



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

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

PURPOSE OF THE HEARING

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Friday, May 22, 2009, at 10:00 a.m., in room 2167 of the Rayburn House Office Building to receive testimony on the status of housing assistance provided to individuals and families in the aftermath of Hurricane Katrina.

BACKGROUND

Hurricane Katrina made landfall on August 29, 2005, and proved to be the costliest natural disaster in American history. The storm had a massive physical impact on the land, affecting 90,000 square miles, which is an area the size of Great Britain. Under the authority granted to the President in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), the President declared a Major Disaster in the states of Louisiana and Mississippi on the date the storm made landfall.

The Federal Emergency Management Agency is the Federal Government's lead agency for preparing for, mitigating, responding to, and recovering from disasters and emergencies from all hazards, whether natural or man-made. The agency's primary authority in carrying out these functions is the Stafford Act. FEMA's major Stafford Act programs for disaster recovery are the

Public Assistance Program and the Individual Assistance Program. The Public Assistance Program, authorized primarily by sections 403, 406, and 407 of the Stafford Act¹, reimburses state and local emergency response costs and provides grants to state and local governments as well as certain private non-profits to rebuild facilities. The Public Assistance Program does not provide direct services to citizens for the most part.

The Individual Assistance program, also known as the Individuals and Households Program, is primarily authorized by section 408 of the Stafford Act.² The program provides assistance to families and individuals impacted by disasters, including housing assistance. Housing assistance includes money for repair, rental assistance, or “direct assistance”, such as the provision of trailers and mobile homes. This section also authorizes the “other needs program”, which provides grants to mostly low-income families for loss of personal property, as well as disaster-related dental, medical, and funeral costs to individuals regardless of income. Other Individual Assistance programs authorized by the Stafford Act include: unemployment assistance (authorized by section 410),³ disaster food stamps (authorized by section 412),⁴ disaster legal services (authorized by section 415),⁵ and crisis counseling (authorized by section 416).⁶ In the wake of Hurricane Katrina, FEMA also administratively created a case management program relying on existing authority including section 701(b) of the Stafford Act.⁷

Section 404 of the Stafford Act⁸ authorizes the Hazard Mitigation Grant Program (HMGP). HMGP is an important part of the recovery effort. HMGP provides grants to state and local governments to build better after a disaster in ways that are cost effective and reduce the risk of future damage, hardship, and loss from all hazards. FEMA also provides grants under HMGP to assist families in reducing the risk to their homes from future disasters, through such steps as elevating the home or purchasing the home to remove it from the floodplain.

Status of FEMA’s Post-Katrina Housing Program

The Gulf Coast is still recovering from Hurricane Katrina. In the aftermath of Hurricane Katrina, FEMA provided assistance through its largest housing program in history, providing both direct assistance and financial assistance. FEMA’s housing program is generally limited to 18 months by statute; however, the President may extend this when he “determines that due to extraordinary circumstances an extension would be in the public interest”.⁹ The housing program was supposed to end on February 28, 2007, but has been extended by FEMA three times.¹⁰ FEMA announced the official termination of the Katrina Housing program as of May 1, 2009; however, families continue to be in FEMA housing as the program winds down.

¹ 42 U.S.C. 5170b, 5172 and 5173

² 42 U.S.C. 5174

³ 42 U.S.C. 5177

⁴ 42 U.S.C. 5179

⁵ 42 U.S.C. 5182

⁶ 42 U.S.C. 5183

⁷ 42 U.S.C. 5201(b)

⁸ 42 U.S.C. 5170c

⁹ Section 408(c)(1)(B)(ii) of the Stafford Act, 42 U.S.C. 5174(c)(1)(B)(ii)

¹⁰ In February 2007 the Hurricane Katrina housing program was extended until August 31, 2007; in September 2007 the program was extended until March 1, 2009; and in March 2009 the program was extended until May 1, 2009.

Direct Assistance

Approximately 143,000 families were housed in travel trailers and mobile homes as a result of Hurricane Katrina. Since this peak, most families were transitioned to more permanent housing. FEMA utilized case management services to assist residents on a one-on-one basis, provide rental and relocation assistance, and provided referrals to voluntary agencies for help with getting furniture, utility assistance, and clothing. As of May 14, 2009, approximately 4,052 temporary housing units continue to be in use in Louisiana.

Financial Assistance

FEMA has also provided \$7.8 billion in financial assistance to about 2.4 million households through FEMA's Individuals and Households Program. Of this assistance, \$5.6 billion has been housing assistance which includes: \$2.5 billion in rental assistance, distributed to over 730,000 households; \$437 million in home repair payments, distributed to over 185,000 households; and \$346 million distributed to over 34,000 households to assist with the purchase of replacement housing. FEMA has also provided \$2.1 billion in Other Needs Assistance.

Disaster Housing Assistance Program

The housing program for Hurricane Katrina was unusually long and involved far more individuals needing housing assistance than a typical disaster. To address ongoing housing needs of individuals who could not return to their homes in the Gulf Coast, FEMA used its authority under Section 408 of the Stafford Act and the Disaster Relief Fund, and delegated authority to the Department of Housing and Urban Development (HUD) to implement the Disaster Housing Assistance Program (DHAP). DHAP is a pilot program to provide temporary long-term housing and related services for families that continued to need housing as a result of Hurricane Katrina. Unlike FEMA's rental assistance program, which provides payments directly to residents who pay landlords, DHAP, working through public housing agencies, provides rental payments directly to landlords.

The DHAP program began on December 1, 2007, and served 36,816 families. The program was scheduled to end on March 1, 2009. However, Congress appropriated \$85 million for a transition program for those families that were in DHAP as of March 1, 2009.¹¹ According to HUD, this transition program will run for six months, with the last eligible rental payments made for the month of August 2009. Initially, 24,343 families were assisted through this transitional program. HUD estimates that approximately 18,000 families remain in the program as of May 2009.

The Road Home Program

The State of Louisiana has also administered other housing programs, authorized outside the Stafford Act, including the Road Home program. This program was financed with money from the Community Development Block Grant program. Participants in this program could combine these funds with other funds, including insurance proceeds, FEMA housing assistance, or hazard

¹¹ Public Law 110-229, "The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009", 122 Stat 3599. The program relies on authority in the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

mitigation assistance, to rebuild their homes. Unfortunately, there were many delays in getting this program running which delayed further the much needed recovery. These delays included a proposal by the Bush Administration to transfer to the Road Home program \$1.2 billion in Hazard Mitigation Grant program funds that are much needed to reduce the risk of future disasters. This transfer was contrary to the law and opposed by the Committee on Transportation and Infrastructure. While this transfer did not occur, the time necessary to resolve this issue further delayed the Road Home program.

Many of these ad hoc housing programs created after Hurricane Katrina and implemented by FEMA and HUD were appropriate, given the unique housing needs resulting from a disaster of such magnitude. However, before these pilot programs are extended beyond Hurricane Katrina, a deeper analysis of these programs and full policy discussion, including whether any new statutory authority is necessary, is warranted. Testimony provided by witnesses at this hearing will lay the groundwork for such a discussion.

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

In the 111th Congress, the Committee on Transportation and Infrastructure acted on the following bill related to FEMA's Disaster Assistance Program:

- **H.R. 1746, the "Pre-Disaster Mitigation Act of 2009"**: This legislation reauthorizes and makes improvements to FEMA's Pre-Disaster Mitigation Program, including codification of the competitive aspects of the program. On April 27, 2009, the House passed H.R. 1746 by voice vote.

In the 110th Congress, the Committee on Transportation and Infrastructure acted on the following bills related to FEMA:

- **H.R. 6658, the "Disaster Response, Recovery, and Mitigation Enhancement Act of 2008"**: This legislation amends the Stafford Act to improve the assistance the Federal Government provides to states, local governments, and communities after major disasters and emergencies. On July 31, 2008, the Committee ordered H.R. 6658 reported to the House.
- **H.R. 6109, the "Pre-Disaster Mitigation Act of 2008"**: This legislation reauthorized FEMA's Pre-Disaster Mitigation program and makes improvements, including codification of the competitive aspects of the program. On June 23, 2008, the House passed H.R. 6109 under suspension of the rules by voice vote.
- **H.R. 3247, the "Hurricane Katrina and Rita Recovery Facilitation Act of 2007"**: This legislation provides additional Federal relief targeted to the recovery from Hurricanes Katrina and Rita in Louisiana and Mississippi. On October 29, 2007, the House passed H.R. 3247 under suspension of the rules by voice vote.
- **H.R. 3224, the "Dam Rehabilitation and Repair Act of 2007"**: This legislation establishes a program to provide grant assistance to states for use in rehabilitating publicly-

owned dams that fail to meet minimum safety standards and pose an unacceptable risk to the public. On October 29, 2007, the House passed H.R. 3224 by a recorded vote of 263-102.

- **H.R. 1144, the “Hurricanes Katrina and Rita Federal Match Relief Act of 2007”:** This legislation provides significant relief for communities devastated by Hurricanes Katrina, Rita, and Wilma, by raising the Federal cost share for critical disaster relief programs to 100 percent and by authorizing the cancellation of Community Disaster Loans under certain conditions like all previous Community Disaster Loans. H.R. 1144 was enacted as part of P.L. 110-28, the “U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007”.

In the 111th and 110th Congress, the Committee and Subcommittee held numerous hearings related to FEMA’s Disaster Program, including:

- “Post-Katrina Temporary Housing Dilemmas and Solutions” (March 20, 2007)
- “FEMA’s Emergency Food Supply System” (April 20, 2007)
- “FEMA’s Preparedness and Response to ALL Hazards” (April 26, 2007)
- “Legislative Fixes for Lingering Problems that Hinder Katrina Recovery” (May 10, 2007)
- “Assuring the National Guard is as Ready at Home as It is Abroad” (May 18, 2007)
- “Readiness in the Post-Katrina and Post-9/11 World” (September 11, 2007)
- “National Flood Plain Remapping: The Practical Impact” (April 2, 2008)
- “Saving Lives and Money through Pre-Disaster Mitigation” (April 30, 2008)
- “Moving Mississippi Forward: Ongoing Progress and Remaining Problems” (June 19, 2008)
- “Role of the Federal Government in Small Business Disaster Recovery” (September 12, 2008)
- “FEMA’s Response to the 2008 Hurricane Season and the National Housing Strategy” (September 12, 2008)
- “Post-Katrina Disaster Response and Recovery: Evaluating FEMA’s Continuing Efforts in the Gulf Coast and Response to Recent Disasters” (February 25, 2009)
- “Disaster Capacity in the National Capital Region: Experiences, Capabilities, and Weaknesses” (April 3, 2009)
- “FEMA: Preparedness for the 2009 Hurricane Season” (May 1, 2009)
- “An Independent FEMA: Restoring the Nation’s Capabilities for effective Emergency Management and Disaster Response” (May 14, 2009)

WITNESSES

Mr. David Garratt
Acting Deputy Administrator
Federal Emergency Management Agency

Mr. Fred Tombar, III
Senior Advisor to the Secretary for Disaster and Recovery Programs
Department of Housing and Urban Development

Mr. Paul Rainwater
Executive Director
Louisiana Recovery Authority

The Rt. Rev. Charles E. Jenkins, III
Tenth Bishop of the Episcopal Diocese of Louisiana