

# CONGRESSIONAL HOUSING RECOVERY POLICY RECOMMENDATIONS

## CONGRESS SHOULD:

1. Take immediate action to ensure that the survivors with the greatest needs have access to safe, decent homes while they get back on their feet by:
  - a. Directing Federal Emergency Management Agency (FEMA) to enter into an Interagency Agreement with the Department of Housing and Urban Development (HUD) to activate the Disaster Housing Assistance Program (DHAP) to provide low income survivors with direct, longer-term rental assistance and case management services provided by local housing professionals. DHAP plays a critical role in providing safe, decent, and affordable homes to some of our nation's most vulnerable individuals and families after a disaster. DHAP has been widely upheld as a best practice by past Democratic and Republican administrations.
  - b. Directing FEMA to recognize and prioritize the exceptional needs of pre-disaster homeless populations in a disaster zone.
2. Provide robust housing recovery funds and enact cost-effective measures to ensure that all households, including homeowners, renters, and those who were experiencing homelessness before the disaster, receive the affordable and accessible housing assistance they need for as long as they need it:
  - a. Housing recovery resources should include funding for:
    - i. Community Development Block Grant - Disaster Recovery (CDBG-DR) grants that maintain current income targets and affordability restrictions;
    - ii. Disaster Housing Assistance Program (DHAP) to assist the lowest income renters with their medium- to longer-term housing needs;
    - iii. National Housing Trust Fund development resources to ensure that rental homes rebuilt or rehabilitated with federal CDBG-DR and Low Income Housing Tax Credit investments can reach the lowest income households;
    - iv. Operating assistance to ensure that rental housing is affordable to the lowest income households. Operating assistance should be provided through the national Housing Trust Fund and the ability to project-base Housing Choice vouchers (PBV) or disaster vouchers (DVP);
    - v. McKinney-Vento Homeless Assistance Grants;
    - vi. Public Housing Capital Funds to repair damaged or destroyed public housing units;
    - vii. Emergency repair grants to repair damaged or destroyed units financed under Section 202 or 811;
    - viii. HOME Investment Partnerships Program (HOME) funds;
    - ix. Community Development Financial Institutions (CDFI) Program Financial Assistance (FA), with a preference for CDFIs that have a track record working in the impacted communities;
    - x. Administrative funding for state and local governments managing and implementing CDBG-DR funds;
    - xi. USDA housing and rural development programs, consistent with disaster relief provided

- in 2009 after Hurricanes Rita and Katrina, with direction to improve efficiency;
- xii. Communications to ensure that all survivors, regardless of language and disability status, understand the federal recovery tools available to them; and
  - xiii. Salaries and expenses to allow HUD staff to develop disaster recovery processes and strategies in advance of future events.
- b. Cost-saving measures should include requiring that CDBG-DR recovery grants be used to address the needs of low and moderate-income households first, when federal resources are not sufficient to cover all impacted households.
3. Enact robust tax relief that includes:
- a. A special allocation of 9% and 4% Low Income Housing Tax Credits and bond authority to impacted communities with strong incentives for deeply targeted units:
    - i. These incentives should include reforms from the *Affordable Housing Credit Improvement Act*, including:
      - 1. A 50% basis boost for housing developments that serve extremely low income households and individuals experiencing homelessness;
      - 2. A prohibition of local approval and contribution requirements;
      - 3. Incentives to develop affordable rental housing for Native Americans;
      - 4. A minimum 4% Housing Credit rate for acquisitions and Housing Bond-financed developments; and
      - 5. The ability for states to award a 30% basis boost for Housing Bond-financed developments.
    - ii. Congress should consider providing states with the ability to provide a basis boost for developments located in disaster-impacted areas.
    - iii. Congress should ensure that the disaster recovery legislation follows existing law, which requires states to give preference to “projects serving the lowest income tenants” and “projects obligated to serve tenants for the longest period”; and
    - vi. Congress should provide flexible deadlines given the likely challenges developers will face in accessing needed financing and securing labor and materials after a disaster. Instead of a ‘placed in service’ deadline, Congress should consider a deadline by when construction must begin.
  - b. Authorization for low income households to deduct from their taxable income a portion of the cost to reconstruct their home, not covered by insurance or federal loans or grants and capped at a reasonable amount;
  - c. A special allocation of New Markets Tax Credits and an increase in the program’s limitation amount to allow distressed communities to rebuild critical infrastructure, including community facilities like health centers and schools;
  - d. Authorization of an additional advance refunding of a tax-exempt bond that is outstanding on the date on which a federally-declared disaster occurs;
  - e. Issuance of qualified disaster area recovery bonds; and
  - f. Increased rehabilitation tax credits.

4. Play an active oversight and reporting role to ensure that federal resources, including investments in housing, public infrastructure, and environmental remediation, are allocated fairly and adequately to meet the needs of low income people and communities in urban, suburban, and rural communities, including:
  - a. Directing FEMA to collect and post on OpenFEMA comprehensive demographic data on the impact of the disaster and federal recovery efforts, to survey impacted areas on disaster and social neighborhood vulnerability, and to use the results when allocating resources. Data should be collected on all protected classes covered by the Stafford Act, the Americans with Disabilities Act, Fair Housing Act, Title VI, and other civil rights protections, including, but not limited to race/ethnicity, income and economic status, age, disability, and gender, as well as education, vulnerability for gentrification and future displacement, transportation dependence, housing tenure of the individual and location at a granular basis to enable meaningful analysis.
  - b. Requiring states to demonstrate to HUD that they are adequately addressing the needs of homeowners, renters, and people experiencing homelessness with their CDBG-DR allocation and other resources as a condition for receiving funds. This should be made available to the public.
  - c. Requiring states to submit to HUD for its approval performance goals for the recovery of homeownership and rental housing programs, including goals for processing applications, beginning construction, and completion. Performance goals should be made available to the public.
  - d. Requiring states to track and report to HUD and make publicly available the completion status of all homeowner and rental units that receive federal recovery assistance;
  - e. Directing HUD's Office of Inspector General (OIG) to oversee and collect data disaggregated by race and geography on all disaster recovery efforts and report to Congress. Data should include all protected classes covered by the Stafford Act, the Americans with Disabilities Act, Fair Housing Act, Title VI, and other civil rights protections. This data should be made available to the public;
  - f. Requiring HUD to publish in the Federal Register at least five days prior to implementation any waivers of federal regulations; and
  - g. Holding oversight hearings and requiring federal agencies, including FEMA and HUD, to report to Congress on specific criteria on a regular basis.
5. Ensure that the lowest income households can fully benefit from federal disaster housing resources and have meaningful choices over where to live and opportunities for work, by:
  - a. Ensuring that households receive affordable and accessible housing assistance for as long as they need it and are not subject to arbitrary deadlines prior to full recovery;
  - b. Funding legal aid services to provide survivors with short-term and long-term help accessing disaster recovery programs and overcoming legal obstacles to recovery, such as title issues, legal representation in mortgage foreclosures;
  - c. Funding social services, transportation, and education to address the full scope of needs for displaced individuals and individuals experiencing homelessness, including resources to help homeless students attend school;
  - d. Enacting legislation to protect individuals from rent hikes and price gouging during disaster recovery;
  - e. Funding housing counseling, including mobility counseling services, to help low income households identify all housing opportunities, including the option to relocate to the

- neighborhood of their choice, and to understand the risk and cost of future disasters;
- f. Requiring all property owners receiving federal disaster assistance, including CDBG-DR funds, to prioritize tenants receiving housing assistance for available units;
  - g. Requiring that HUD ensure that all damaged federally subsidized rental housing be replaced on a one-for-one basis, with a right to return to rehabilitated or newly constructed replacement housing;
  - h. Basing grant amounts on the cost to replace or repair damaged property rather than property values to help close financing gaps and to protect households that live in neighborhoods where property values are less than the cost of repairs and replacement;
  - i. Repairing or rebuilding federally subsidized rental housing in a manner that is consistent with HUD's Affirmatively Furthering Fair Housing guidance to ensure fair housing choice. Investments should be made in a manner that fosters affordable housing in high-opportunity neighborhoods and in communities with currently existing affordable housing. All investment should be made in a manner that prevents displacement and provides impacted residents with the choice to stay in their existing communities or relocated to other desired locations;
  - j. Providing longer forbearance periods and fair repayment terms on federally financed and federally insured home mortgages and rental housing loans, including those at the Federal Housing Administration, the U.S. Department of Agriculture, the U.S. Department of Veterans Affairs, and the Federal Housing Finance Agency, to accommodate the time to rebuild;
  - k. Funding the Corporation for National and Community Service AmeriCorps program and Youth Build program to train unemployed and underemployed young adults to assist with the rapid repair and rebuilding efforts;
  - l. Funding public housing agencies and local governments to hire HUD Section 3 coordinators in order to facilitate training, employment, and small business contracting opportunities for eligible residents and businesses in the recovery effort. This can be effectively accomplished by working with local stakeholder groups, including, but not limited to, local Chambers of Commerce, small business affinity groups, and local community development corporations and other community-based organizations operating in impacted communities; and
  - m. Providing oversight/accountability for utilization of Section 3 by HUD grantees, including public housing agencies and local jurisdictions, as required by law.
6. Protect displaced individuals from discrimination by:
- a. Enacting legislation barring all landlords who receive disaster recovery assistance from discriminating against displaced individuals based on housing status, eviction history, and source of income, including rental housing assistance;
  - b. Funding qualified fair housing enforcement organizations to help people in disaster-affected areas understand their fair housing rights and how to enforce them, investigate and resolve fair housing complaints, monitor conditions in the housing market to proactively identify and stop discriminatory home sale and rental practices, and undertake other efforts, as needed, to ensure that those affected by the disasters do not face unfair, discriminatory housing practices as they recover from the disaster;
  - c. Providing funding to the Department of Justice to enforce federal fair housing laws, as well as Title VI and Title VII laws, after disasters;
  - d. Enacting legislation barring any community that accepts federal disaster relief and recovery funds from passing or enforcing laws which criminalize people experiencing homelessness for

self-sheltering or conducting other life-sustaining behaviors in public places when there are inadequate alternatives; and

- e. Enacting legislation to ensure that individuals experiencing homelessness prior to the disaster have access to the same disaster relief assistance as those who were renting their homes prior to the disaster.
7. Protect against future disasters by:
    - a. Providing robust funding for FEMA's mitigation programs and directing FEMA to assist communities in financing mitigation efforts or accessing private financing. FEMA should prioritize communities at greatest risk, with the largest potential savings, and with the least ability to finance mitigation themselves;
    - b. Directing FEMA to update floodplain maps using the highest quality datasets, like Light Detection and Ranging (LIDAR) data, and with public input to ensure accuracy. Congress should require FEMA to make these maps available to the public;
    - c. Requiring that all infrastructure financed with federal resources meet minimum standards storm water protection, such as those required by Federal Flood Risk Management Standards;
    - d. Requiring that the reconstruction of any home built with federal resources located in 100-year flood hazard area includes cost-effective mitigation strategies, including the elevation of residential structures and parking areas above the 100-year floodplain or higher, floodproofing lower levels of residential structures, and other methods;
    - e. Funding the full remediation of Environmental Protection Agency-designated Superfund sites; and
    - f. Allowing disaster relief funds, such as CDBG-DR, to be used for storm mitigation strategies. For example, these resources could be used for roof hardening, the purchase of shutters, or the installation of hurricane-resistant windows and doors and resilient power systems, including solar + storage microgrid technology that can provide backup power during extended outages.
  8. Promote better coordination among federal agencies by:
    - a. Permanently authorizing the CDBG-DR program and directing HUD to create a standard set of CDBG-DR regulations;
    - b. Enacting laws and policies to ensure better federal coordination of disaster recovery, using FEMA's National Incident Management System as a model; and
    - c. Establishing a central federal database to consolidate relevant data collected by all local, state and federal agencies involved in disaster response. Data should be available throughout the response/recovery period to federal, state and local governments directly responsible for administering disaster recovery funds.

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