A New Start for Katrina's Displaced

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HUD and FEMA might look at U.S. relief efforts for foreign disasters

Gulf Coast residents began bracing for the start of hurricane season June 1. At about the same time, thousands of Hurricane Katrina evacuees were dealt another serious blow: the Federal Emergency Management Agency informed them that they are no longer eligible for housing assistance.

These two events should be wake-up calls for the rest of the displaced, whose housing subsidies will expire, at best, within about nine months. Tracking progress toward long-term housing for displaced Gulf Coast residents points to some midcourse corrections that could help get hard-pressed households out of limbo.

Through the U.S. Department of Housing and Urban Development, Katrina victims in HUD-owned housing can get help with property repairs and a 10 percent discount on homes they are occupying.

HUD is on the right track, but for many cash-strapped evacuees, the incentives and discounts are not enough. Compensation won't get them into permanent residences unless it's keyed to their actual losses (after accounting for insurance payoffs) with varying home discounts applied.

The Federal Emergency Management Agency is offering an alternative to displaced families in trailers it bought and parked just outside the disaster zone. FEMA may be trying to recoup its enormous expenditures by selling these temporary dwellings to hurricane victims willing to move them to commercial trailer parks, lots that the occupants already own (perhaps in the flood plain where they lived before), or pieces of land they can acquire.

Besides the stress and hassle of relocating, every move knocks value off a trailer. For that reason, this potential investment isn't as good as the one HUD is offering.

As they look for economical ways to sweeten their deals with homeowners, HUD and FEMA might turn to the U.S. State Department and Agency for International Development for advice. These agencies have designed and supported successful "demand side" housing programs in Armenia, Georgia, and other countries where natural disasters and civil wars have displaced large populations. There, vouchers to buy housing units on the market have proven cost effective and expedient.

What the U.S. government's experience in assistance programs abroad tells us is that most displaced families quickly develop support systems in their adopted towns and may prefer to stay, particularly when there is no home or job to return to.

Federal policy should thus enable households evacuated from Gulf Coast communities, now scattered around the United States, to settle permanently in their new home regions, where the support services and infrastructure they need are in place. Even families cramped in trailer camps in Louisiana, Mississippi, and Alabama should be offered housing vouchers to restart their lives elsewhere.

Vouchers like those deployed in the Caucasus may wind up being only partial subsidies, but a large down payment would be welcome, along with more choice in housing type and location. For those who received rental assistance before Katrina, rental vouchers or access to public housing are still good bets in their new home bases.

The silver lining of the Katrina cloud may be an opportunity for many disadvantaged households to improve their chances for upward mobility in new, friendlier environments. And vouchers, which may be used toward the purchase of housing in these new locations, will take some of the pressure off storm-racked communities as they tackle the monumental rebuilding challenges ahead.

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Other Publications by the Authors

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