

TESTIMONY
OF
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OF THE
GULF COAST COMMUNITY FOUNDATION

Before the Sub-Committee on Economic Development,
Public Buildings and Emergency Management
of the
Committee on Transportation and Infrastructure,
United States House of Representatives

It is my pleasure to appear before the Sub-Committee on Economic Development, Public Buildings and Emergency Management to submit testimony concerning the role of non-profit organizations in the recovery efforts of the Mississippi Gulf Coast following Hurricane Katrina, which struck on August 29, 2005.

First, on behalf of all of the people of the State of Mississippi, I express our heartfelt thanks for all of the personal and financial support that was given to help all of the people who suffered damage and loss in Hurricane Katrina. Our federal government has contributed greatly to that recovery, and we in Mississippi are deeply appreciative of those efforts.

Following Katrina, Mississippi was the recipient of an outpouring of generosity, the like of which we could not have imagined. Literally, hundreds of thousands of people came to Mississippi to assist us with our recovery. In addition, they and charitable organizations donated hundreds of millions of dollars to our efforts. Without this assistance, we could not have recovered; and we are deeply appreciative to all.

Few of us anticipated in the days leading up to Katrina that the storm would be as bad as it was or the destruction as severe and widespread. Unfortunately, we have all discovered how ill-prepared we were for such an event. Like virtually the entire non-profit community on the

Mississippi Gulf Coast, the Gulf Coast Community Foundation was not prepared for what would be required post-Katrina. In late April, 2006, I assumed the position as Chief Executive Officer of the Foundation on a volunteer basis after our prior Executive Director resigned. Beginning in January 2007, until November 2008, I was allowed by my law firm to take an indefinite sabbatical to run the Foundation on a full time basis. While at the Foundation, I coordinated its own recovery and oversaw grants totaling more than \$30,000,000.00 to non-profit organizations and individual. All of GCCF's funds came from private donations. The vast majority of those grants were for disaster recovery, and many were for housing. Even though I have resigned as CEO, I have resumed my position on the Foundation's Board of Directors.

While GCCF did not work extensively with FEMA, we funded organizations that did deal with homeowners who also sought money from public sources, such as FEMA.

Because I have only recently received the invitation to appear before this hearing, I apologize for the brevity of these comments. I will briefly address a number of issues that, I believe, could have assisted the Mississippi recovery efforts and I will assist future recovery efforts.

Current Status:

Most of the "easy" home repairs and reconstruction have been completed. Generally, the families and individuals who are still in need of housing assistance have special problems. Many, if not all, are low income and do not have the resources needed to obtain housing.

The supply of single family homes for ownership appears not to be the problem. Over the last year, there appears to be a greater supply of homes than there are purchasers. Following Katrina, insurance costs, construction costs and lack of credit substantially inhibited the purchase of homes. Insurance and credit issues remain an impediment to home ownership. Even if some

low income families can afford the house payment, they cannot obtain a residential loan because of the current credit market problems or because their credit suffered as a result of the losses they suffered in Katrina. The current economic crisis has aggravated these conditions

There appears to be to few low cost rentals units. Much of the private, low cost rent properties were either destroyed in Katrina or their rents rose so sharply following Katrina that low income families can not afford them. Prices remain high. The State has targeted low cost rental construction. It remains to be seen how the availability of these new properties will affect the market price of rental.

The Alternative Housing Program, which developed the MEMA Cottages, has provided excellent longer term, temporary housing for about 2,800 families. Efforts are being made to allow these Cottages to remain as permanent residences on fixed foundations. There has been some local government opposition to allowing the Cottages to be permanently affixed to lots, but that opposition seems to be easing. These Cottages provide an excellent opportunity for permanent housing.

Suggestions:

I respectfully offer the following suggestions, not a criticism of what was done in the past but as possible ways to make future recover better.

Preparation: After Katrina we all found that we were not prepared to respond to the widespread and massive destruction. Our non-profit community was no exception. To avoid this in the future, there needs to be ongoing dialogue and planning between governmental agencies and non-profit organizations involved in disaster recovery in those areas such as the Mississippi Gulf Coast where large scale natural disaster are a certainty. Relations need to be established, plans need to be made, infrastructure needs to be developed and tasks need to be

assigned in advance and then updated and maintained even during times when no recovery activities are required.

Post Disaster Review: Before the memories fade, governmental and private disaster recovery organizations need to convene and assess what worked and what did not and make plans for the next hurricane, which we all know for certain will occur.

Establish the Rules in Advance: One impediment to the Katrina recovery was that the rules keep changing. It is difficult if not impossible to have an effective recovery if the governmental rules and regulations keep changing throughout the process.

Help with Governmental Regulations: Most non-profit organizations do not know how to deal with governmental regulations and, as a result, could not access governmental funds that were needed to help put people back in their homes. Agencies need to assign and keep knowledgeable advisors to the non-profit organizations to help them work through the “red tape.” We are all trying to achieve the same result, restoring homes. The non-profits can accomplish that objective as well, if not better than government. Help us do it.

Stability of Personnel: Turn over of agency personnel was a problem. While we recognize why the turnover occurred, it resulted in miss-communications and changes in direction, both of which impeded the recovery efforts.

Fund Voluntary Recovery Organizations: FEMA recommended the formation of Long Term Recover Committees (LTRCs) in each county as a way of coordinating non-profit recovery activities, yet no funds were provided for even minimal staffing or support. A small amount of administrative money would have gone a long way toward improving the effectiveness of these LTRCs. As it turned out, the LTRCs were required not only to raise money to direct services to clients but also their own administrative money. Many private funders put money into repairing

homes, but few wanted to give to support the administrative costs of the organizations doing and coordinating the work.

Case Management: All the parties involved in the recovery process need to reevaluate the case management process. Case managers are necessary to the process; but in a disaster as extensive as Katrina, case managers must not only evaluate each client's situation but must also have the knowledge and resources to assist them with the many issues related to securing housing. Although they were caring people, many of the case managers did not have that necessary knowledge or resources to help their client.

Again, we in Mississippi appreciate all the help we have received. I look forward to attempting to answer any questions you may have.

H. Rodger Wilder
Past President & CEO, Board Member