elect) within their jurisdictions will be subrecipients and how the funds will be allocated between housing and non-housing activities.

The councils of governments elected to drastically reduce the percentage of funds for housing and to increase funding for infrastructure and economic development. Whereas under the Rita disaster assistance programs 84% of funds were earmarked for housing, the councils of governments earmarked a mere 47.9% of funding from the Hurricane Ike and Dolly disaster assistance funds for that purpose.

Round	Total allocation	Housing funds	Housing percent
Ike / Dolly I	\$1,300,000,000	\$622,752,828	47.9

All three rounds of funding have included provision for state-administered affordable rental housing set-asides, albeit at the minimum levels required by Congress.

ACCOMPLISHMENTS

The table below summarizes housing expenditures under each round of funding.⁵

⁵ Correspondence with Texas Department of Housing and Community Affairs, May 15, 2009.

Program	Housing funds	Housing funds expended	% Expended
Rita I	\$40,885,181	\$27,258,022	66.7
Rita II	\$383,500,169	\$54,503,647	14.2
Ike / Dolly I	\$622,752,828		
Totals	\$1,047,138,178	\$81,761,669	

The accomplishments to date of the Rita I housing program administered by the councils of governments (officially begun in July 2006) is as follows:

Total rehabilitated/reconstructed	223
Total manufactured housing units delivered.....	240
Additional manufactured housing units ordered but not delivered.....	23
Additional houses under construction	24
Additional units out for bid	<u>1</u>
Total housing units	511 ⁶

The accomplishments to date of the Rita II housing program administered by the Texas Department of Housing and Community Affairs (officially begun in April 2007) is as follows:

Total homes completed	23
Homes under construction	231
Closings	<u>369</u>
Total housing units	623 ⁷

Plans for the Hurricane Ike / Dolly I funding have not yet been finalized.

⁶ Board book, Board meeting of May 1, 2009, Texas Department of Housing and Community Affairs.

⁷ Board book, Board meeting of May 1, 2009, Texas Department of Housing and Community Affairs.

COMMENTARY ON UNDERLYING POLICIES, QUALITY OF SERVICE DELIVERY, PROGRAM MANAGEMENT AND ADMINISTRATION, CASE MANAGEMENT SUPPORT, EFFECTIVENESS AT MEETING THE NEEDS OF HOMEOWNERS AND RENTERS, CONSISTENCY, EQUITY, AND OTHER ISSUES.

As has been noted above, Texas received only a fraction of the amount of funds from Congress needed to address all of the housing needs resulting from the 2005 and 2008 hurricanes. To their credit, out of the funds made available for Hurricanes Katrina and Rita, state government allocated a significant portion to assist individuals to repair or reconstruct their homes. Furthermore, the limited availability of CDBG funds led Texas officials to prioritize Hurricane Rita funding to lower income homeowners. We strongly believe that the state acted responsibly in these two decisions.

The Texas approach to providing housing assistance was also shaped, in part, by a reaction by the state's political leadership to the perceived shortcomings of the Louisiana approach of providing direct cash payments to individuals. Texas leaders sought to ensure that the public funds were spent for housing and not other purposes, that the money stayed within the community and that no one be perceived as having used their disaster settlement funds inappropriately.

The Texas solution was to provide direct housing assistance to individuals in the form of contracted repairs or housing reconstruction and not in the form of cash payments. This assistance has been overseen by either state, regional or local government entities.

This approach offers protections and potential advantages to low-income persons. The poor, elderly and persons with disabilities often lack the wherewithal to negotiate with construction contractors for substantial repairs to their homes or for complete reconstruction. This is particularly the case in Gulf Coast states, which do not license contractors and which provide few if any remedies to consumers who are victimized by unscrupulous contractors.

Yet the interposition of government between the individual hurricane survivor and the housing contractor has produced a set of problems for Texas. These problems fall into the following categories:

- Inexperience and inefficiencies of government entities administering affordable housing programs;
- Additional requirements imposed by the CDBG statute upon government administered housing programs; and
- Difficulty resolving issues associated with very low-income homeowners such as duplication of benefits, gap funding requirements, and heirship or

other lack of clear title.

The lack of adequate funding to deal with all of the housing needs of hurricane Rita's survivors has also proven to be a huge challenge. In Texas the maximum housing grant made available under the Rita II program does not reflect the true cost of rehabilitation or reconstruction. Initial maximum grant amounts were \$65,000 for complete housing reconstruction. This is in contrast to the \$150,000 levels available to homeowners in Mississippi and Louisiana. The decision to set such low benefit levels in Texas was based on the large number of households needing assistance coupled with the inadequate federal appropriation levels. As a result, houses constructed under the program are built with less durable materials, poorer design, and are physically smaller sometimes resulting in households being overcrowded.

Texas has experimented with three different approaches -- regional, state and local delivery of government housing disaster assistance. The initial undertaking was a regional approach through which councils of governments established housing programs to assist individuals. As regional planning entities, the councils of government have little to no experience in direct delivery of affordable housing programs. Their lack of previous experience proved crippling to their efforts to implement the massive housing programs.

It took the councils of governments many months simply to staff up to administer the housing programs. Even after staff was in place, the councils fell far short of original contract goals. These contracts, which became effective in July 2006, are still ongoing but to date have produced just over 500 houses (fewer than 15 houses per month), approximately one half of which are manufactured units.

Both the low levels of maximum reconstruction allowances in the Texas program and decisions made by the COGs have raised housing quality concerns. The number of manufactured housing units used for replacement housing raises quality problems and lowers community acceptance of the housing. Replacing site built homes with manufactured housing units that are more vulnerable to future hurricanes is a questionable practice.

The state's second approach, having the state housing agency provide housing disaster assistance seems to us to be the most promising despite being plagued by an extremely long start up period. While state government had experience with contracting and designing affordable housing programs to rely upon, it lacked direct experience with implementing programs itself. It had never undertaken a housing program on such a large scale before.

Under Rita I, the councils of government quickly abandoned their plans to repair homes and elected the simpler task of replacing houses with site built and manufactured homes. Under Rita II the state housing agency has undertaken both rehabilitation of homes and reconstruction.

The decision by the state to undertake direct administration of the Rita II program caused both delays and cost increases with CDBG environmental, lead paint and asbestos abatement and mold remediation requirements being triggered.

The slow start up of housing assistance programs has resulted in the widespread deterioration of homes. This has greatly increased the cost of reconstruction and rehabilitation that has in turn reduced the number of households that can be assisted with the limited funds.

Despite the unconscionable length of time it took to make the Rita II program operational, the program procedures are generally fair and the design of the program is, with the notable exception of unreasonably low benefit levels, well thought out. We believe that this program will ultimately prove to be the most successful approach.

We have no such optimism for the success of the approach that the state is planning to use to administer the allocation of disaster assistance CDBG funds for Hurricanes Ike and Dolly. The approach involves a combination of regional allocation of funds through the councils of governments and local administration of funds by cities, counties and in some cases the councils of governments themselves.

The previous experience under Rita I has proven the inability of the councils of government to provide housing rehabilitation or to provide housing reconstruction in a reasonable timeframe. There are some larger local governments that may prove capable of administering housing programs but much of the area impacted by Hurricane Ike consists of small municipalities and counties with no previous housing experience.

As the councils of government struggle to complete their Rita I \$40 million contract, the state is now handing these councils the responsibility for administering the Hurricane Ike / Dolly CDBG program totaling \$1.3 billion.

This curious situation appears to have its origin in the agency which the governor selected to administer the Hurricane Ike / Dolly CDBG program, namely the Texas Office of Rural Community Affairs (ORCA). Just as Mississippi's selection of its economic development agency to administer funds for disaster relief skewed funding to economic development, so too did Texas's selection of ORCA skew the administration of the CDBG program. Another result is the substantial reduction of funding for direct housing assistance to individuals and increased funding to public works and infrastructure.

ORCA administers the State of Texas small cities CDBG program.

The purpose of state administered CDBG programs have strayed from being

focused upon the needs of low- and moderate-income people to become a state revenue-sharing program for infrastructure. Under ORCA, funding decisions for the state's small cities CDBG program are made by regionally selected groups of local government officials such as the councils of government. The CDBG funding allocation process has become not an assessment of local needs of low- and moderate-income communities and individuals but a proportional allocation of funds among regions and within regions by local elected officials to be used for general public infrastructure. Housing and community revitalization programs have virtually vanished from the state's community development program. Therefore, there is no local capacity to carry out programs to provide housing.

The process of local control of disaster assistance funds is taken to an absurd degree in the sub-allocation of CDBG funds in the plans of one council of government. This council of government has proposed to not only divide Hurricane Ike / Dolly CDBG disaster funds proportionately among counties within its jurisdiction but to allow counties to further subdivide funds in equal proportions among county commissioners within counties. Funding amounts at the very small resulting levels are meaningless. There is no ability to focus on overall needs or to have any efficiencies in program administration.

In the Hurricane Ike recovery plan submitted to HUD, the state failed to provide any details on the plan, simply delegating authority to councils of governments to make decisions regarding funding allocations between housing and infrastructure. In essence, the CDBG action plan submitted by the state to HUD is merely a plan to have the councils of government develop plans for the expenditure of funds.

While there is a clear understanding on the part of local officials about public infrastructure needs there is no knowledge regarding how to assess individual housing needs.

Tragically, the state's CDBG disaster recovery program for Hurricanes Ike / Dolly turned over all responsibility for deciding what portion of the funds would be used for direct assistance to individuals for housing and what portion would be used for public infrastructure to the councils of government. ORCA sub allocated funds regionally to councils of governments based on flawed FEMA data and in turn gave the councils of governments no useful data to make their decisions dividing available funds between housing and infrastructure.

As a result the councils of government have designated a mere 47.9% of Hurricane Ike / Dolly CDBG funds for housing as opposed to the combined 84% set aside for housing under the Hurricane Rita programs.

Equally tragic, the COGs are made responsible for the design, eligibility criteria and operation of the woefully inadequate portion of funds that they have set aside for housing reconstruction and rehabilitation despite their lack of

experience in this area.

There are few resources with which COGs and cities can contract to undertake the qualification, client services, and rehabilitation or reconstruction of housing for low-income populations. Infrastructure needs on the other hand have many vendors readily available seeking funding from local governments. Hence, public funds go where the providers are readily available to spend them.

The situation confronting renters who have lost their homes to the hurricanes is even bleaker. There is absolutely no infrastructure at the state or the local levels to rebuild rental housing for the poor. There is an infrastructure to build Low Income Housing Tax Credit units but such units are not affordable to the majority of the poorest renters absent their ability to get a Section 8 voucher. To our knowledge, no one has found a programmatic strategy that effectively addresses the need to rebuild rental housing for the poor. Despite the large percentage of rental housing destroyed in Hurricane Ike, the state's action plan for use of the CDBG funds proposes to allocate only the minimum required by Congress to rebuild rental housing.

Renters displaced by natural disaster who are elderly, persons with a disability or single parents in low wage jobs with children require long-term Section 8 benefits. Simply rebuilding unaffordable rental housing under the tax credit program will not solve their housing problem.

The results of Texas' current scenario for Ike/Dolly are easy to predict. The housing funds will be administered in an inconsistent and arbitrary manner from jurisdiction to jurisdiction and the provision of housing assistance is likely to be even slower than under the Hurricane Rita programs with the result being even fewer funds being set aside for housing assistance in any future CDBG allocations for Hurricanes Ike and Rita despite the overwhelming needs.

RECOMMENDATIONS

Our recommendations here build upon and support those that we offered in our previous testimony before this committee. That testimony dealt with reforms that were needed concerning FEMA's emergency housing programs. As we pointed out in that testimony neither FEMA's emergency programs nor HUD's long-term disaster relief programs (which are the subject of this testimony) should be treated without consideration of the other. Indeed, the failure to coordinate between FEMA and HUD assistance results in both major financial inefficiencies to the government and needless delays, confusion, and inadequate rebuilding resources for disaster victims.

Therefore, we see the reforms set out in my previous testimony regarding FEMA's programs as the necessary prerequisite to successfully reforming the HUD disaster assistance CDBG program.

One critical area in which these two programs must work together is the integration of the FEMA damage assessment process with the CDBG disaster recovery planning process. The FEMA damage assessment process must collect data regarding the economic characteristics of households in need of housing assistance along with adequate data to assess the nature and cost of housing restoration for each household and pass that information on for planning purposes to those who are developing the CDBG disaster recovery plan. The current FEMA data collection systems do not capture adequate data for long-term housing planning purposes.

A second critical area where FEMA and HUD must work together is in the establishment of a case management process to assist lower income households to rebuild or otherwise obtain affordable housing. In previous testimony before this committee I outlined how such a case management system should work. A central feature is the assignment of a case manager to follow a low-income household from the immediate post-disaster period all the way through the process of obtaining permanent housing.

The third critical area for FEMA and HUD programs to coordinate is in the strike teams that would be deployed quickly following the disaster to make emergency repairs to both rental and owner occupied housing to either restore the housing for occupancy or to secure the housing to prevent further deterioration.

We believe that an essential part of reform is the establishment of a clear congressional disaster relief policy. In the wake of recent disasters, Congressional response has largely consisted of appropriation of supplemental funding under the CDBG program. There should be a clear Congressional mandate regarding the goal of the disaster assistance.

While many CDBG regulations form a useful basis for a disaster block grant,

HUD's practice of waiving CDBG regulations, especially waiving income limits, means that the interests of renters, the poor, and minorities are often ignored.

We propose that Congress establish as the primary objective of the country's disaster relief policy to be that every citizen who survives the disaster be able to obtain a decent, affordable home in a quality community. We emphasize that the restoration of housing for our citizens should be the primary goal of disaster relief and that the secondary goal should be the restoration of public infrastructure and the economic vitality of the communities that are affected by the disaster.

In order to carry out disaster relief we recommend the establishment of two new grant programs within the US Department of Housing and Urban Development. These programs could operate as subsets of the CDBG or as separate block grants.

The first program or block grant would be known as the Community Facilities Restoration Block Grant and would provide funding for the restoration of public infrastructure, reimbursement of costs associated with storm cleanup and community economic development activities.

The second program or block grant would be known as the Affordable Housing Restoration Block Grant. This grant would provide funds over and above those provided under the Stafford Act to achieve the primary congressional goal of ensuring citizens are able to obtain a decent affordable home in a quality community. CDBG income requirements could not be waived for the housing program; however, requirements could be set to prioritize serving lower income households.

The Affordable Housing Restoration Block Grant would provide funding for:

- Continuation of case management service established under the FEMA emergency program;
- Funds for direct assistance to homeowners for rebuilding or reconstructing homes;
- Funds to establish programs to build new rental and owner occupied housing within a disaster area;
- Funds to repair existing rental housing under the Emergency Repair provisions of CDBG, if that level of repair would return units to habitability;
- Funds to repair existing rental housing to Housing Quality Standards and local codes;
- Funding to reimburse faith-based and nonprofit organizations for costs associated with their efforts to provide emergency repairs and housing reconstruction to individual disaster survivors;
- Section 8 block grant funding to make permanent Section 8 housing choice vouchers available to extremely low-income renter households;

- Funding for low income housing tax credits to rehabilitate or produce additional rental housing within disaster regions; and
- Funds to pay for emergency housing rehabilitation strike teams.

Congress's ability to obtain accurate information regarding funding needs for the Community Facilities Restoration Block Grant and the Affordable Housing Restoration Block Grant is dependent upon reforming the FEMA damage assessment process to ensure that rapid and accurate assessments of damages are made available to Congress. Congress should not be left in the position it has been in the wake of recent disasters of appropriating funds based on incomplete and inaccurate damage assessments. Nor should states or local governments be placed in a position to make decisions on the allocation of funds between housing and infrastructure without access to accurate needs assessment data. Using a combination of field inspections and reports from case managers FEMA should report housing block grant needs to Congress within 120 days of the disaster declaration.

We believe that the FEMA estimates should be complete enough to allow the congressional block grant to specify funding levels separately for owner occupied and renter occupied housing and should further provide information concerning the income of affected families so that accurate levels of appropriations to specific housing programs could be made.

We argue that a separate housing section within CDBG or in addition to CDBG be established for a number of different activities. Our purpose is to ensure that these activities will actually be carried out. As we noted in our previous testimony before this committee for example the housing assistance provided by faith-based and nonprofit organizations in the wake of the recent Gulf Coast disasters has proven to be some of the most useful and cost-efficient. Yet these faith-based groups have often had great difficulty in raising funds to pay for building materials to fully utilize their volunteer labor forces. Faith-based groups are often incapable or are unwilling to deal with the complexities of CDBG regulations in order to access funds to undertake housing rehabilitation. Local governments do not understand faith-based groups needs nor do they understand how to deal with them as they have had little, if any, previous experience interacting with them. Many faith-based groups are philosophically adverse to dealing with government. Thus this resource goes underutilized in many cases. The inclusion within the Affordable Housing Restoration Block Grant of a section to provide reimbursement to faith-based groups would leverage their involvement in future disasters.

We recommend a specific appropriation to offset the costs of the provision of permanent Section 8 Housing Choice Vouchers to households comprised of pre-disaster renters or owners who are elderly persons, persons with disabilities or single parents with children with incomes below 60% of the area median family income, who choose not to rebuild their homes, who choose to move to another

community, or if they were renters, who choose to continue in the same community.

When disaster impacts extremely poor households there needs to be a conscious policy decision at the federal level as to whether it is adequate to simply restore them to some equivalent ill-housed, socially undesirable and impoverished condition or whether we as a nation have an obligation to address their long-term housing needs on a permanent basis.

We know how to solve these housing problems. We have programs that do so for millions of Americans. The Housing Choice Voucher program is the most efficient solution.

When a poor family that was ill housed or marginally housed prior to a disaster loses their housing, they should be provided a clear, stable, permanent, decent and effective type of housing assistance. The reliance upon temporary programs like FEMA's assistance and upon temporary HUD voucher programs is morally unacceptable. We lift the family out of shelter poverty for a brief period of time through temporary assistance only too often to allow them to fall to a level more wretched than their pre-disaster condition. The focus with rent vouchers upon temporary housing assistance is completely inappropriate for the poor. It is based upon the fallacies that the market will quickly restore low-cost rental units and that a family in long-term poverty will magically rise out of poverty in the wake of total devastation and massive personal and social trauma.

We believe it is critical that victims of disasters have uniform access to housing assistance on substantially equivalent terms across an entire disaster region. The local control model adopted in Texas has resulted in widely varying benefit levels of housing recovery assistance across jurisdictions. Within one jurisdiction a household might receive a new house costing \$120,000 while in an adjoining jurisdiction a similarly situated household may be denied benefits. This raises substantial equity problems.

Effective provisions for the enforcement of fair housing laws are especially important. The duty to "affirmatively further fair housing" must be taken seriously and must be assigned to each government entity involved in the recovery process. The provision of housing assistance to evacuees on a regional basis as opposed to a local jurisdictional basis is a critical tool to affirmatively further fair housing opportunities.

HUD's failure to monitor and enforce fair housing laws in the administration of disaster assistance funds has allowed local governments to use funds in a manner that deny housing opportunities and reshape city economic and racial compositions using disaster relief funds to exclude the poor and minorities.

We must go beyond mere enforcement of the fair housing laws to promote

mobility options on the part of low-income households who are victims of disasters. Therefore we recommend that major disasters and disasters affecting a significant number of lower income households trigger the establishment of a moving-to-opportunity program in which case managers and specially trained counselors would provide assistance to households at or near the poverty level to develop mobility plans to locate housing in areas that provide employment opportunities for which they may be eligible.

In order to oversee disaster relief programs, to more effectively support local rebuilding efforts, and to expedite the rebuilding process we recommend the establishment within HUD of an Office of Disaster Preparedness and Recovery. This office would be charged with a number of important duties:

1. Rapid deployment of planning teams and volunteer resources to work with states and local governments to develop regional housing plans to meet the full range of housing needs of disaster survivors.
2. Development of affordable housing program templates and models that could quickly be adopted and implemented in the wake of disasters.
3. Research and development of housing design and construction techniques that can quickly be used to rebuild higher quality, storm resistant affordable housing.
4. Training and certification of housing case managers to work one-on-one with lower income families to obtain their permanent housing.
5. Pre-development of protocols to mobilize faith-based and volunteer organizations both for strike teams and long-term rebuilding.
6. Professional planning staff to work with FEMA to develop a joint HUD/FEMA integrated housing needs assessment system to provide data collection and reporting procedures to obtain useful information to inform Congress and state and local governments regarding the detailed affordable housing needs in the wake of a disaster.
7. Fair housing staff and moving-to-opportunity program team to work with state and local governments to ensure the affirmative furthering of fair housing and the provision of housing options to poverty level disaster survivors.

In addition to these resources, the HUD Office of Disaster Preparedness and Recovery would have primary responsibility to inform Congress regarding affordable housing block grant appropriation needs in the wake of disasters and would have authority to approve state disaster recovery plans.

As I emphasized in previous testimony before this committee, all of this needs to be considered in the context of the need to recognize the additional needs of low-income victims. Case managers working with low-income people should know what the needs of the families are for reconstruction and this information should serve as a basis for a rational allocation of funds for housing. The case managers should convey this information to state and local governments prior to

the decisions being made regarding allocation levels between housing and infrastructure.

Finally, housing resources provided under the Stafford Act need to be coordinated and combined with HUD housing disaster assistance to provide a quickly deployable house that can form the basis of a long-term permanent home for low-income families.

We are extremely grateful for the Committee's focus upon improving disaster housing assistance. This is truly one of the most important problems in affordable housing today. We appreciate the opportunity to be able to present our experiences and ideas and stand ready to assist the Committee and its staff.