

U.S. Department of Homeland Security  
Region II  
FEMA-4336-DR-PR  
FEMA-4339-DR-PR  
#50 165 Suite 3  
Parque Industrial Buchanan  
Guaynabo, P.R. 00968



**FEMA**

May 15, 2018

Governor Ricardo Rosselló Nevares  
Commonwealth of Puerto Rico  
P.O. Box 194140  
San Juan, Puerto Rico 00919-4140

RE: Disaster Housing Assistance Program (DHAP) Request  
FEMA-4336-DR-PR; FEMA-4339-DR-PR

Dear Governor Rosselló:

Thank you for your December 14, 2017 letter requesting the Disaster Housing Assistance Program (DHAP) for survivors impacted by Hurricanes Irma and Maria in Puerto Rico. Considering current housing needs of impacted survivors and the availability of other housing options to meet those needs, as well as lessons learned from DHAP's implementation in past disasters, DHAP will not be implemented for Puerto Rico recovery efforts. Instead of DHAP, both the U.S. Federal Emergency Management Agency (FEMA) and the U.S. Department of Housing and Urban Development (HUD) have offered multiple housing solutions that are better able to meet the current housing needs of impacted survivors across Puerto Rico.

FEMA's Individuals and Households Program (IHP) provides both Financial Housing Assistance and Direct Housing Assistance to meet transitional, temporary, and permanent housing needs that result from a disaster. As of May 14, 2018, FEMA has obligated more than \$1.2 billion in IHP assistance, with more than \$593 million in Housing Assistance for survivors. Of the over 1.1 million registrations for IHP received, 794,589 Housing Inspections have been issued and 212,163 households have been approved for Housing Assistance. The FEMA IHP registration deadline has been extended to June 18, 2018. To date, the following IHP assistance has been provided:

- IHP Financial Housing Assistance
  - Rental Assistance (Over \$108.2 million for 126,939 households)
  - Repair Assistance (Over \$418.1 million for 122,820 households)
  - Replacement Assistance (Over \$67.2 million for 2,221 households)
  - Lodging Expense Reimbursement (LER) (\$153,302)

- IHP Direct Housing Assistance
  - Direct Lease (181 households placed)
  - Multifamily Lease & Repair (MLR) (14 households placed)
  - Permanent Housing Construction – Repair (PHC-Repair) (19 PHC-Repair agreements signed, and 3 home repairs in progress)

To date, other sheltering and housing solutions provided include:

- Blue Roof Program (through the U.S. Army Corps of Engineers) (59,469 blue roofs installed total; the program concluded March 22, 2018)
- Sheltering and Temporary Essential Power (STEP) (Tu Hogar Renace) (16,214 repairs completed)
- Voluntary Agencies Leading and Organizing Repair (VALOR) (402 home repairs completed)
- Transitional Sheltering Assistance (TSA) (7,025 cumulative households have participated, with 2,204 currently checked into TSA hotels)
- U.S. Small Business Administration (SBA) Loans (\$1.4 billion dollars approved for 40,900 home and personal property low-interest loans)

One form of FEMA IHP Direct Housing Assistance is the Direct Lease program, which was created based on experience from past disasters and has both greater flexibility and less complexity than DHAP. Under Direct Lease, FEMA coordinates directly with property owners and management companies to match eligible applicants with available rental units. FEMA approves Direct Lease and other Direct Housing Assistance options when eligible survivors are unable to use financial rental assistance alone to obtain adequate housing in an affected area.

FEMA's ongoing Direct Lease program is preferable to DHAP for several reasons learned from past disasters:

- Timeliness:
  - Due to the need for FEMA to first enter into an Interagency Agreement (IAA) with HUD and then enter into separate grant agreements with each local Public Housing Agency (PHA) to execute the program, DHAP implementation is delayed and can take three to six months to implement.

- Cost and administrative burden:
  - DHAP requires significant administrative costs, and DHAP may also include incentive fees for PHAs to participate.
  - The Department of Homeland Security (DHS) Office of Inspector General (OIG) has challenged the cost-benefits of DHAP, and the absence of recorded data on the effectiveness of DHAP has further made this program difficult to evaluate.<sup>1</sup>
  
- Burden on survivors:
  - Eligible survivors pay no cost for rent, not including utilities, for up to 18 months in a Direct Lease unit, whereas survivors pay increasing amounts of rent throughout the assistance period for a DHAP unit.
  - FEMA matches eligible survivors to available housing units in the Direct Lease program, whereas survivors must identify available rental units on their own prior to coordinating with PHAs under DHAP.
  - Following the conclusion of DHAP, participating survivors are not guaranteed further housing assistance from HUD due to existing waitlists for traditional HUD programs.
  - Implementing DHAP alongside the ongoing Direct Lease program may further complicate the road to recovery for households by causing confusion over the programs' similarities, and by asking DHAP participants to work with yet another government entity.

On October 19, 2017, the Direct Lease program was first approved in Puerto Rico. As of May 14, 2018, FEMA has inspected 4,017 properties for potential inclusion in Direct Lease, approving 844 properties with additional approvals pending. FEMA has placed 181 households in approved units, and up to 500 households are projected to participate in both Direct Lease and the related Multifamily Lease & Repair program.

For impacted survivors who have evacuated to the Continental U.S. (CONUS), FEMA's Immediate Disaster Case Management (IDCM) program can assist survivors with developing their permanent housing and recovery plans. Under IDCM, case managers are available to survivors in both Puerto Rico and CONUS to assess disaster-related needs, guide survivors through the FEMA appeals process, and connect them with additional resources, including housing and financial assistance.

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<sup>1</sup> [DHS OIG, Effectiveness and Costs of FEMA's Disaster Housing Assistance Program, August 2011](#)

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Additionally, Puerto Rico will be receiving a record \$19.9 billion in HUD's Community Development Block Grant for Disaster Recovery (CDBG-DR). Eligible activities include constructing new homes for eligible survivors and completing other home repairs.

Both FEMA and HUD continue working together and with other partners to provide the most effective and efficient housing solutions that can meet current needs across Puerto Rico. Rather than direct our shared and limited resources toward implementing DHAP, I recommend that we ensure already available programs, such as FEMA's Direct Lease and other IHP housing options, and pending programs, such as HUD's CDBG-DR funding, are allowed our full consideration and support.

Sincerely,



Michael Byrne  
Federal Coordinating Officer  
FEMA-4336/4339-DR-PR

cc: Fernando Gil-Ensenat, Puerto Rico Secretary of Housing