



Highlights of [GAO-10-17](#), a report to congressional requesters

### Why GAO Did This Study

In response to the 2005 Gulf Coast hurricanes, Congress provided about \$130 billion in disaster recovery assistance, including assistance for permanent housing. Congress has expressed an interest in how this assistance has been allocated to homeowners and rental property owners, particularly for state-administered programs.

GAO's objectives were to review (1) how federal disaster-related assistance for permanent housing has been provided to homeowners and rental property owners, (2) the extent to which federally funded programs have responded to the needs of homeowners and rental property owners, and (3) the challenges that homeowners and rental property owners have faced in applying for and using federal assistance, and potential options for addressing these challenges. To address these objectives, GAO analyzed documentation for key programs and program data, and interviewed federal, state, and local officials regarding the challenges associated with these programs.

### What GAO Recommends

In planning for recoveries from future disasters, Congress should consider the merits of providing more specific direction to states regarding the allocation of disaster-related CDBG assistance for homeowners and rental property owners. We received technical comments from federal and state agencies, which we incorporated as appropriate.

[View GAO-10-17 or key components.](#)  
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## DISASTER ASSISTANCE

### Federal Assistance for Permanent Housing Primarily Benefited Homeowners; Opportunities Exist to Better Target Rental Housing Needs

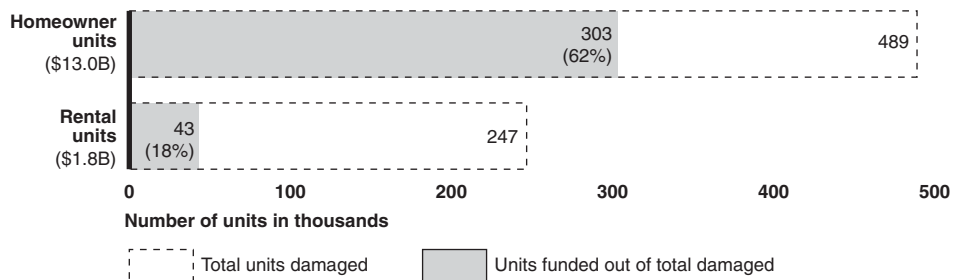
#### What GAO Found

Federal post-disaster assistance for permanent housing was made available to homeowners and rental property owners following the 2005 Gulf Coast hurricanes through grants, loans, and tax incentives. State agencies were largely responsible for administering the programs that delivered most of the assistance, including the Community Development Block Grant (CDBG) program, the most widely used source of federal funds. Congress provided states with broad flexibility in their use of CDBG funds.

Federal programs GAO reviewed addressed the repair and replacement needs of more homeowner units than rental units. In both Louisiana and Mississippi, more homeowner units were damaged than rental units, but the proportional damage to the rental stock was generally greater. Programs GAO reviewed provided about \$13 billion in assistance for the repair and replacement of about 303,000 homeowner units, and about \$1.8 billion for over 43,000 rental units. When the estimated number of assisted units is compared to the estimated number of damaged units, 62 percent of damaged homeowner units and 18 percent of damaged rental units were assisted, as shown below. The difference in the level of assistance for homeowner and rental units was largely due to states' decisions to award the majority of their CDBG funds to programs for homeowners.

When attempting to use the programs GAO reviewed, both homeowners and rental property owners encountered delays in funding availability and other challenges, which have likely contributed to the slow pace of recovery in some areas and fewer affordable units for renters. GAO and others have previously recommended options to minimize these challenges. However, without specific direction on how to better target disaster-related CDBG funds for the redevelopment of homeowner and rental units after future disasters, states' allocation of assistance to homeowners and rental property owners may again result in significant differences in the level of assistance provided.

**Homeowner and Rental Units Damaged and Funded in Louisiana and Mississippi**



Sources: GAO analysis; DHS Office of the Federal Coordinator for Gulf Coast Rebuilding (damage data).

Notes: Data are from Department of Homeland Security, Office of the Federal Coordinator for Gulf Coast Rebuilding, "Current Housing Unit Damage Estimates, Hurricanes Katrina, Rita and Wilma" (Feb. 12, 2006). Unit counts refer to units that were occupied at the time of the storm.