Written Statement of

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Still Post-Katrina:
How FEMA Decides When Housing Responsibilities End

Before the

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Good morning Chairman Norton, Ranking Member Diaz-Balart, and other distinguished Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management. It is a privilege to appear before you today on behalf of the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA). As always, we appreciate your interest in, and continued support of emergency management, specifically disaster housing, and in the efforts of the men and women who support that undertaking at every level of government and within the private and volunteer sectors. The engagement of Congress in this challenging issue highlights the complexities that face states, local governments, voluntary agencies, and the Federal family as we collectively look at providing disaster housing in a way that meets the temporary and immediate emergency disaster housing needs of individuals affected by disasters, as well as encourages and supports their transition to self-sufficiency.

FEMA recognizes that ending disaster housing assistance, even after nearly four years of such assistance, may pose a hardship for a number of households still residing in FEMA temporary housing units as of May 15. This temporary bridge provides much-needed stability while disaster survivors work to responsibly re-establish their lives and livelihoods. Despite the challenges confronting housing recovery, FEMA and our partners have supported and facilitated the successful transition of more than 97 percent of those affected by hurricanes Katrina and Rita to long-term and permanent housing. While FEMA supported temporary disaster housing programs are drawing to an end in the Gulf Coast states, FEMA is continuing to work with its Federal, State, and local partners to ensure a smooth transition into more permanent housing solutions.

In response to Hurricanes Katrina and Rita, FEMA conducted the largest temporary housing operation in the history of the country, providing temporary housing units to more that 143,000 families across the Gulf Coast. Additionally, FEMA has provided more than $7.8 billion in housing and other needs assistance (e.g. transportation, clothing, furniture) to roughly 2.4 million individuals and households affected by the hurricanes.

By law, eligible disaster survivors may receive temporary housing assistance for a period of 18 months from the date of a disaster declaration, unless extended. Because of the extraordinarily catastrophic impacts of Hurricanes Katrina and Rita, the period of assistance was extended more than two additional years. In September 2007, housing assistance for Hurricanes Katrina and Rita disaster operations in the States of Louisiana, Mississippi and Alabama was extended, establishing the final end date of March 1, 2009. In February 2009, Secretary Napolitano announced that families would be given an additional 2 months to finalize their long-term housing plans. During this time, States, voluntary and faith-based organizations, other Federal agencies and FEMA further combined efforts, and aggressively collaborated with individuals and communities to identify alternative long-term housing solutions that would effectively assist residents with the transition into sustainable housing solutions.

Since the temporary housing unit program was extended over two years ago, FEMA has never stopped working with occupants to transition them out of the program and into more permanent homes. FEMA provided several notifications of eventual termination as part of this effort, in order to ensure transparency and meter expectations. In mid April of

this year, FEMA notified applicants that Notices to Vacate were impending. On May 1, FEMA began delivering Notices to Vacate to inform applicants that they must vacate their temporary housing unit by May 30. As of the program's end date, FEMA has been providing temporary housing for more than 44 months – which is 26 months beyond the statutory limit. As of May 15, 4,063 households still reside in FEMA-provided temporary housing units in Louisiana, Mississippi and Alabama, down from a peak population of over 143,000 individuals and households at the height of operations. FEMA will continue to make every effort to encourage and assist individuals and families to find long-term housing to fulfill their needs.

However, for any occupant who continues to reside in a FEMA-provided unit after May 30, FEMA will follow established legal processes, which may include the Department of Justice seeking orders from federal courts. It will be up to each district court judge to set a case management schedule setting forth all important dates in the litigation (i.e., hearing dates, motion practice dates, etc.). For those occupants who still need additional assistance in finalizing their long-term housing plans, we have worked to connect them to state case management services and social service organizations. FEMA has provided funding to both Louisiana and Mississippi to establish and provide targeted state-managed case management services and support.

Over the course of this assistance program, FEMA has regularly made direct, in-person contact with occupants to follow up on their recovery plans, locate and offer them rental resources that address their individual housing needs, and make social service referrals to local, state, and voluntary organizations. Additionally, FEMA has:

- Coordinated with their housing contractors on timelines for repairs,
- Referred occupants to local, state, and voluntary organizations that are able to provide assistance with building materials, volunteers to help them rebuild, etc.,
- Located and offered affordable rental resources when it was determined that the rebuilding would take longer than expected, and:
- Offered individuals at least three affordable rental resources that met the household's individual housing needs (such as a number of bedrooms appropriate to household size and composition, or needed accessibility features), was within the Fair Market Rent rate established by HUD for the area, and was within a reasonable commuting distance.

In addition, many occupants have expressed interest in purchasing their FEMA-provided temporary housing units. To date, 1,162 individuals and households have completed or are pending final completion of the sale of their unit. FEMA, under our Temporary Housing Units Sales-to-Occupants program, gave residents in manufactured homes and park models the opportunity to purchase the units in which they currently reside. In order to proceed with these sales, the occupants must have agreed to comply with local floodplain management codes, including purchasing flood insurance if required; the unit must test within the state-set formaldehyde threshold, and the occupant must cover such costs as the State sales tax, insurance, local permit fees, and any cost associated with moving the unit.

The vast majority of manufactured housing provided to the gulf coast was in the form of travel trailers. While many applicants requested to purchase these units, FEMA-provided travel trailers are not available for sale to occupants for permanent housing. On July 24,

2007, in response to potential health concerns associated with formaldehyde in temporary housing units, FEMA suspended the installation, sale, transfer or donation of travel trailers in its inventory while the agency worked with health and environmental experts to assess health-related concerns. Because of these concerns, FEMA offered to immediately move any household with a health concern to alternate housing. This offer was made to every household residing in a temporary housing unit.

An Unprecedented Housing Effort

While the housing challenges have been many, and the road to housing recovery difficult, FEMA has provided, to date, an unprecedented level of sustained support, as well as developed new tools, identified additional viable housing options, and created more collaborative partnerships with individuals, the affected States, and other partners and stakeholders to meet the needs of individuals and communities. FEMA and our partners have supported and facilitated the successful transition of more than 97 percent of those affected by hurricanes Katrina and Rita to long-term and permanent housing.

Since 2005, FEMA has provided over $7.8 billion dollars of assistance to more than 2.4 million individuals and households. This assistance included temporary housing, repair and replacement funding, rental assistance, expedited housing assistance, personal property replacement, transportation assistance, medical and dental expenses, funeral expenses, and assistance with other expenses such as moving and storage. In addition to the financial support provided by FEMA, over 143,000 families were provided with temporary housing units (travel trailers, park models, and manufactured homes) across the Gulf Coast. FEMA continues to marshal the efforts and expertise of the community of federal, state and voluntary emergency managers to aggressively and compassionately

address the needs of individuals, families and communities that were devastated by these disasters. Because of this continued outreach and assistance, since January 2009, an additional 3,855 individuals and households have relocated from FEMA temporary housing units to permanent housing options.

In order to meet the needs of those affected, FEMA enhanced existing practices for providing disaster housing assistance, including the use of innovative sheltering options to house emergency and critical needs personnel; providing housing to encourage economic stability, growth and rebuilding; providing transportation expenses for evacuees to travel to a temporary sheltering solution; reimbursing sheltering costs for apartments to States, providing relocation assistance for families to return to their home or relocate to alternate housing; entering into direct leases with apartment owners, and creating and modifying a successful hotel/motel reimbursement program that has since been used in subsequent disasters.

In response to health and safety concerns due to formaldehyde, FEMA explored innovative mechanisms to further encourage and facilitate families moving from temporary housing units into long-term housing solutions by encouraging landlords to enter into leases and offering to immediately relocate any household with a health concern to a hotel/motel. FEMA also entered into contracts for transportation services, moving and storage assistance, food assistance, and supplying applicants with security deposits, application and background check fees.

In 2007, FEMA partnered with the U.S. Department of Housing and Urban Development (HUD) to create and pilot the Disaster Housing Assistance Program (DHAP), a grant program that provides rent subsidies for non-HUD assisted individuals and families displaced by Hurricanes Katrina and Rita. HUD utilizes its existing network of local Public Housing Agencies (PHAs) to administer the groundbreaking new program, and is currently nearing its completion.

FEMA also continues to support Disaster Case Management. Fundamentally, case management involves a partnership between a case manager and client in the development of a Disaster Recovery Plan. The process involves assessing needs, developing a goal-oriented plan that outlines the steps necessary to achieve recovery, organizing and coordinating information on available resources that match the client's needs, monitoring client progress towards reaching the established goals and, when necessary, providing advocacy for the client.

In December 2005, FEMA and the United Methodist Committee on Relief (UMCOR) – Katrina Aid Today (KAT) executed a grant agreement to provide long term disaster case management to families impacted by Hurricanes Katrina and Rita. The grant agreement was approved and funded through foreign cash donations. UMCOR acted as the lead organization of a National Case Management Consortium consisting of nine primary organizations to provide case management services to affected populations. They served over 70,000 households, in 34 states, over a 30-month period. Because no State, voluntary or faith-based agency had the capacity or financial resources to replace KAT as

the main case management provider beyond the program's end date, FEMA implemented a two-phased Disaster Case Management plan. The first phase provided Cora Brown-funded case management awards to the States of Mississippi and Louisiana to continue case management services for the remaining open cases of the KAT program. The second phase offered grants to the States of Mississippi and Louisiana, to provide case management services to households residing in FEMA-provided temporary housing (temporary housing units and emergency lodging assistance) until June 1, 2009.

Based on authority granted to FEMA by the Post Katrina Emergency Management Reform Act (PKEMRA), FEMA has partnered with the U.S. Department of Health and Human Services' Administration on Children and Families (ACF) to develop a Disaster Case Management Pilot Program. FEMA will work with ACF to incorporate lessons learned and best practices from each implemented Disaster Case Management program to produce workable solutions for meeting the needs of the applicants, developing a new program and cultivating partnerships with other Federal and Voluntary Agencies.

Throughout this recovery effort, the lessons we have learned have been translated into programmatic improvements and have served as a catalyst for developing new and innovative forms of alternate housing. Following the 2005 Hurricane Season, FEMA and the Nation recognized that traditional forms of temporary disaster housing, such as travel trailers and mobile homes, may not always be appropriate, adequate, or available in sufficient numbers, to provide a comprehensive and timely solution to the needs of disaster survivors in a catastrophic housing environment. With recommendations and funding from Congress, FEMA launched the Alternative Housing Pilot Program, an alternative housing outreach and validation initiative, as well as conducted a Rental

Repair Pilot Program. FEMA also established the Joint Housing Solutions Group (JHSG) to conduct ongoing research and evaluate alternative housing units.

- In the 2006 Emergency Supplemental, Congress appropriated $400 million to FEMA for a pilot program that could identify and evaluate new alternatives for housing disaster survivors in the aftermath of a disaster. The appropriations language requested that areas hardest hit by the hurricanes of 2005 be eligible grantees; therefore, Alabama, Florida, Louisiana, Mississippi and Texas were invited to submit and submitted applications for what they considered to be the most innovative disaster housing. This Alternative Housing Pilot Program included state-of-the-art engineering standards, designed to maximize energy efficiency with environmentally sound materials. Some units will be placed in a congregate configuration, and will include recreational areas for both children and adults, community spaces, and support services (e.g., homeownership counseling, psycho-social support) for disaster- affected households. Once tested and proven, these models could potentially be used in response to future major disasters. We look forward to fully assessing these pilot projects, and anticipate that they will provide valuable housing lessons for application in future disasters.
- FEMA is also evaluating the lessons learned from our Rental Repair Pilot Program, which Congress authorized as part of PKEMRA legislation. This authority, which expired at the end of 2008, allowed FEMA to test and evaluate the efficacy and cost-effectiveness of coordinating and funding the timely repair of damaged multifamily dwellings, such as apartment complexes. This Pilot will assist in determining if such a capability should be permanently added to our

recovery arsenal. Pilots were conducted in both Iowa and Texas, and our findings are reflected in a report that was submitted to Congress.

- In 2008, the Joint Housing Solutions Group conducted a solicitation and awarded provisional contracts to six alternative housing manufacturers to be field tested for possible use in future disasters. A ready-for-occupancy version of each of the six different units have been installed at, and are being used to house students on the campus of FEMA's National Emergency Training Center, in Emmitsburg, Maryland. This pilot occupancy program will allow FEMA to assess how well each unit withstands the rigors of sustained occupation, as well as collect performance feedback from occupants themselves. The units will be carefully monitored and assessed to help determine if these units are suitable for use in support of disaster survivors.

These lessons have also been incorporated into FEMA's 2009 Disaster Housing Plan. FEMA continues to work very closely with our Federal partners, and particularly the Department of Housing and Urban Development (HUD), to explore opportunities for the Department to continue to engage in, and support Federal disaster housing missions.

In January 2009, FEMA released the National Disaster Housing Strategy, a critical publication that, for the first time, organizes the many planning and operational elements and considerations of disaster housing within a strategic framework. The Strategy charts a new direction for our disaster housing efforts to better meet the disaster housing needs of individuals and communities, and enable them to rebuild and restore their way of life when a disaster threatens or strikes.

The Strategy calls for the establishment of a National Disaster Housing Task Force. This standing Task Force, currently being led by the Agency's most experienced and authoritative disaster housing expert, will ultimately be staffed by national-level representatives from several Federal agencies, but engage and interact with key stakeholders at all levels of government, as well as with the private sector, industry, and voluntary agencies. In late April 2009, FEMA convened an organizational meeting of the National Disaster Housing Task Force with representatives of the American Red Cross, the Department of Housing and Urban Development, the Department of Health and Human Services, the U.S. Small Business Administration, and the U.S. Department of Veterans Affairs. The group discussed efforts to move forward with drafting an implementation plan, a concept of operations, a National Disaster Housing Task Force charter and organizational chart, as well as guidance for the State-led Housing Task Forces. First drafts of the Charter, Organizational Chart, and Implementation Plan have already been developed, and are currently being reviewed by the partner agencies. Next steps for the Task Force include finalizing these documents, and continuing outreach activities and coordination to identify resources and gaps in the disaster housing arena. We will continue to keep you updated on these efforts.

Summary

In the nearly four years since Hurricane Katrina, FEMA has worked to address the continuing housing challenges arising out of the 2005 Hurricane season, while also responding to the needs of the many disaster survivors and communities affected by more recent disasters. FEMA continues to institutionalize best practices and expand our disaster housing capabilities. Nevertheless, a disaster housing environment will always

be physically and socially challenging, and never more so than under catastrophic circumstances. So, FEMA will continue to collaborate with Congress and our Federal, State, and local partners to aggressively explore new and innovative forms of housing; refine and improve delivery systems; expand and unify planning activities, and collaborate with States to improve their own disaster housing capabilities.

Thank you. I look forward to your questions.