



**U.S. House of Representatives**  
**Committee on Transportation and Infrastructure**

**Washington, DC 20515**

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March 16, 2007

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**SUMMARY OF SUBJECT MATTER**

**TO:** Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

**FROM:** Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

**SUBJECT:** Hearing on "Post-Katrina Temporary Housing: Dilemmas and Solutions"

**PURPOSE OF THE HEARING**

On Tuesday, March 20, 2007, at 2 p.m., in room 2167 Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will examine the process by which the Federal Emergency Management Agency (FEMA) disposes of surplus property, and the treatment of Hurricane Katrina evacuees housed at the Yorkshire Mobile Home Park. This hearing will also focus more broadly on FEMA housing policy and suggestions for legislative action, if necessary.

**BACKGROUND**

Hurricane Katrina made landfall on August 29, 2005, and proved to be the costliest natural disaster in American history. The storms had a massive physical impact on the land, affecting 90,000 square miles, which is an area the size of Great Britain. More than 80 percent of the city of New Orleans flooded; which is an area seven times the size of Manhattan. More than 1.5 million people were directly affected and more than 800,000 citizens were forced to live outside of their homes, which is the largest displacement of people since the great Dust Bowl migrations of the 1930s.

**Disaster Response: The Role of FEMA**

FEMA is the primary source of financial and technical assistance to state, local, and tribal governments in response to and recovery from natural disasters, acts of terrorism, and other man-made disasters. States and local governments, in turn, have training and other activities and

standards that they must meet to improve their preparedness capabilities. Under Section 408 of the Stafford Act, FEMA may provide various types of housing assistance. This assistance includes:

- Temporary Housing: Money is available for individuals displaced from their homes to rent a place to live for a limited period of time, or to provide a government housing unit when rental properties are not available. Direct Housing is usually a FEMA-provided manufactured housing unit, such as a travel trailer or mobile home. These units may be placed at the homeowner's property while they repair a home, a commercial site, or a site operated by FEMA. Generally, this assistance is limited to 18 months, although it can be extended (as it has been in response to Hurricane Katrina)
- Repair: Up to \$25,000 (adjusted for inflation) is available to homeowners to repair damage to their primary residence caused by the disaster, which is not covered by insurance. The goal is to make the damaged home safe, sanitary, and functional.
- Replacement: Up to \$25,000 (adjusted for inflation) is available to homeowners to replace their home destroyed in a disaster that is not covered by insurance. The goal is to help the homeowner with the cost of replacing his or her destroyed home.
- Permanent Housing Construction: Money is also available for the construction of a new home. This type of assistance is offered only in limited areas specified by FEMA, where no other type of housing assistance is possible.

### **FEMA Housing Policies in Response to Hurricane Katrina**

In response to the devastation left in Katrina's wake, government, private, and voluntary organizations have worked in concert to help rebuild the region. Housing displaced residents has turned into one of the biggest challenges in the aftermath of the storm. FEMA has developed working arrangements with the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and United States Department of Agriculture (USDA) to provide housing for the needs created by the mass evacuations out of New Orleans and other areas.

On September 12, 2005, FEMA signed an additional interagency agreement with HUD. This agreement made available approximately 5,600 units of single-family homes to Katrina victims. Additionally, FEMA and HUD partnered to create the Katrina Disaster Housing Assistance Program which was a transitional housing assistance program funded by FEMA, and administered by HUD and its network of public housing authorities. HUD provides vouchers to evacuees who previously received public assistance as well as those who were homeless prior to the hurricane. By December 2005, more than 15,000 families received rental assistance through this program. FEMA also used direct payments to individuals to provide rental assistance to more than 500,000 applicants, totally more than \$1.2 billion.

### **Ongoing Housing Concerns**

However, 19 months after the hurricane, thousands of people continue to be displaced and housing remains a critical issue. Infrastructure, zoning, and environmental issues have hampered FEMA's ability to provide services to its clients. Space has also been an issue, as many states have not allowed large trailer parks. These housing issues are further complicated by the lack of affordable housing in the Gulf Coast area. The National Low Income Housing coalition estimates

that in all areas affected by Hurricane Katrina, 302,000 housing units were destroyed or damaged in the storm along the Gulf Coast. Of these units, 216,000 were affordable or low-income households, earning 80 percent of the Area Median Income (AMI) or less; 92,000 were affordable to very low-income households earning less than 50 percent of AMI. Therefore, 71 percent of the housing stock destroyed or damaged by Hurricane Katrina was affordable to low-income units and 30 percent was affordable to very low income units.

Concerns remain over FEMA's housing policies in response to Hurricane Katrina, many of which have been highlighted recently in the media. On March 5, 2007, the *Associated Press* reported that FEMA suddenly "closed down a trailer site housing Hurricane Katrina victims because of health and safety reasons." The *Washington Post* reported the same story on March 12, 2007. The abruptness of the FEMA announcement to the residents of the Yorkshire Mobile Home Park in Hammond, Louisiana, as well as "uncertain and sometime contradictory" answers to questions have raised concerns. FEMA maintains that living on the site presented health and safety risks due to frequent power outages and on going sewage problems.

On March 8, 2007, the *Washington Post* reported that FEMA had "tens of thousands of empty trailers" stored on an airfield in Hope, Arkansas. Further, the article stated that FEMA "cannot sell unused mobile homes directly to the public because of legislation passed by Congress in October" at the request of the mobile home industry. FEMA must now use the General Services Administration's disposal process, which requires that state and local agencies and public service groups get first priority in purchasing surplus property. Further, FEMA had been unable to assist the victims of recent tornadoes in Arkansas with housing or any other assistance because the President had not declared Arkansas a federal emergency or disaster.

### **PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY**

The Subcommittee has not held legislative hearings specifically dedicated to FEMA's housing policies and practices. However, the Committee has held hearings on: Cost Effectiveness of Hazard Mitigation Spending (July 2000); Disaster Mitigation and Response (January 1998); Preparedness against Domestic Terrorism (May 2001); Emergency Preparedness (September 2001); Hurricane Isabel (October 2003); FEMA's Budget (March 2004); and National Preparedness and First Responders (May 2004). During the 108<sup>th</sup> and 109<sup>th</sup> Congresses, the Committee enacted the following related bills:

- Community Disaster Loan Act (P.L. 109-88)
- Predisaster Mitigation Program Reauthorization Act of 2005 (P.L. 109-139)
- Katrina Emergency Assistance Act of 2006 (P.L. 109-176)
- Local Community Recovery Act of 2006 (P.L. 109- 218)
- Post-Katrina Emergency Management Reform Act of 2006 (P.L. 109-295)
- Rural Disaster Assistance Fairness Act of 2005 (P.L. 109-295)
- Disaster Relief Equity Act of 2005 (P.L. 019-295)

WITNESSES

The Honorable Mike Ross  
Congressman  
Arkansas, District 4

The Honorable David R. Paulison  
Director  
Federal Emergency Management Agency

Michael A. Molino  
President  
Recreation Vehicle Dealers Association

Pamela Williams  
Resident  
Yorkshire Mobile Home Park  
Hammond, Louisiana

Ben Dupuy  
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The Cypress Cottage Partners, LLC

Margery Austin Turner  
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