

# HURRICANE SANDY REBUILDING STRATEGY

*Progress Update — Housing*



*Spring 2014*



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# BACKGROUND

On August 19, 2013, the Hurricane Sandy Rebuilding Task Force released its [Rebuilding Strategy](#) for the Sandy impacted region. The Rebuilding Strategy included a long-term plan for rebuilding that guides Sandy Supplemental spending to drive regional coordination and make communities more resilient to future disasters. The Rebuilding Strategy also aligns federal, state and local policies to achieve seven goals that are important to the long-term rebuilding of the region in the most economically efficient, ecologically robust and innovative ways possible. These goals are:

- Promoting Resilient Rebuilding through Innovative Ideas and a Thorough Understanding of Current and Future Risk
- Ensuring a Regionally Coordinated, Resilient Approach to Infrastructure Investment
- Restoring and Strengthening Homes and Providing Families with Safe, Affordable Housing Options
- Supporting Small Businesses and Revitalizing Local Economies
- Addressing Insurance Challenges, Understanding, and Affordability
- Building State and Local Capacity to Plan for and Implement Long-Term Recovery and Rebuilding
- Improving Data Sharing Between Federal, State, and Local Officials

The Rebuilding Strategy identified 69 specific recommendations across these broad goals as well as specific member agencies<sup>1</sup> to lead the implementation of each of them. Since the publication of the Rebuilding Strategy, these agencies have continued to work closely together to move the recommendations forward and deliver on their commitments to the region and the President.

**This report includes an update on the implementation of one of the Rebuilding Strategy goals. This report is one section of a larger report that includes each of the seven Rebuilding Strategy goals and the internal efforts to improve data sharing and accountability through the Sandy Program Management Office (PMO);** recommendations are grouped according to these goals. This shorter report includes background information from the original Rebuilding Strategy, identifies the relevant leading agencies<sup>1</sup>, and includes brief updates on highlighted areas of progress made since the publication of the Rebuilding Strategy through the spring of 2014. Additional Rebuilding Strategy goal reports and a report on the PMO can be downloaded individually or can all be downloaded in the full report. A full list of the Rebuilding Strategy recommendations is included in the full report as an appendix to the report. To learn more about the Task Force or the Sandy Supplemental, to read the original Rebuilding Strategy, or to see the status of the Sandy Supplemental funding, please visit the following websites:

- Executive Order 13632, establishing the Hurricane Sandy Rebuilding Task Force: <http://www.gpo.gov/fdsys/pkg/DCPD-201200936/pdf/DCPD-201200936.pdf>

<sup>1</sup> While the Rebuilding Strategy identified specific agencies (such as the Department of Housing and Urban Development) to lead implementation, in some cases these leads have changed, or more specific subcomponents of or offices within an agency (such as the Office of Community Planning and Development) have been identified. Further, for some recommendations, the Rebuilding Strategy also identified contributing or supporting agencies. This progress report reflects the latest lead agencies only, and does not include contributing agencies, which in some cases have played a significant role to support implementation.

- Disaster Relief Appropriations Act, 2013, or “Sandy Supplemental,” which provided \$50 billion in disaster relief funding to Federal agencies: <http://www.gpo.gov/fdsys/pkg/PLAW-113publ2/pdf/PLAW-113publ2.pdf>
- The Hurricane Sandy Rebuilding Strategy, published by the Task Force on August 19, 2013: <http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf>
- Recovery.gov Hurricane Sandy maps, for the latest status of Sandy Supplemental funds by state: <http://www.recovery.gov/Sandy/whereisthemoneygoing/maps/Pages/HudPmo.aspx>

# REBUILDING STRATEGY GOAL: RESTORING AND STRENGTHENING HOMES AND PROVIDING FAMILIES WITH SAFE, AFFORDABLE HOUSING OPTIONS

From the public housing projects in Queens and Brooklyn that remained without light and heat for days, to the beach front towns along the Jersey shore where surging tides plowed houses from their foundations and left them buried in sand, the storm upended tens of thousands of lives across the New York and New Jersey region. Sandy rendered individual homes and entire neighborhoods uninhabitable and, in some cases, unrecognizable.

Because the region has a high population density, a relatively expensive housing market, and low housing inventory, responding to the housing needs of affected residents raised challenges different from those faced in disasters such as Hurricanes Katrina, Ike, and Rita. Affordable, temporary housing units in close proximity to storm-affected neighborhoods were in short supply, which forced federal, state and local authorities to employ an array of policy tools to provide displaced individuals with a place to stay. Some of these tools had been used in past disasters, but many were significantly adapted or developed in real time to respond to Sandy.

## Lead Agencies

Department of Housing and Urban Development (HUD)  
Department of Treasury (Treasury)  
Department of Health and Human Services (HHS)

Department of Homeland Security (DHS)  
Environmental Protection Agency (EPA)  
Federal Emergency Management Agency (FEMA)

## Progress Update

Lead agencies continue to make progress on completing the various housing recommendations, which range from speeding assistance to housing programs in the affected states and communities, to developing model affordable housing programs and interagency guidance on health related housing issues.

HUD allocated the first round of [Community Development Block Grant - Disaster Recovery](#) funding in just 8 days – faster than ever before. In total, HUD has now allocated \$13 billion to the region to date.

A policy tool used to respond to Hurricane Sandy was HUD's Disaster Housing Assistance Program (DHAP), which provided temporary rental payments directly to landlords to help families displaced by the storm. Also, the IRS temporarily suspended tenant income limitations and non-transiency rules of the Low Income Housing Tax Credit to allow project owners to rent their vacant units to individuals and families who lost their homes due to Hurricane Sandy even if those individuals do not qualify as low-income persons.

FEMA's [Sheltering and Temporary Essential Power \(STEP\) Pilot Program](#) is a new policy tool that enabled States to work with residents to return to or remain in their homes by providing homeowners with funds for permanent repairs. This reduced the number of individuals in congregate shelters or in the FEMA Transitional

Shelter Assistance (TSA) Program. Currently FEMA is in the middle of evaluating the effectiveness of STEP and has to date completed its customer surveys and is evaluating this feedback.

A model affordable housing program was created working with the Federal Housing Administration (FHA) and a New Jersey-based community development financial institution to purchase FHA single-family distressed loans in the most impacted counties, and to allow homeowners to make repairs while they remained in their homes. More than 125 homeowners (25% of the total portfolio of loans) already have loan modifications in progress and will be able to repair and retain their homes.

HUD and Treasury in partnership with New York City's Housing Development Corporation, continue to make progress in developing a multifamily risk-sharing model to finance affordable housing projects in New York City.

Finally, together FEMA, EPA, HHS and HUD are currently on target to issue consolidated guidance on the mediation of indoor air pollutants (e.g. mold, lead, and radon) with an anticipated publication date of late summer 2014.

### *What this means for communities*

Agencies have worked to get money for housing to communities **faster than ever before**, are exploring new ways to **protect homeowners in disaster affected areas who are in danger of losing their homes to foreclosure**, and are working to ensure that homes impacted by disasters are rebuilt **healthy and safe**.

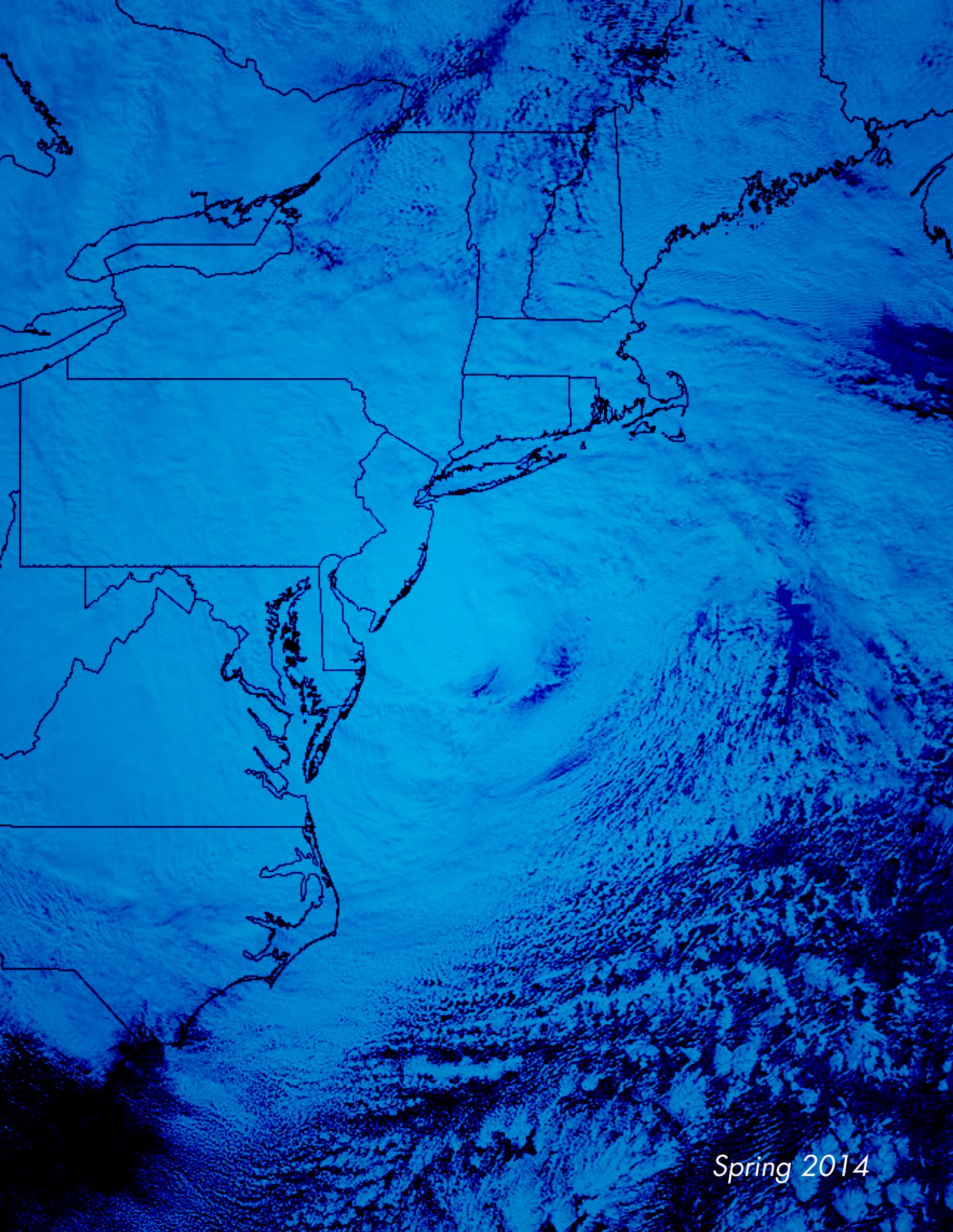
## **For More Information**

- Learn more about HUD's Community Development Block Grant – Disaster Recovery here: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/drsi](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/drsi)
- For more background on FEMA's Sheltering and Temporary Essential Power (STEP) Pilot Program: <http://www.fema.gov/media-library/assets/documents/29829?id=6709>

# HOUSING RECOMMENDATIONS FROM THE HURRICANE SANDY REBUILDING STRATEGY

## *Housing: Restoring and Strengthening Homes and Providing Families with Safe, Affordable Housing Options*

1. For future disasters that affect high-density and high cost areas, shelter-in-place programs like New York City's Rapid Repair and FEMA's Sheltering and Temporary Essential Power (STEP) programs should be implemented to reduce the number of people displaced from their homes who would otherwise require short term housing. Evaluate the effectiveness of STEP and compare outcomes to other forms of temporary emergency sheltering implemented in response to Sandy. In addition, evaluate the New York, New Jersey, and New York City implementation of sheltering in place programs.
2. HUD should expedite future allocations from the remaining CDBG-DR funds for Sandy recovery and other eligible disasters, as well as other allocations (if appropriated) for future disasters. HUD should continue to provide consistent and appropriate standards for the use of CDBG-DR funding. In addition, HUD should encourage grantees to use toolkits and other existing resources to expedite program implementation.
3. Require grantees to use CDBG-DR funding to support public and HUD-assisted multi-family housing as well as subsidized and tax credit-assisted affordable housing with recovery and risk mitigation efforts.
4. Align the foreclosure prevention policies of the FHA and the FHFA – including policies on moratoria, forbearance, and refinancing.
5. HUD should explore ways to assist State and local governments to develop model affordable housing programs that leverage funding from the public, private, and philanthropic sectors for affordable housing development and preservation in Sandy-affected areas, as well as in other regions that could potentially be affected by future disasters.
6. Encourage and promote the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED home programs/ Resilience STAR development standards.
7. Help identify opportunities for state and local housing programs to leverage funds and create public-private partnerships.
8. FEMA, EPA, HUD, and HHS should issue consolidated guidance on remediation of indoor air pollutants (e.g. mold, lead, radon, and asbestos) that can pose health hazards for workers and residents in the Sandy-affected region. In addition, these agencies should recommend or establish region and housing stock specific toolkits related to indoor air pollutants for States and localities responding to disasters. Tribal, State, and local governments should include the remediation of these indoor environmental pollutants in their rebuilding construction/rehabilitation programs.
9. Bring together the Housing RSF and Emergency Support Function six partner agencies to review and integrate existing housing plans, as well as existing statutes, regulations, and policies for potential changes (statutory, regulatory or policy) to improve the delivery of housing solutions for future disasters.



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