



**NATIONAL LOW INCOME
HOUSING COALITION**

*Dedicated solely to ending America's
affordable housing crisis*

Post Katrina Emergency Management Reform Act of 2006

On July 25, Senators Susan Collins (R-ME) and Joseph Lieberman (D-CT) introduced S. 3721, the Post Katrina Emergency Management Reform Act of 2006. The bill would make substantial revisions to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the law governing disaster response. The bill would also: reform and reorganize national preparedness and response; make staffing improvements to the Department of Homeland Security (DHS) and the United States Emergency Management Authority (USEMA) [the renamed Federal Emergency Management Agency]; improve disaster planning, including the evacuation of people with disabilities and other vulnerable populations; improve preparedness and training; and implement new measures to prevent fraud, waste and abuse during emergencies.

Disaster Recovery and Housing Strategies

Title II of the bill amends the Stafford Act. The bill would require that the USEMA Administrator, together with the Secretaries of HUD, Agriculture, Commerce and Treasury, the Administrators of the Environmental Protection Agency and the Small Business Administration, and state and local government officials, develop, coordinate and maintain a National Disaster Recovery Strategy. The strategy would outline and describe the most efficient and cost effective Federal programs that would meet the short and long-term recovery needs after a disaster. The strategy would also define the roles, programs and responsibilities of each Federal department or agency that would provide some level of assistance in the recovery from a major disaster. The USEMA Administrator would be required to submit the Recovery Strategy to congressional committees nine months after the bill's enactment, and on May 1 each year thereafter.

The Secretary of HUD, the USEMA Administrator, and state and local governments would additionally develop a Disaster Housing Strategy. This strategy would outline the most cost effective and efficient Federal programs to best meet the short and long-term housing needs of households after a major disaster. The Disaster Housing Strategy would define the roles, programs, authorities, and responsibilities of all entities that could provide housing assistance in the event of a disaster. Such entities would include HUD, USEMA, the Departments of Agriculture, Veterans Affairs and Health and Human Services, as well as the American Red Cross and State and local governments.

The Disaster Housing Strategy would also outline funding issues, detail how responsibilities would be shared amongst participating entities, address "matters concerning the cooperative effort to provide housing assistance," and consider methods to provide housing assistance where employment and services are available. The participating agencies would plan for "clusters of housing," or trailer/mobile home parks, to be placed with access to public services, as well as planning for the site management, density and security of such parks. Programs directed to meet the needs of low income populations would be identified and planned. Like the National Disaster Recovery Strategy, the Disaster Housing Strategy must be submitted to congressional committees nine months after the bill's enactment and on May 1 every year thereafter.

Individuals and Households Program

When determining eligibility for housing assistance under the individuals and households program, the bill would require that USEMA consider good cause reasons why a pre-disaster household may no longer be intact, allowing for more than one member of the household, post-disaster, to receive assistance. This provision would correct many of the problems Katrina evacuees faced due to FEMA's "shared households" rule.

The bill lists a series of situations whereby assistance could be provided separately to different members of a pre-

disaster household including: individuals who were displaced from their pre-disaster residence to a location different than others from that household, and can demonstrate good cause for doing so; domestic violence survivors who, in order to protect his or her safety, reside separate from other members of their pre-disaster household; individuals who, because of family break up or divorce, live in separate households post-disaster; and other demonstrable good cause. The President would be required to issue shared household regulations within six months of the bill's enactment.

S. 3721 would amend current law to allow disaster victims to use their cash assistance for security deposits and utility bills. The amount of rental assistance given to displaced households would be based on HUD's fair market rent (FMR). Households could receive up to 120% of local FMR if the President determines that the disaster has resulted in rental market changes such that the FMR does not accurately reflect the cost of renting an apartment. "Extraordinary circumstances," including when accommodating the housing needs of a person with disabilities, would allow for households to receive above 120% FMR. Any adjustment to the amount of assistance must be publicly announced.

The \$26,200 cap (adjusted for inflation) on assistance available to disaster victims would remain for non-catastrophic disasters. However the ceilings within this amount, such as the cap of \$5,200 for the repair of a damaged unit and \$10,400 for its replacement, would be removed.

Within six months of the bill's enactment, the USEMA Administrator must establish a verification process for Individuals and Households Program registrants applying by telephone or over the internet. The process must provide "reasonable assurance" that assistance payments are made only to qualified individuals. Such procedures must improve the existing review process of "duplicate registrations containing the exact same social security numbers," establish an address verification process and establish procedures to collect duplicate expedited assistance payments.

Direct Housing Assistance

S. 3721 would require that a household give its consent before being provided with direct housing assistance such as a travel trailer or mobile home. If the household rejects this option, they would remain eligible for other forms of housing assistance. The bill also would require that of all direct assistance housing units provided after a disaster, not less than 5% must be accessible for persons with mobility impairments, and not less than 2% accessible for persons with hearing and vision impairments.

Adding to FEMA's current statutory authority to provide temporary housing as direct housing assistance, the bill would authorize USEMA to also provide semi-permanent or permanent housing to displaced households. In addition, USEMA could provide financial assistance to households or individuals to construct permanent housing when no alternative housing is available, and when other types of housing assistance are unavailable, infeasible or not cost-effective. This would give USEMA the flexibility to provide modular housing units, such as Katrina Cottages, after a disaster.

Public Guidance

The bill would require that public guidance, explaining all types of housing assistance available to people affected by a disaster, be made public no later than five days after a disaster is declared. The guidance must specify eligibility requirements, application procedures, and requirements for the continuation of assistance. The guidance must be posted on USEMA's website and also provided to any household requesting housing assistance. Any changes to the guidance must also be publicized, within two days of the revisions.

The guidance must be made available in formats accessible to people with vision impairments, limited English proficiency, and other special needs. All notices pertaining to denial, reduction or termination of benefits, including the right to appeal, must be translated.

Catastrophic Disasters

A new title would be added to the Stafford Act, defining available disaster assistance in the case of a catastrophic event. The President would create regulations to determine when a disaster is considered catastrophic. This

assessment would be based on: the cost estimates of damages; the impact on the State's ability to perform response and recovery activities and to provide basic services; the estimated impact of revenue loss, the number of people displaced from their pre-disaster residences; the loss of housing stock; the impact on employment rates; and the anticipated length and difficulty of the recovery process.

When disasters are determined to be catastrophic, households would receive assistance in amounts up to \$52,400 (two times the amount available for non-catastrophic disasters), adjusted for inflation.

Additionally, if a disaster is declared to be catastrophic, certain households may be eligible for mortgage or rental assistance while still living in their pre-disaster home. If, as a result of the disaster, a household has lost at least 20% of its pre-disaster income, and has a rent or mortgage payment of at least 25% of its post-disaster income, that household would be eligible for rental or mortgage assistance in order to avoid eviction or foreclosure. Rental or mortgage assistance would be available for up to 12 months, and would be deducted from the household's \$52,400 cap.

Other Provisions of Interest

The bill also revises the Stafford Act to authorize the use of USEMA funds for mental health and substance abuse services, as well as case management and transportation assistance for displaced households to return to their home communities.