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HOUSING OPTIONS IN THE AFTERMATH OF HURRICANES KATRINA AND RITA

HEARING

BEFORE THE

SUBCOMMITTEE ON
HOUSING AND COMMUNITY OPPORTUNITY

OF THE

COMMITTEE ON FINANCIAL SERVICES

U.S. HOUSE OF REPRESENTATIVES

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HOUSING OPTIONS IN THE AFTERMATH OF HURRICANES KATRINA AND RITA

Thursday, December 8, 2005

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HOUSING AND
COMMUNITY OPPORTUNITY,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:06 a.m., in room 2128, Rayburn House Office Building, Hon. Robert W. Ney [chairman of the subcommittee] presiding.

Present: Representatives Ney, Baker, Neugebauer, Davis, Waters, Velazquez, Carson, Lee, Scott, Frank, Davis, Cleaver, and Green.

Also present: Representatives Melancon and Watt.

Chairman NEY. The Housing Subcommittee will come to order, and the hearing today is on the housing options in the aftermath of Hurricanes Katrina and Rita.

The Housing Subcommittee meets this morning to discuss the Federal Government's response to the emergency housing needs of residents affected by Hurricanes Katrina and Rita; specifically, the Federal Emergency Management Agency, FEMA, hotel program for evacuees and the role of the HUD housing programs in response to disasters.

Also, we had hoped, I had personally hoped to include the Department of Housing and Urban Development in today's panel, but due to some scheduling conflicts, they were unable to attend. However, I was assured by the HUD Secretary last Monday that the Department would be able and available to participate in another hearing on this matter. I think it is going to be critical. The Department is going to have to make someone available to be here to discuss this important issue. So we are going to continue—

Mr. FRANK. Mr. Chairman.

Chairman NEY. Yes, Mr. Frank.

Mr. FRANK. I wonder if at this point I might be recognized for 2 minutes.

Chairman NEY. The gentleman is recognized.

Mr. FRANK. As you know, and I gave you notice, and I appreciate very much the efforts that you and the Chairman of the Full Committee have made to have a HUD representative, but it is unthinkable that we should be without a HUD representative on a housing policy matter. It is also a disadvantage—and I appreciate FEMA has been very forthcoming. I have some criticisms of how they have done this, but they have always been responsive to our request for

meetings. I wish I could say the same thing for HUD. Not having HUD and FEMA here at the same time is already a disadvantage because there is a collaborative effort here, we hope. But the failure of HUD—and I understand you have made several efforts, and Chairman Oxley has made several efforts. The Secretary was given a week's notice. It wasn't a demand that he personally come but that a responsible official come. I know you tried through the staff, diligently, to schedule something for next week. And the notion that HUD would refuse to come and has not, by now, given you a firm date is an outrage.

And I therefore would note that Ms. Waters, the ranking member of the subcommittee, and I have submitted a letter—which I believe you have—yesterday to you. Let me just read it.

"We are writing to request that you convene a business meeting of the Housing Subcommittee at the earliest opportunity and prior to the end of the current Congressional session so that members of the subcommittee can vote to authorize and issue a subpoena to HUD Secretary Alphonzo Jackson. I am very disappointed that we have to come to asking you to do this, but it is just an outrage, a Constitutional outrage, for the Secretary of the relevant department not to come and speak about these issues."

And because while FEMA has some responsibility, we have a longer-term responsibility; we have the question of the interactivity of HUD section 8 vouchers and what has been going on. And so I just want to note this, Mr. Chairman.

And as I said, this is no criticism. Indeed you and the Chairman of the Full Committee have been very cooperative on this. FEMA has been cooperative. I have never seen anything in 25 years here, like the failure of the Secretary of HUD either to come himself or send a representative to talk about what has got to be one of the most important issues facing that Department.

So I thank you for your attention to this. And if you can get a response from him without us having to subpoena him, that would be preferable; but we will press this notion of a subpoena if that is what it takes, sadly, to get a HUD representative.

Chairman NEY. Thank you.

Mr. Scott.

Mr. SCOTT. Yes, Mr. Chairman. I would like to have a moment on this myself, because I really believe that this is an extraordinary dereliction of duty. It is an insult to this committee. It is an insult to the entire House of Representatives that not only did Mr. Jackson refuse to come and refuse to respond, but of all the employees that HUD has, you mean to tell me we cannot have one representative from that one agency—that obviously has more substantive need to respond, particularly with Katrina and with Wilma, with Rita, the historic devastation that those storms have done. I mean, this is just unacceptable. And I think it is obviously a signal of a huge meltdown on the part of this entire Administration in terms of its inability, unwillingness, and insensitivity, to respond to the pressing needs of people who have been devastated.

We have had victims from Katrina up here literally crying, begging for help from day one with the storm. And consistently this Administration, this government, has failed them. This is despicable. And it should not go unnoticed. And we must hold this gov-

ernment to a higher standard in responding to its people. The people in the Gulf area and the people of America deserve better than what this Administration has given them, and the failure of the Housing Secretary himself not to be here is appalling and unacceptable.

Chairman NEY. Thank you. I am going to go ahead and finish my statement, but I appreciate the comment of the gentlemen.

Again, I talked to the Secretary, and I have talked to Chairman Oxley. I talked to him last night, and I see no reason why somebody can't be here from HUD. And I will tell you that somebody has to be here from HUD, and that is going to cost us another day of a hearing as we come back this week—I don't think we are going to be back the week after that, so it is kind of important. If we don't get the comments and find out what is going on—and maybe some things went right and maybe some things went wrong—then, as I understand it, on a date in January when we are not here, this whole thing is going to take place of where people are going to be or not paid, or in hotel rooms or not.

So after talking to Chairman Oxley last night, I fully expect that somebody will be here that can converse on this issue. Again, it is going to cost an extra day. I apologize for that, but somebody will be here. I will correctly assume that.

So again, along with the Louisiana and Alabama and the Mississippi Gulf Coast, Federal and local governments now face a huge task of coordinating relocation of thousands of individuals and families whose lives have been uprooted by these hurricanes.

In September we had a meeting and we brought together groups from across housing spectrums. Most members of the committee on both sides of the aisle were at that meeting. And this was, I think, one of the first steps in trying to get a handle and respond to how we were going to deal with this.

On September 23rd, the Department of Homeland Security and the Department of Housing and Urban Development announced two distinct programs to address the housing needs resulting from Hurricane Katrina. FEMA is the lead agency in administering disaster assistance, and the majority of those in need of housing assistance will be helped through FEMA's Individual Households Program, IHP. Those that do not qualify for FEMA assistance, including formerly HUD-assisted evacuees and those homeless prior to Hurricane Katrina, will qualify for assistance under HUD's Katrina and Disaster Housing Assistance Program. FEMA is providing funding to HUD through a mission assignment for the program.

I was pleased to see FEMA's announcement last month that it was extending direct Federal emergency assistance reimbursement for hotel and motel rooms occupied by people who had to be evacuated.

As I understand from many interested parties with varying perspectives on the merits of the hotel program, it appeared that significant research and analysis was necessary to understand the true impact of this; how many people were affected, where they are at and what options they have, especially in the area of housing. If they are trying to get a job, they have to have a place to stay.

So given the complex ramifications of abruptly ending this program, it became increasingly clear that more time is necessary to

work with State, local, and Federal partners to ensure these families can become somehow self-reliant again and reclaim some normalcy to their lives.

And I look forward to this hearing; and with that, I am going to yield to Mr. Frank.

Mr. FRANK. Thank you. Let me yield to, if I could, first the gentleman from Texas, who represents the city of Houston, and who has some important correspondence that was submitted to us for the record from the mayor. Houston has been one of the cities that has done an excellent job of trying to help out. The mayor has done a great job, and Representative Green has been very active with that and has been one of the point people for us on this. So if we could just recognize the gentleman from Texas to make that submission.

Chairman NEY. The gentleman from Texas is recognized.

Mr. GREEN. Thank you, Chairman Ney. And I would like to thank Ranking Member Frank, also subcommittee Ranking Member Waters. And I would also like to, if I may, just briefly say thank you to you, Mr. Garratt, for being here. You are in a tough position today. And you are in a tough position because we live in a world where it is not enough for things to be right, they must also look right; and it doesn't look right for us not to have the representation from HUD in attendance.

Now having said that, I do have letters from the Mayor of the City of Houston, Mayor Bill White, and these letters are addressed to the Chairman—pardon me; yes, the Chairman of HUD, the Honorable Alphonzo Jackson, the Secretary of HUD. And I would like to, with your consent, Mr. Chairman, enter these two letters into the record, if I may.

Chairman NEY. Without objection.

Mr. GREEN. And Mr. Chairman, would it be appropriate for me to make additional statements now, or should I wait until my turn?

Chairman NEY. We will go to Mr. Frank and then come back. It is still Mr. Frank's time.

Mr. FRANK. Thank you, Mr. Chairman.

Before I begin my statement I would like to also submit for the record a statement from the Low Income Housing Coalition, and let me just quote from it:

"In the 3 months since Hurricane Katrina, the Federal Government, which is required by law to assist people displaced by natural disasters, has been unable or unwilling to develop and implement a coherent, functional, consistent plan. The result is continued instability and trauma for tens of thousands of people who are unable to begin to rebuild their lives." This is on behalf of the Center of Budget and Policy Priorities; the National AIDS Housing Coalition; the National Alliance to End Homelessness; the National Law Center on Homelessness; the National Low Income Housing Coalition; the National Policy and Advocacy Council on Homelessness in New Orleans; and Unity for the Homeless.

I would also submit statements from the National Association of Housing and Redevelopment Officials, and the National Multi-Housing Council, again lamenting the shortfall. And I would ask the—

Chairman NEY. Without objection.

Mr. FRANK. Now, as I said, I have serious concerns about HUD, and we ought to be clear that HUD should not gain from its absence. I have many criticisms to make of FEMA, but I am more critical of HUD, and obviously by being responsible and coming forward, FEMA exposes itself to these criticisms. And we ought to be very clear that HUD has also been, in my judgment, even more culpable.

In particular, there were early requests from HUD to cities that have section 8 waiting lists to take people who were evacuated and put them ahead of people under section 8 waiting lists. Pitting poor people in distress against each other is a despicable situation, to quote my colleague from Georgia. And that was especially the case, because at that time FEMA had been given $62 billion. And for HUD to be urging administrators of housing authorities who had section 8 waiting lists to cut into this already badly stretched section 8 program was a mistake. And I hope—and I have been talking to the appropriators. That appears to have stopped going forward, but it does seem to me appropriate for the housing authorities to be reimbursed for that so we don't have that loss. I think there is enough money, and we have asked the appropriator in his reprogramming to do that.

But now as to FEMA. First of all, I have to say that this announcement on November 14th that people would have to move out of hotels on December 1st was one of the most heartless things I have ever seen a government do that did not involve absolute loss of life. FEMA did, 9 days later, correct that, but what distress was imposed on already saddened people. And the very fact that somebody so thoughtlessly would have done that, you know, I—and in some cases, the gentleman from California who has now joined us, the Ranking Member—have sent a number of letters to FEMA. I don't believe we have gotten any answers.

On October 7th, I said to FEMA, look, you have got a deadline coming up. Could you please tell people what is going to happen at the end of the 3 months? They waited 5 or 6 weeks to do that, and they gave people who were deprived of their homes, who were homeless, in many cases without any income, without a lot of resources, they gave them 2 weeks' notice that they were going to have to move out of their hotels. Then they held it off until January 7th. That is just outrageous.

Secondly, we have this insistence that people rent apartments for 3 months. Does everybody in FEMA own a home? Has no one in FEMA ever rented an apartment? Does no one in FEMA understand the difficulty of getting a 3-month lease, particularly when you are homeless? Now, compound that with the fact that in some cases cities were willing to step up—the gentleman from Texas just read to us from the Mayor of Houston. Mayor White has been superb. People in Atlanta have been helpful, and other cities. They were willing to help out, they were willing to be kind of be the go-betweens, they were willing to sign the leases. It is hard enough to get a landlord to give you a 3-month lease; maybe if the mayor or his people asked, they might do it. And they were doing that, to their credit.

First, many of them signed 1-year leases. HUD, without—FEMA, without adequate notice to them, has since told them that they

won't honor the full year lease. And there was nothing that I saw in advance that led them to think that. They looked at the Stafford Act, which seemed to authorize up to 18 months. So there is a kind of retroactivity problem here. And at the very least, where you had a city put itself out that way and sign a 1-year lease, shame on us if we try to stick the city when you are sitting on a $62 billion appropriation.

Secondly, why repudiate the cities now? You have told the cities that you won't take their help anymore. You know, I can understand that—I mean, if George Forman was in a fight and he told me he didn't need me, I would understand that he could probably handle it without me. But you are not George Forman. You are not doing a good enough job by any means to refuse help from cities that are ready to step in. Again, we are talking about people, some of whom were at a low-income status, people who were working hard to deal with life. They were hit with this terrible disaster through no fault of their own. Their lives were further disorganized by the inadequate government response. They were put in hotels. They don't have resources. Some of them may be far away from home; they don't have jobs. And a city is willing to help them rent an apartment for 3 months, and you say no? I hope you explain to me what possible reason you could have for refusing the willingness of local governments to do this.

Finally, we still have people in an uncertain situation. They are being told 3 months; 3 months, we don't have any clear criterion for what they need to do to continue beyond the 3 months. Why not give them a year? Look, people aren't voluntarily staying away from their homes. People aren't loving living in hotels. You don't have to worry that they are going to cheat you by staying there longer than they need to. Why not give them the year, and then if they can find something else, let them out. Again, with this $62 billion, why not err—if it is going to be an error, why not err on the side of a little bit of compassion and charity instead of subjecting these people to this kind of constant every 3-month turmoil?

And finally, one last point. We continue to have a great deal of uncertainty about the mobile home recreational vehicle trailer situation. One of the things I will be doing is submitting to you: Can you tell us who is in what category and where they are? I am told there are 800 mobile homes, 36,000 recreational vehicles. We are told there are 25,000 mobile homes that have been delivered to FEMA to staging areas. The Mobile Home Institute and Manufactured Housing Institute has told us that. What is the status of those? What is holding it up? I understand you can't put them all in there right away. Frankly, I think you were unfairly criticized by some. Some people said the mobile homes are terrible. Well, they are only part of the solution; they shouldn't have been the whole solution. And we appear to have gone from too much reliance on them to not enough.

But the fundamental point I want to leave with is this: Do not treat these people who have been through so much trauma, who have had through no fault of their own so much taken away from them, do not treat them with the kind of microscopic scrutiny that this government hasn't applied to contractors in Iraq or contractors anywhere else. Let's understand the status of these people; let's

work with cities that want to help, and let's show a great deal more compassion than has been shown so far.

Thank you, Mr. Chairman.

Chairman NEY. The gentlelady from California, our ranking member.

Ms. WATERS. Thank you very much, Mr. Chairman and members.

First, I would like to thank our active FEMA director. And I want to preface my statement by saying any harsh comments that you may hear today are not personal. We are pleased that you are here. We are very upset that HUD is not here and HUD has left you to face the music alone. And you are in a position where the previous director of FEMA failed his country and the people of the Gulf region, and so you are what we have to deal with today. And we are very, very frustrated with FEMA. We are very, very upset that we are constantly bombarded with questions, with complaints, with dissatisfaction from the victims of Katrina.

The first thing you need to know is this: Nobody really understands how you work. We have been trying to get clarification for every written request that we have made to FEMA. We have not to this date gotten a response. We can't find out how many trailers you have, where they are located. We don't know where the people are in the United States, and how many. The Mayor of the City of New Orleans was here yesterday; he cannot get from FEMA where the people are from his city, where are they located? Where are they living?

We were passing out baskets for Thanksgiving in Los Angeles, California, to people from New Orleans who were living in hotels, who were crying in line because of the information that was disseminated from FEMA that they were going to be put out as of December 1st. We know that you came back and you changed the date. Now they will start crying, I guess in January, because that is the purported date.

Then when we called FEMA, FEMA tells us, well, that is not really a hard-and-fast date. We are going to take it on a case-by-case basis. What are the rules? When someone calls FEMA and their time is up, what are the rules? What rules are people playing by? What are the questions? Where are the forms? What do they look like? What constitutes the reasons by which they will be extended or denied? We don't know that. We cannot get our workers and our officers trained to be able to be of assistance to people all over this country. We need some answers.

What is the interaction between FEMA and HUD? We have real questions about housing assistance, because this is the most desperate—these are the most desperate needs that we are confronted with.

I would like to spend some time asking you about contracting and how you are contracting. Are we still in the low-bid contracting game? What happened to the Big Four that we were contracting with, the Ford Corporation, the Shaw Corporation, Halliburton? Have we figured out—I don't know whether or not—where we are with affirmative action in times like this?

But since I don't have a lot of time and we are just doing our opening statements at this point, I just want to try and commu-

nicate to you how dissatisfied we are, how upset we are, how embarrassed we are about FEMA. FEMA does not work. It is not working. And maybe it is not your fault as an acting director who stepped in, but what are your recommendations for how we can do better? Why can't we get this relocation right? Why can't we—we started talking about manufactured homes and trailers right at the beginning of all of this, because we knew that people couldn't stay in the shelters forever. We knew that we had to have some transitional housing. We knew a few things. We talked to FEMA about not putting up extensive ghettos where you could spread out the trailers on small lots. We have had people who have come forward with private lots and offered to give their lots, volunteer their lots; they have not been accommodated. And then you pass this off by telling us, well, that is really not your responsibility; it is up to the cities, it is up to the States, to talk about location.

The buck has to stop somewhere. And so we are going to have a lot of questions for you today.

And again, I want you to know that we are not happy with HUD either. And I think it has already been identified by Mr. Barney Frank that we are going to try and subpoena HUD. And I have suggested to some of my colleagues that if HUD doesn't get over here, I am going over to HUD. I am known to do those kinds of things. I am going over there, and I am going to ask some people to go with me. And as a matter of fact, it is time for me to come see FEMA and see what you people do, how you are organized, who is responsible for what. I am just sick and tired of looking stupid and dumb when people ask me questions. I yield back the balance of my time.

Chairman NEY. I thank the ranking member.

I want to submit for the record, without objection, two statements, one from the National Community Development Association, the other from the National Association of Housing and Redevelopment Officials—and hearing no objections—for the record.

The gentlelady from New York, Ms. Velazquez.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

I just want to be on the record to express my disappointment and my frustration with the fact that the Secretary of HUD, Mr. Jackson, refused to appear before this committee to help us understand the lack of response or the ineffective leadership and mismanagement of the disaster response from the Federal Government.

You know, if there is a time when this Administration can show the world and Americans what they mean when they talk about compassion and conservatism, it is today. And I am tired of hearing the Administration's response to criticism, saying that this is an unprecedented disaster. Yes, it was an unprecedented disaster, and this is why we need an unprecedented response that the people who are suffering and who have lost everything are not getting from this government.

On October 18th, I sent a letter to the White House—and maybe you can answer for the President today—expressing concern about the Administration's wasteful spending on uncoordinated efforts to house Katrina victims. The letter questioned taxpayer spending on cruise ships, trailers, and hotels when other more cost-effective, long-term housing alternatives exist. The letter also questioned

why the Administration refuses to create an entity to coordinate the Federal Government's housing functions.

And, Mr. Garratt, the response to this crisis has been ineffective, inadequate, and clearly is not working. I would strongly suggest to you, accept the fact that you have made mistakes, go back to the drawing board and come up with a strategy that will bring hope to the people who are suffering so much.

Thank you, Mr. Chairman.

Chairman NEY. The gentleman from Georgia, Mr. Scott.

Mr. SCOTT. Thank you very much, Mr. Chairman.

First of all, I want to thank you, Mr. Chairman, for the outstanding job that you have done, for your persistence, your hard work in doing everything you possibly could to get HUD here. It is certainly—he is not here, and he is not here at a great disappointment to you as chairman. And I know that personally. And I just want to make a point on the record to let everybody know how hard you worked to try to get him here and how disappointed you are, as all of us are as well. So I want to thank you for your efforts on that.

I can't say enough now just how mad I am about this entire situation. And this meeting, this gathering here this morning, is fully demonstrative of the sadness and the shame of the situation. This committee room should be packed. Every single member of this committee ought to be here. It tells you something. Not only is HUD—HUD's absence from this is symbolic of this entire country's—and this Administration's especially—attitude about this problem. And you know, I am beginning to wonder why. Is it because these are poor people? Is it because most of these people are African Americans? These are serious questions, and we have got to find some answers to them.

On the day before yesterday, there was a hearing on these very issues by another committee. And I cannot erase from my mind the pain and the anguish on the faces of those victims coming up here from New Orleans and Mississippi. It is inexcusable for this HUD Secretary not to be here.

Now, I just want to submit for the record here—and I think it is very important. And we have traced just a news headline litany that I think expresses the attitude, because we are going to have to get to the bottom of this. We are going to have to find out why this government is not responding to this most serious issue, when hundreds of thousands of their citizens are in such great need. If we can go over to Iraq and tear down a country and rebuild that country, the least we can do is the same for our own people.

Chairman NEY. I just want to note that the time is expired, but the gentlelady has to go to a markup, so I want to make sure—

Mr. SCOTT. Thank you very much, Mr. Chairman.

I just want to make sure that everybody understands the seriousness of this issue. And in view that the lady has to leave, I will reserve some of my other comments for the question and answer period. Thank you.

Chairman NEY. The gentlelady from California.

Ms. LEE. Thank you very much. And I will be very brief. I just want to associate myself with the remarks of all my colleagues here and say a couple of things, Mr. Garratt.

First of all, let me just say with regard to Secretary Jackson's absence here, I think it is really a slap in the face. I think it shows the rest of the country now exactly what this is about and why there is such a gap in terms of—an attitude gap, a gap in coordination, a void in terms of the delivery of services that people deserve. And it shows us that this government has probably—on this, and God knows if there are any future disasters—it melts down, actually in a time of need. And it is just downright shameful that the Secretary of HUD won't come to a housing subcommittee. And for the life of me, I don't know if this is just an attitudinal problem, I don't know if it is one of his schedule, I don't know if it is just one of the facts that he just doesn't want to come forward. I mean, I have no clue why he is not here, but I would hope that someone, our chairman and our ranking member, that we get him here; because people who have been victimized through no fault of their own have a right to know what their Department of Housing and Urban Development is doing and what type of expectations they should have.

Secondly, let me just say, what has happened with FEMA in this whole disintegration, I think, has been horrible and disastrous, and the anxiety—and we have probably about 1,200 residents in our area—the anxiety that has been created. Just, for example, when people were notified that they would be put out of the hotels and motels, this was right before the holidays. The insensitivity just to let that word go out worries me in terms of what kind of culture you have over at FEMA that would allow this edict to even go out. I think that that was just an example of the kind of problems you have at FEMA that really, unfortunately, resonate with people and impact people who have been traumatized, who have a lot of anxiety, and who don't know what is going to happen next. I would think FEMA would be trying and working in every way possible to minimize this anxiety and to talk about and make sure that people knew that this transition would be as painless as possible and that FEMA was working with HUD to help make sure that people get home as quickly and as safely as possible.

But the direct opposite messages are coming out, and so I am not sure what is happening. I think Congresswoman Waters is right; we need to figure out just what the deal is over, inside of the agency that would allow such unbelievable kind of messages.

So, Mr. Chairman, I just thank you. Thank you, Mr. Garratt, for being here. And as soon as we finish with our markup, I intend to be back and we will produce some of the answers to those questions.

Chairman NEY. I thank the gentlelady.

The gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, again, Mr. Chairman. And again, thank you to Ranking Member Frank and subcommittee Ranking Member Waters for holding these important hearings.

Especially as we approach the holiday season, we want to make sure that the persons who are victims of Katrina and Rita, these hurricane evacuees, that they know that we are sensitive to their needs.

Mr. Chairman, I want to say a kind word about the City of Houston, because the City of Houston at a time of need opened up its

arms, its hotels, and its apartments, to the evacuees. I would like to compliment Mayor White, our county Judge Eckles, for the outstanding work that they did. And I mention them because at the time that they were being resourceful and being helpful, they didn't ask about section 403, section 408. They saw a need, and they met the need. Probably the only rule that was of paramount importance to them was the golden rule: Do unto others as you would have them do unto you. And that is what our city did.

And it is regrettable that we now have this consternation developing with reference as to whether there will be reimbursement for leases that are longer than 3 months, because at the time these leases were negotiated, there was no indication that they would be but for 3 months. This not only creates a financial concern for the City of Houston, but it really does create anxiety with the evacuees. I think that we somehow have missed out on the whole notion of loving our neighbor as we love ourselves, just treating people right.

This has become a major problem for this country, and here is why; because after 9/11—and it was a dastardly thing that was done—we treated the families, the victims, right. We did the right thing. With the savings and loan debacle, we did the right thing. It doesn't look right for us to do anything less than the right thing for the victims of these hurricanes.

If we don't act prudently and expeditiously, the world is going to start to draw conclusions about the victims that they saw on television juxtaposed to the victims of 9/11 and the savings and loan debacle.

So I beg that you would please understand that, having answered the clarion call for help, the City of Houston and the evacuees ought to be treated fairly.

I yield back the remainder of my time, Mr. Chairman.

Chairman NEY. Thank you. The gentleman, Mr. Cleaver.

Mr. CLEAVER. Thank you, Mr. Chairman, and Ranking Member Waters, Ranking Member Frank.

Though it is redundant, I too must render or state my disappointment and even disgust with the failure of HUD to show up for this hearing. I will say it again; it is almost as if the Federal Government is suffering from ADD, attention deficit disorder. We just can't stay focused on a problem very long. We are at best, it seems, a 12-week Nation.

For HUD to miss this hearing sends a statement across this country that is difficult for any of us to explain. HUD's failure to show is like Moses failing to show up for the crossing of the Red Sea. It is like Manning failing to come out of the locker room after half-time. And this is the second half of this tragedy.

And I know that we have all kinds of hearings scheduled here in the House, and no committee operates in respect of another committee's time, and so many of my colleagues are no doubt in committee hearings at this time. That is my hope; that they are either at hearings or at funerals. The reason is that I cannot imagine—and none of you can't either, I don't care what your political pedigree might be—having this hearing 8 weeks ago without having every member of the committee here, the HUD staff, and even a phalanx of staffers from FEMA, standing room only. They would

have been here. There would have been cameras everywhere, people bumping into each other, fighting for space. But not today.

The agency commissioned with the responsibility of dealing with housing is not here. The biggest issue facing New Orleans is housing, and the Federal agency responsible for dealing with housing didn't show up. This is, as one of my colleagues said, an embarrassment. The Los Angeles times carried a story on Tuesday, "Giving Up on New Orleans." There are people from New Orleans who believe, with a lot of good reason, that this Nation has given up on New Orleans. And it is a shame that I have got to talk with you, but you know, if only one chicken shows up, that is the one you feed.

And so I am sorry; I mean, I am not mad at you, I am happy that you are here. But unless somebody else—could we get a substitute for HUD, somebody to just sit at the table with a HUD sign? I mean, because I feel badly about talking to you. You didn't do it, although I wish you had had a few more staffers with you just to make us feel better that it was serious. But this bothers me. I have got some questions about FEMA later in the hearing, but I had to register, Mr. Chairman, my disgust. And I appreciate very much you being here. Thank you.

Chairman NEY. Any other members have any other statements or—any other members?

If not, with that we will go on to welcome David Garratt, who is the Acting Director of the Recovery Division at the Federal Emergency Management Agency headquarters here in Washington, D.C. The Recovery Division is responsible for planning and executing the Federal Government's recovery efforts for major disasters and emergencies. Mr. Garratt has participated in over 30 Presidentially declared disasters or emergency operations, including the World Trade Center-Pentagon terrorist attack of 2001.

We welcome you. I am sure you are happy to be here today, too. We appreciate you coming.

Chairman NEY. With that, Mr. Garratt, thank you.

STATEMENT OF DAVID E. GARRATT, ACTING DIRECTOR, RECOVERY DIVISION, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Mr. GARRATT. Thank you, sir.

Good morning, Chairman Ney, Ranking Member Frank, and subcommittee members. I am David Garratt, the Acting Director of the Recovery Division at FEMA, and I am representing Secretary Chertoff and Acting Director Paulison. It is an honor to appear before this subcommittee to summarize and discuss our emergency sheltering and housing efforts in support of Hurricane Katrina and Rita victims.

We at the Department of Homeland Security and FEMA appreciate your interest in the housing challenges presented by the scope and scale of these unprecedented disasters, as well as the resources Congress has provided to help us tackle those challenges and accomplish our mission.

I think we all recognize that these hurricanes, and Katrina in particular, have thoroughly tested the capabilities of FEMA, the Department, and the Nation, including the many States and com-

munities nationwide, who are hosting displaced evacuees from the affected Gulf region. And yet, while these events have tested our plans and processes as never before, FEMA's sheltering and housing assistance programs have provided and facilitated the means for hundreds of thousands of evacuees to quickly secure interim accommodations and continue to fund and facilitate aggressive strategy to transition those individuals and families into longer-term housing solutions.

What we want to stress at this hearing and to disaster victims across the Nation is that now is the time to begin reestablishing and rebuilding your lives. We have been and remain committed to helping households recover and reestablish themselves. And I would like to outline the assistance programs under the Robert T. Stafford Disaster Relief and Emergency Assistance Act that FEMA is authorized to provide in support of those housing and sheltering needs.

Under our Public Assistance Program authorized by section 403 of the Stafford Act, FEMA is authorized to reimburse States for emergency protective measures, including emergency sheltering. Typically these costs are reimbursed only for those States directly affected by the disaster. However, the scale of the evacuation prompted by Hurricane Katrina required a more expansive approach. Accordingly, to encourage States outside the affected area to accept the hundreds of thousands of evacuees from the Gulf region, the President responded to gubernatorial requests by declaring emergencies for 43 States and the District of Columbia. These emergency declarations had the effect of reassuring those States that their sheltering costs would be reimbursed, as well as provided the means for States to transition these evacuees out of shelters and into longer-term temporary housing.

This latter capability has provided an invaluable bridge to our longer-term housing strategy, as it allows jurisdictions, on a reimbursable basis, to arrange short-term lease apartments for evacuees, allowing them to move out of transitional environments, such as hotels, and into more stable temporary housing. The long-term goal is to bring these individuals into broader FEMA housing assistance programs that have more consistent guidelines and levels of assistance.

While section 403 supports sheltering activities, FEMA's housing assistance authority is covered under section 408 of the Stafford Act. FEMA provides the following forms of housing assistance under our Individuals and Households Program, as authorized under section 408, rental assistance, home repair assistance, home replacement assistance, direct housing, and other needs assistance to meet serious needs and necessary expenses, to include personal property losses.

The scope and scale of devastation from these two hurricanes eliminated the home repair option for many households. Of course, home repair does not apply to renters, who have the same need for temporary housing assistance. For both these types of households, FEMA offers two forms of interim housing assistance: rental assistance in the form of financial assistance paid directly to an eligible applicant, and direct housing assistance in the form of a dwelling provided by FEMA to an eligible applicant.

We have been collaborating closely with HUD from the outset of this event, working together to determine the best possible means of joint cooperation to benefit those most in need of housing assistance. In particular, I would like to cite the assistance of Mr. Hank Williams, a senior HUD official who joined our Housing Area Command in Louisiana early on, and led an intergovernmental and public/private housing group in developing housing solution strategies for the Katrina-Rita impact area. We greatly appreciate the support and expertise that Mr. Williams and HUD contributed to the development of effective housing strategies for the region.

HUD also made repossessed houses available to FEMA-eligible disaster households. It has placed hundreds of disaster victims in houses in the four-State area, including 207 families in Texas alone.

HUD, through their Katrina Disaster Housing Assistance Program, or KDHAP, is copartnering with FEMA in the transitional housing assistance program. The KDHAP, funded by FEMA and administered by HUD, is specifically for those disaster victims who were in HUD-assisted housing programs prior to the hurricane, or are ineligible for FEMA housing and assistance, such as predisaster homeless citizens who did not have a previous permanent address. Such victims are being assisted through HUD's KDHAP.

While finding temporary housing for so many displaced households has been and will continue to be a challenge, FEMA and its partners at every level of government and within the private sector will continue to work together to find solutions.

In summary, as of early December, FEMA has spent over 4.3 billion on housing for disaster victims. This relentless recovery phase continues. So, too, does our commitment to the victims of these disasters and to the States and cities who are helping house and care for them.

At the same time, we continue to seek and develop alternative housing solutions in the impacted areas to afford as many displaced victims as possible the opportunity to return home as fast as possible.

Thank you. I would be happy to answer any questions that you may have.

[The prepared statement of Mr. Garratt can be found on page 58 of the appendix.]

Chairman NEY. Thank you for your comments, and I recognize Mr. Baker.

Mr. BAKER. Mr. Chairman, I appreciate your indulgence. I regret I was not here to make my opening statement, but I did want to express my appreciation to you for this hearing.

I will say that of the calls I received in the days after the storm made landfall, yours was the first offering appropriate assistance in whatever direction that might be taken at the time to respond to the circumstances. So I want the record to be clear that this subcommittee chairman has done excellent work in responding to the identified needs.

I also want to make clear that we are, at this moment, in continuing discussions with members of the delegation relative to the finalization of H.R. 4100, which creates a government corporation

to assist in the resolution of the devastated housing within the Katrina-Rita impact areas. We are very close, and I am hopeful that when we return next week, given all members of the Louisiana delegation's willingness to sign on to the proposal, that we could have assurances and assistance from members of this committee in urging consideration of that proposal as a component of the broader Katrina relief package that I believe will be considered on the Floor next week.

Unfortunately, I read yesterday in a local wire service publication, The Daily Report, that the first calls are now being made to the Louisiana Office of Financial Institutions, complaining about demand notices being issued for 4 months' back payments, plus interest, for homeowners who are not now even able to return to their property. With the Congress not returning until February, I am very distressed that tens of thousands of notices will go out to individuals without an identified method by the Congress to respond to what I hate to say will be a cataclysmic financial problem.

The banks who are taking this action are certainly within their legal authority to do so, and may, in fact, have a fiduciary responsibility to their shareholders and to regulators to take these actions, but the banks will be in no better position than the individuals. Once the banks acquire the property through the foreclosure process, they are going to have parcels scattered all over the area, not contiguous. They will have a liability on the lot, which is a devastated structure, which they will have to pay to remove, and then only have improved property to liquidate to try to remedy the partial mortgage obligation.

I have learned that it will not be unexpected to see a very significant number of Louisiana institutions forced into a financial condition that will not warrant continued operations for lengthy periods of time—I am saying that as carefully as I can. But these are extraordinary circumstances, and they are extraordinarily bad.

Mr. Chairman, again I want to emphasize my deep appreciation to you for your leadership and insight into these matters, and make clear to the members of the committee I have a deep and abiding interest in this matter, but I do find it absolutely necessary at the time, working with members of the Louisiana delegation, to try to get the elements of H.R. 4100 finalized, so I can return to this committee and to the Financial Services Committee with an offer for its consideration, I hope, next week. And I thank the gentleman for his courtesy and yield the time.

Chairman NEY. I thank the gentleman for his comments.

I think that FEMA is in unchartered waters, and I thank you for coming here today. I think FEMA itself, again, is in an area of unchartered waters. Now, we have had disasters, and we evacuated in Tuscarawas County, Ohio, 7,000 people last year, out of a county of 70,000. But that was temporary. And then the water went down, and they came back in, so it wasn't long term. And we had people who also had some horrific damage. But this is a long-term situation of immense magnitude.

I think, just reflecting back, that maybe the Congress should look at how funds are distributed, or maybe the funds go from FEMA or they go over into HUD, I am not sure.

I also do feel at times that this is done in a vacuum. I cannot hang that on you. You are not running the top of the food chain with the ship. But you read in the newspaper, well, people are going to leave on such a date, and then it got extended, and now it is going to be in January. And even if the Congress is not in session, I still think that FEMA and HUD have to communicate with Members of Congress and also with the committees of jurisdiction, because, again, I just think sometimes things are done in a vacuum. Now, maybe they are done in a vacuum, and they are good things, but maybe some of the things are not working.

But right now, I would like to know, to the best of the knowledge you have of how this is working, what is the exact coordination between HUD and FEMA? This decision of people to have a date certain to leave, was that decision made by FEMA only, by HUD, in joint communication? How are the decisions made, for example, on the issue of the hotel rooms and things?

Mr. GARRATT. We are collaborating very closely with HUD on a regular basis, both in terms of the transitional housing strategy that we have unveiled and in the longer-term, long-term recovery basis. HUD is a member of ESF–14, which is the long-term community recovery ESF (Emergency Support Function), and they are a regular participant in that, again, as well as participating with us in our normal assistance programs to individuals.

In terms of the hotel-motel issue, that was a decision that was made principally by FEMA. HUD was not a collaborator in that decision. And although you indicated that you thought that that was probably a decision that was up above my level and that I could not answer that, in fact I am the individual who issued the guidance for that particular date, so the buck stops with me regarding the hotel dates that have been established, both the original December 1st date and the new December 15th and January 7th dates.

Chairman NEY. Thank you. On the issue of January 7th, aren't States or locals supposed to submit some type of plan to FEMA?

Mr. GARRATT. Yes, sir, they are.

Chairman NEY. Does that go to FEMA and HUD, or just FEMA?

Mr. GARRATT. It is just going to FEMA. It is going either to the Federal coordinating officer or, in the absence of the Federal coordinating officer, the regional director.

Chairman NEY. I see here in the notes that 10 States—

Mr. GARRATT. Yes, sir.

Chairman NEY. Would receive further extensions to January 7th. That gives them time to, I think, outline their plans or how they are going to deal with this; is that correct?

Mr. GARRATT. Yes, sir.

Chairman NEY. Okay. How does a State know when their plans are approved?

Mr. GARRATT. That approval will be provided—I expect that feedback to go back to the State almost immediately. In fact, I expect that the States are collaborating closely with the individuals who will be approving those plans. So I would expect that to be almost immediate.

Chairman NEY. I had a chance yesterday to meet the Mayor of Gulfport, Mississippi, who is up here trying to, obviously, help his

town. We talked about New Orleans a lot, but is the same situation occurring and, if it is, to what extent with Mississippi and other areas? Or is that not the case in other parts beyond New Orleans?

Mr. GARRATT. In terms of—

Chairman NEY. People temporarily housed in hotels.

Mr. GARRATT. Our biggest problems are the States of Louisiana and Mississippi. Both of them have individuals in hotel rooms, and, again, there is a lack of available housing stock in both of those States.

We have been working hard with both States to get travel trailers and mobile homes in there. As a matter of fact, I think, just recently, we hit the 40,000 mark for manufactured homes. So in the last 3 months, we have managed to push and install 40,000 travel trailers and mobile homes into those States. That far exceeds anything we have done in the past in Florida or elsewhere.

So we are making some good progress, but we are still a long way away from where we need to be to fully accommodate the hotel and motel populations in both of those States—Mississippi to some extent, Louisiana to a much greater extent.

Chairman NEY. I think the issue of normalcy of people, people, for example, have come up to Ohio, have come to our area or Columbus. They don't necessarily want to be there, but they have some semblance of normalcy because they are in some type of home, and the children are in some type of school. But the people who do not have the ability to travel or the resources or the connections or friends or relatives, I assume, are a lot of the people who are in the hotel rooms; correct?

Mr. GARRATT. Yes, sir.

Chairman NEY. Now, has it been explored as an option to have available manufactured housing or some type of trailer or something of that nature—and you said it is 40,000—for those people to be back into their home area, maybe where they had a house, and there is a vacant lot, and they could be there? Or will the infrastructure not handle that at this particular time in certain parishes? Do you have any handle on that?

Mr. GARRATT. It is a determination that is being made on a parish-by-parish basis. There are certain parishes where the infrastructure does not exist to support placing homes on individual's lots with the available hookups. That is, in fact, our preferred method of dealing with this, at least at the front end of this, is placing those on lots. And the vast majority of the travel trailers and mobile homes that we have pushed into the area to date have been placed on individuals' private lots next to their homes so they can stay there while they are working there.

Clearly, we are trying to improve that capability. We are in fact going to help out Entergy in the Orleans Parish which has had a problem bringing in assistance to help them complete hookups, and we are going to be using our own contractors to help them with some of the hookup activities that they are going to be engaged with just so we can help facilitate getting additional travel trailers and mobile homes in there. So we are trying to get solutions to some of the problems they are facing. But, at the end of the day, we are still looking at close to 120,000 travel trailers or mobile homes at this point in that affected area.

Chairman NEY. That you need.

My time has expired so we will move on. I know members have some question.

The gentleman from Massachusetts.

Mr. FRANK. Thank you, Mr. Chairman. First, can I ask unanimous consent—we have been joined by our colleague from Louisiana, Mr. Melancon. Can I ask unanimous consent that he be allowed to join us?

Chairman NEY. Without objection.

Mr. FRANK. Thank you, Mr. Chairman.

Mr. Garratt, I am going to be submitting a series of questions. I must tell you, the gentlewoman from California and I have sent a series of letters. We haven't gotten much in the way of answers, and I can't ask them all now, so I will be submitting you some questions. I will submit them for the record.

Let me just ask, I want to focus on the rental of regular apartments, because, obviously, we all agree that would be a very good thing if we could get them there. Why the decision to cut off the intermediary role some cities have been willing to play, Houston, Atlanta and others? They were willing to be helpful. Why are you rejecting their help?

Mr. GARRATT. Sir, I am not familiar with the—

Mr. FRANK. Well, let me explain. We had the situation where several municipalities have agreed to be the intermediaries, rent the apartment for the individual and then get the reimbursement. They have been told that, as of January—I believe, as of March 1st, they can no longer play that role, even for people who would still be eligible.

Now, again, we are talking about people who may not be terribly knowledgeable about the rental market, and you have this 3-month problem, which I also want to talk to you about, which is a separate issue. But I don't understand why, if the City of Houston, the City of Atlanta, as my colleague from Georgia reminds me, and others that want to be helpful and be the intermediary, why are you rejecting that?

Mr. GARRATT. I don't believe we are rejecting that, and I think this sounds like it is the result of a misunderstanding rather than a rejection of State or city assistance on the part of FEMA. In fact, we look forward to it, and the cities getting involved.

Houston in particular has been a model in terms of dealing with the population that they have. They have been moving upwards of 500 families a day out of hotels and motels and into apartments. So they have been a model for the rest of the country in terms of how to address and handle that, and they have been maintaining that pace for a number of weeks now.

This is the way that it works in terms of our relationship with 403 and 408 to renting apartments. We provided 403 assistance to the States, to the cities and told the States and cities at the very beginning of this disaster, you can arrange for and lease apartments for up to 12 months for individuals, for evacuees. As part of that process, we did that because we recognized that they were not necessarily going to be able to, in a lot of the cities, obtain apartments for less than 12-month leases.

Our preference was to get 3-month leases or 6-month leases, but we authorized it up to 12 months. Even as we were doing that, authorizing them to secure those apartments using the 403 protective sheltering public assistance funding, we have been moving to convert and move individuals into the individual assistance program, whereby we are providing assistance directly to them or we are going to assume the lease on that apartment using that 408 money.

So when we encouraged a State or authorized a State or a city to lease an apartment for 12 months, we incurred an obligation to honor that contract. Now, honoring that contract either means that that individual who is in an apartment that was leased for 12 months will take over the lease on that apartment, because they are now getting individual assistance—otherwise it would be a duplication of assistance—or we will convert that 403 lease to a 408 lease, and then we would pay that ourselves, again continuing that lease to the 12-month period. Or if the individual chooses to leave that apartment once they get their individual assistance, we would ask the city to terminate that lease, and we would, in accordance with the contract, pay the termination fees of that contract.

Mr. FRANK. What do you mean by termination fee? I mean, they sign a 12-month lease. Should they go say to the landlord it is over? What is the termination fee?

Mr. GARRATT. Typically, when you sign a lease for an apartment, if you terminate that lease early, there is a penalty for terminating that lease early. That is part of the contractual arrangement. We are willing to pay that penalty as part of terminating that lease early. In other words, we will honor the terms of that contract.

Mr. FRANK. So let me get this. The cities will not lose a penny, because you said they were told they could have 12 months, so they will be held harmless for the full 12 months?

Mr. GARRATT. They will be held harmless for the terms of that contract.

Mr. FRANK. If they signed a 12-month lease—I still don't understand. I think it has been helpful to have the cities be this intermediary. Why don't you keep it up? Why terminate it now? You say, well, it will be up to the occupant. Why not continue it for the full term of the lease?

Mr. GARRATT. You are talking about the March 1st date sir, is that correct?

Mr. FRANK. Yes.

Mr. GARRATT. The difference is the type of programs that we are dealing with. One is a public assistance program whereby we are providing funding to a State to then manage this particular program. The other is an individual assistance program where we are dealing directly with the individuals. So what we want to do is terminate a public assistance—

Mr. FRANK. Why?

Mr. GARRATT. Because it is being done under category B, Emergency Protective Measures.

Mr. FRANK. Excuse me—finish your sentence. I am sorry.

Mr. GARRATT. The emergency protective measures are not designed to be a long-term program. That is what the individual assistance program is.

Mr. FRANK. Let me say, Mr. Garratt, with all due respect, that is a bureaucrat's answer. "Why" is, there is a public policy reason. "why" would be good or bad. "Why" is not because of category A or category B, and it wasn't designed for it.

Continuity has something to be said for it. You have these people, again, obviously if people were able in a lot of ways to get out from under this, they would have done that. But you have some people still in this situation; the cities are still willing to help. I don't understand. We can redesign it? And the difference between 6 months and 12 months, we are not talking about 40 years.

I don't understand what public policy purpose is served by saying, okay, no more of the city, now you have to do it yourself?

Mr. GARRATT. Except at that point, sir, on March 1st, what we hope to have happen is that every individual who is currently in an apartment that was arranged by a city under 403 will now have been identified. We will have determined their eligibility. We will have begun providing them rental assistance and/or providing housing.

Mr. FRANK. First of all, if everything we had all hoped to have happened had happened, this would be a much nicer world. For you, given the track record, to terminate this on a hope is a very unwise thing to do. What I would recommend to you strongly is where you can work it out for the individual, okay. But what you have announced is a blanket termination. You hope to be able to make these individual determinations. You have announced a blanket end.

Let me ask you, what percentage of the people in this category now, for what percentage has that determination been made, the individual has the ability, etc.?

Mr. GARRATT. What percentage of individuals—

Mr. FRANK. Of the people who will be affected by the March 1st cut off, on what percentage have you done the determination necessary to transfer them into the other program?

Mr. GARRATT. I don't have those figures.

Mr. FRANK. I don't think you do. I don't think—you don't have the figures in your head. I don't think FEMA has the figures. Again, this is what troubles me, this kind of arbitrary, we are going to end this on March 1st on the hope that we will have taken care of everybody. What you ought to do is try to take care of everybody, but not put this March 1st guillotine hanging over people.

The second question I want to ask you, and I really urge you to think about that, you know, you were wrong about telling people, on November 14th, that they were going to be kicked out in a couple of weeks. You made some misjudgments here. I think you made another one here by this arbitrary date.

The second question, and I appreciate the time, why a 3-month, 3-month, 3-month? It is very hard to rent an apartment for 3 months. I notice the National Multi Housing Council says in a letter we put in, "It is shortsighted to expect a majority of evacuees to be able to return to their homes in the next 12 to 18 months. The 3-month commitments for housing do not meet the needs of evacuees, nor do they meet the needs of housing providers."

What leads you to say 3 months for the leases here, or 3 months for the rental agreement for people, particularly where a lot of

them are in a particular area? Why would we insist on this short-term thing, particularly from the beginning? I don't understand why you didn't do 12 months from the beginning. Did you really think they would all be out of there in 3 months?

Mr. GARRATT. Two issues here. We did establish the 3-month lease requirement when we published our initial guidance that identified the December 1st date as the original date by which individuals—

Mr. FRANK. You did that. I am asking you why you did 3 months. I understand that you did that. Why? What is the public policy reason for only 3 months?

Mr. GARRATT. Three months from December 1st would have brought us to March 1st. That is the date that we wanted to convert from 403 to 408 individual assistance.

Mr. FRANK. Mr. Garratt, again, that is bureaucrat talk. You want to go from 403 to 408. We are talking about human beings here. Three months, you know, these are not the most sophisticated people in the world in some cases. In some cases, they are. They have been traumatized. Finding a 3-month apartment, if somebody came to me today and said, look, you have got 2 weeks to get out of where you are living now, and you have 3 months to find a new place here in D.C., I would feel, gee, I am not sure I can work that out. Why in policy terms only 3 months?

Mr. GARRATT. It is not only 3 months, sir. That was our goal. We said that we wanted it to be 3 months, but we also authorized exceptions to be made for that. If the city comes to the—if the Federal coordinating officer comes to the regional director, and identifies that we can't obtain leases of 3 months, they can be authorized to extend those.

Mr. FRANK. It is this extra bureaucratic step to do that. Did nobody think about the difficulty of getting a 3-month lease from a landlord?

Mr. GARRATT. It is certainly more challenging getting 3-month leases from a landlord, sir, but it is by no means impossible.

Mr. FRANK. You know what—and I am going to end my questioning now—you say it is not impossible. It is challenging. Haven't these people had enough challenges in their lives without you adding to them? Could you not err on the side of not posing another challenge to these people?

Mr. GARRATT. This challenge is one that we placed on the cities, sir, not on the individuals. This requirement, this 3-month lease was a requirement for apartments that they—

Mr. FRANK. You are now taking the cities out of it, so now the challenges will be the individual's going forward for the 3 months?

Mr. GARRATT. The purpose of this, again, was we wanted these individuals as they were approaching the end of that 3-month lease, March 1st, to begin—

Mr. FRANK. To take on the challenge of another 3 months, because what they have is another 3 months, right?

Mr. GARRATT. Individuals can actually lease an apartment for as long as they would like.

Mr. FRANK. You will only guarantee to pay for 3 months, and a lot of them wouldn't—

Mr. GARRATT. We are giving them rental assistance in 3-month increments.

Mr. FRANK. So my last point, yes, you are giving these individuals, some of whom have no jobs and have lost everything, the right to go make a 12-month deal with a landlord with only a guarantee of 3 months rental assistance. Fat chance.

Chairman NEY. The gentleman from Texas.

Mr. NEUGEBAUER. Mr. Garrett, one of the things that, through this housing issue, that I have wondered, and maybe you can enlighten me a little bit, basically, when the disaster hit, we had different kinds of occupancy, different kinds of ownership in the areas that are affected. One, we had owner-occupied structures that were damaged, and those people who were in those were displaced. And then we had renter-occupied structures where those people were just renting that structure. So, basically, it looks like, to me, what we have is different kinds of affected folks with different kinds of housing needs, and for us to really have an effective program, we have to kind of sort through that.

For those folks who were renting those structures, many of those structures will not be rebuilt or will not be rebuilt in a fairly long-term basis because there are some unresolved issues. So what it looks like to me, appropriate Federal policy there is, as far as it goes for disaster relief, is a transition period. And I think that is what you are kind of saying there, is we are doing these in 3-month or 6-month blocks. But at some point in time, those folks are just going to have to go find a different place to rent; that we can't indefinitely continue to provide assistance for those folks with some kind of a false hope that they are going to be able to go back and rent a structure that was where they were before.

The second piece of that then is, though, people who owned maybe those properties that were being rented and what kind of disaster relief that they are going be able to receive. As the gentleman brought up a while ago, some of those properties were mortgaged. Maybe some of them were not. So that landlord now doesn't have a tenant but now still has a mortgage, so we have to give them some resolution of this is what the Federal response to that is going to be.

Have you begun to quantify and identify folks in categories like that? Because I think there is this sense that I get—and I have been down there and I have listened to a lot of the testimony; I have read it—is that there is a sense out there that the Federal Government is going to come back in and put everything back just the way it was, and that is just not the case, because, long-term, there are many long-term decisions that are going to have to be made about some of the areas, what kind of rebuilding will go back in. And I know the gentleman from Louisiana has talked about creating these zones. But even in his plan, any realistic plan, it is going to take a long time to determine what kind of rebuilding is going to happen and in what form it is going to happen.

So I think what probably would help folks more than anything in this process is for us to define, this is what is going to be your benefits, and if you have been renting a place, we are going to help you transition until you find another place to rent. But then our

commitment ends there, because we can't indefinitely pay for people's rent until something magic happens.

I think sometimes managing expectations is more important than actually managing the process. I think there may be some unreasonable expectations out there, but I think one of the things we need to probably do in this process is give the affected groups, whether they completely like it or completely agree with it or think it is fair or not think it is fair, but at some point in time, I think we owe it to those folks to say, this is going to be the Federal portion of that response.

What is your sense of, for example, in some of those parishes, how many renters are we dealing with as opposed to homeowners? Because that makes a lot of difference of what that response is going to be.

Mr. GARRATT. Sir, I don't have those figures, but we do have the capability of pulling those figures from our system. We do capture when individuals register whether they were renters or homeowners, so we can provide that information to you, and we can break it out by parish as well.

Just a couple of points. Every individual, whether a renter or a homeowner, is eligible to receive up to $26,200 worth of assistance. That is the cap on individual assistance. That is in the form of rental assistance and/or repair assistance, home replacement assistance and other needs assistance. You can have situations where we have individuals who are renters who may not be eligible for home replacement assistance or repair assistance but who nevertheless are going to hit that cap. Others need assistance, it is going to cover their personal property that they had in that rental property, their transportation, serious medical needs that they may have had, as well as rental assistance. So they could hit that cap.

Homeowners are also much more likely to hit that cap, because, in addition to home replacement assistance, they also have had the personal property losses and also may have rental assistance requirements.

In practical terms, at a parish level where we have a mix of renters and homeowners, homeowners are in a better position right now to get travel trailers and mobile homes, and the reason is, as we bring travel trailers and mobile homes into the area, the preferences or the easiest, most expeditious way of providing assistance is to drop a mobile home or travel trailer on somebody's property where they have those hookups already existing. We can hook it up, and that individual, that family can live there while they try to rebuild their home.

Renters don't have that capability, so renters are going to need group sites to support renters, and group sites are either existing commercial sites, which we can find and use, and those are being gobbled up pretty quickly in the area, those where hookups are capable, or building a brand new group site to support a population.

But those group sites also have their own social challenges. We need to have jobs for the individuals who are in those group sites. There needs to be a supporting infrastructure, wrap-around services, security; there needs to be schools nearby. A lot of issues go into building a group site and making sure we can support something like that.

But the bottom line here is, at this stage of the game, travel trailers and mobile homes, we can get those in, get them put on individual property owners' property a lot faster than we can set up these larger group sites to support individuals who in many cases are largely going to be renters.

Mr. NEUGEBAUER. But if you drop a trailer, let's say, on my property, and if my maximum benefit is $26,200, is there a rental then on the trailer that comes out of my $26,200, or how does that work?

Mr. GARRATT. No, sir.

Mr. NEUGEBAUER. So I get $26,200 plus the trailer?

Mr. GARRATT. Yes, sir, you could, for up to 18 months.

Mr. NEUGEBAUER. For up to 18 months. So what you are saying is that, yes, $26,200 is a maximum cap of cash benefits; is that correct?

Mr. GARRATT. That is.

Mr. NEUGEBAUER. But there are other benefits, depending on what class, whether you are a renter, whether you are—so if I was a renter, though, the rent comes out of my $26,200?

Mr. GARRATT. It does. You have the $26,200 and all of the individual assistance that you are eligible for under that. You also have, unrelated to that $26,200, which is this direct-housing capability, and that is the provision of a travel trailer, mobile home, or in the case of States outside of the affected area where we are securing apartments for individuals under that authority also up to 18 months, and we can place individuals there as well. These are individuals who have reached the cap, who no longer can receive rental assistance and have to turn back to FEMA for housing assistance.

Mr. NEUGEBAUER. Are any of these trailers being put back on properties that were in the major flooded areas?

Mr. GARRATT. We can put trailers on properties in flooded areas, but there is an eight-step process that individuals need to go through in order to install a mobile home in a floodplain or in an area that is susceptible to flooding. It can be done. It is a rigorous process.

Travel trailers don't have the same requirements as mobile homes, and we have some latitude with travel trailers to place them in areas that are susceptible to flooding. But, yes, we do have that capability.

Chairman NEY. The gentleman's time has expired.

The gentlelady from California.

Ms. WATERS. Thank you very much. I am going to try to go through this very quickly.

I am told that there are a number of homeowners who would like to get back into their homes, and these are homes that can be saved. They have mold maybe in them, or they need to remove damaged furniture, trash, what have you. What assistance do you have for them?

Mr. GARRATT. Assistance in terms of getting back into their homes?

Ms. WATERS. Yes, and helping to remove debris and rubbish. Maybe there is a fallen tree in the yard. Maybe there is damaged furniture. You have a lot of contracts that are out to remove debris.

What assistance do you have to these homeowners directly who say, I want to go back and clean up my house and move in?

Mr. GARRATT. If those individuals have their home inspected, a home inspector will come out and evaluate their home, will validate and verify the issues that they want to have fixed. If they are dealing with—

Ms. WATERS. So they have to call FEMA to get an inspector to come out?

Mr. GARRATT. I would hope that everyone who has been affected by this disaster will register with FEMA. That is the only way that an individual can get individual assistance from FEMA. As part of that process, if they were a homeowner, an inspector will come out, will evaluate their home and will validate and verify the damages to their home, and that process—

Ms. WATERS. All right, so we need to tell people to just call and get their number and to identify the problem that they have to see if you have some assistance for that particular problem?

Mr. GARRATT. Absolutely.

Ms. WATERS. All right. On these contracts that you are letting out, for example on this debris removal, demolition, etc., I understand that you contract with someone who may charge you a particular amount. Then they subcontract with someone else, and they make money. And then that person is subcontracting with someone else, and they make money. And they are getting down to where the actual cost of getting the job done is very cheap, but we have paid—FEMA has paid 3 or 4 times as much money as is needed to get the job done.

Are you aware of the subcontracting that is going on, particularly from no-bids or the big companies?

Mr. GARRATT. I am aware of the first level of subcontracting that goes on. I am not personally aware that this has been subcontracted several levels down.

Ms. WATERS. How can you find out?

Mr. GARRATT. Go back and talk to the individuals and the joint field offices who are overseeing those contracts.

Ms. WATERS. I would suggest, particularly since this is the taxpayers' money and we all have to be very prudent in the way that we spend the money, that you know whether or not your big contractors are charging us a sum that is much more than the actual cost to get the job done.

I had some figures—and I don't have it before me. It was something like with the removal of debris, it was $44 per something, and that they have subcontracted down to the point where the job is actually getting done for $11 per whatever that is. So you need to know that, and if that is true, you need to learn, how do you contract directly for $11 rather than $44 and save the taxpayers the money, and let us stop getting ripped off by the big boys, okay? Will you take a look at that?

Mr. GARRATT. Yes, ma'am.

Ms. WATERS. Secondly, where are all of the people? What cities are they in? How much money is it costing in each city, and why is it that the Mayor of New Orleans, for example, or Biloxi or these other cities cannot know where their people are? Where are the lists?

Mr. GARRATT. We maintain lists. Anyone who registers with FEMA, when they register, they tell us two things: They tell us what was their original address, and they tell us what is their mailing address. So we have that information on individuals. And we are, subject to Privacy Act considerations, prepared to share that with anyone.

Ms. WATERS. What Privacy Act considerations? Cite that Privacy Act that does not allow you to give the mayors that information.

Mr. GARRATT. I did not say that the Privacy Act prevented us from providing it to mayors, ma'am. I said that we were prepared to provide that information.

Ms. WATERS. The mayors don't have it. I was just appalled that they don't have the information about where their residents are. They have no way of contacting them. People are talking about elections and everything else, and you are citing some privacy act. What privacy act are you citing?

Mr. GARRATT. I am citing the Privacy Act. But that information has been provided to each of the States, ma'am. Each State has that information. They can share that with the mayors. If the mayors cannot get that from the States, we will be happy to engage. But that information has been provided to all of the States affected by Hurricane Katrina.

Ms. WATERS. Well, your mayors don't know it, and I am going to call today Mayor Nagin and maybe one or two others, and I am going to tell them that, first of all, their Governors have it, and that Governors could give it to them, but if not, you will; is that right?

Mr. GARRATT. Subject to Privacy Act approval, yes, ma'am.

Ms. WATERS. What do you mean by subject to Privacy Act? Don't parse words with me. What do you mean? Can you give it to them or not?

Mr. GARRATT. If our Office of General Counsel approves that, yes, ma'am, we can.

Ms. WATERS. You should know by now whether or not your Office of General Counsel is telling you yes or no. Who told you that you couldn't give it to them?

Mr. GARRATT. No one has told us we can't give it to them, ma'am. There are a couple of considerations—

Ms. WATERS. Then give it to them until someone tells them you can't. Do you know what you are doing? If you hold on to that information, and they don't have access to it, people—I mean, the mayor from New Orleans is going over to Atlanta to hold a town hall meeting. Six or seven hundred people are there. There are 1,300 people out in California alone. They don't have any contact. Nobody is talking to them. They don't know what is going on. So I am suggesting to you, don't make it a problem.

I am going to follow up today with the fact that you said the Governors have it, and they can get it, and I don't want to know about some problem that you have not been told that you have. Just get the information to them, and I will make sure that the mayors are in contact with you today to find out where their information is. It is extremely important.

Now, I understand there has been a lot of conversation about these trailers. We know that the people have got to get out of these

hotels. I don't know how much money you have spent on hotels, but you can't dump them out in the street. And I don't care what your deadline dates are. Don't dump people out in the street in any city. You have got to get them settled somewhere, and transitional housing is only the next step.

We knew that they could not stay in the shelters or the hotels. Transitional housing, trailers, and manufactured housing, if you have a city that is not cooperating with you and they are not giving you the space or they don't give you the land or you can't get the hookups, I would appreciate it if you would let the chairman know about that problem, because the mayors tell us that you have all the space that you need; they don't have any problems in cooperating with you; they have been identifying spaces, but you are not putting the trailers down. You have the trailers, right?

Mr. GARRATT. We have trailers, ma'am.

Ms. WATERS. You have enough to accommodate all of the 120,000 trailers—you have 120,000, is that it?

Mr. GARRATT. We don't have those yet. They are in the pipe.

Ms. WATERS. They are in the pipe. So if there are 10,000 that are needed in New Orleans today, you could move them there if you had the space, is that right?

Mr. GARRATT. Not necessarily, ma'am.

Ms. WATERS. How would you do it?

Mr. GARRATT. We have got a contract to obtain up to 119,000, 120,000 travel trailers and mobile homes—

Ms. WATERS. A contract?

Mr. GARRATT. We have a national contract to have those produced and delivered.

Ms. WATERS. Wait a minute. Is this one manufacturer? Is this a wholesaler, an in-between person who is going out buying them, marking them up and then you are paying the taxpayers' money for them?

Mr. GARRATT. Both the national contract and local buys, our principal contractor—

Ms. WATERS. Well, wait a minute. Back up so we understand. You have one contractor, is that right?

Mr. GARRATT. No, that is not correct, ma'am.

Ms. WATERS. Explain it to us.

Mr. GARRATT. We have a national contract, but we are also supplementing that with local buys.

Ms. WATERS. Explain the national contract. What is that?

Mr. GARRATT. It is a contract that was developed, executed, at FEMA headquarters for "X" number of travel trailers to be provided by Gulfstream—

Ms. WATERS. How much is that contract for?

Mr. GARRATT. I am going to have to get that information back to you, ma'am.

Ms. WATERS. No, no, no, you tell me now. You know. You have to know. That is a lot of money. If you can go out and spend millions of dollars on a contract, and you can't come here and tell us that, then something is wrong with the way you think about this. That costs a lot of money. Who on your staff knows? All those people sitting behind you, who knows how much that contract costs

and who got the contract? Gulfstream got the contract. For how much?

Mr. GARRATT. I don't know, ma'am.

Ms. WATERS. Ask all the people behind you who came with you.

Mr. GARRATT. Two people came with me, ma'am.

Ms. WATERS. I am sorry. Of the two, do you know how much we are spending on this Gulfstream contract? Well, that amazes me. That absolutely amazes me. Of that one contract, the national contract, how is that contract divided up to get all of the trailers? What do they do for you? How do they get you all of these 120,000 trailers?

Mr. GARRATT. They produce the trailers in their plants. They ship those trailers down to staging areas where they are picked up by our individual assistance, IA, technical assistance contractors, who then—

Ms. WATERS. Is that a no-bid contract? Don't tell me you don't know that. Staff members, was that a no-bid contract?

Mr. GARRATT. I don't know, ma'am.

Ms. WATERS. I respectfully request another 30 seconds. We don't know how much the huge, profitable contract is to supply 120,000 trailers. We don't know how much we paid for that, is that right?

Mr. GARRATT. Ma'am, we can certainly get that information.

Ms. WATERS. And we don't know whether or not it was a no-bid or it was a competitive bid, is that right?

You are not prepared for this meeting today. You should not be here without that information. That is what is wrong with FEMA. If you come before the Congress of the United States where we are talking about an agency that is not working and an agency that is spending our taxpayers' money, and we are not getting the results; you can't tell me whether one of your major contracts is a no-bid contract and how it works; you are not prepared for this meeting today.

I yield back the balance of my time.

Chairman NEY. Thank you. I want to ask a quick question to just follow up. When decisions are made about, for example, manufactured housing, which seems to be one of the best things to do for the quickest ability to get people out of there, when a decision is made, do you contact the manufactured housing people who make this in whatever State, Indiana or down in the Carolinas—not you—but does FEMA contact and say, I need "X" amount of units? Do they do that?

Mr. GARRATT. Yes, sir.

Chairman NEY. Because manufactured housing, I know, at one point in time a few weeks ago, we had asked people in manufacturing housing, unless the order goes in, they can't produce them. If we say we want 200,000 manufactured houses, they can only produce so many, no matter what. So I just wonder, in the area of contracting, do you call every manufactured housing entity and say, I want to purchase X amount, or how do you do that?

Mr. GARRATT. For the contract, for this particular contract, again, we typically obtain contracts when we are responding to disasters through local buys, is the way that we typically do that. We want to use the resources in the affected area. So we will do local

buys, and we are doing some of that down in the affected areas right now, supplementing that national contract.

We did that national contract or started pursuing that national contract immediately after Katrina hit, when we recognized that there was going to be a huge paucity of available housing down there, that we were going to have tens of thousands of homes damaged or destroyed and that there was going to be a huge population necessary to support, we embarked on setting up a national contract to support that. That was done out of FEMA headquarters. We wanted to secure a set number of travel trailers and mobile homes then that were going to be delivered over time, that we could manage over time, getting them into the area.

Chairman NEY. Are you going to get, if you don't know the statistics, how many manufactured housing units different than the Gulfstream trailers have been ordered? I am told it is 25,000 have been ordered, is what I am told is an estimate, has been ordered. That might be nationally.

Now, if we anticipate we need more to get people out of the hotels, if only 25,000 have been ordered, from wherever they have been ordered from, I don't know if you ordered it from one place, one contract, if you know you have got all these people and you have a time deadline and people are going to be told they have to get out, if we need another 30,000 of them, if they are not ordered, you aren't going to get them. That is just something I think you need to be quite aware of.

I will move on in a second. I just wanted to ask about a precedent setting. Some of the things you are doing, and I think we have an unusual, horrific disaster, and so, therefore, we have to do some things we don't normally do. The FHA, I talked to Secretary Jackson, he extended that 1 year to not have to pay payments, and I am not quibbling with that. But by him doing that, does that mean that people in Ohio, to pick obviously my State, or Georgia, if you are Mr. Scott, or wherever you are from, will that same support be extended to people who reach a natural disaster?

We are not going to have the proportion of New Orleans, but a person in my district who loses their home, will that also be automatically extended, that payments can be paid for other people across the country? Maybe not just floods, maybe earthquakes. Have you talked about that? What you are doing now, will that set a precedent? I am not saying that is bad, but will it set a precedent to help similar people in similar situations?

Mr. GARRATT. I can't speak for the agency on whether that agency is prepared to extend that program for other disasters.

Chairman NEY. I am sorry, things you do. Let me restrict it to FEMA. Things that you are doing now that are outside the box that you had to do, that are not the usual things done. Will that same support be extended across the United States for disasters for people?

Mr. GARRATT. I would say that it may be, sir. We are going to look at the lessons learned from this event, lessons that we are learning even as we are moving through this event right now. If we determine that there is a smarter way of doing business and we determine that, as a consequence and a response to this disaster, then there is no reason we should not extend that smarter

way of doing business to the other disasters. But that will depend on an innovation-by-innovation case review and a determination that that is the smartest thing to do.

Chairman NEY. But what you are doing are temporary extensions. In other words, what FEMA does now is temporarily waiving a rule or suspending a rule?

Mr. GARRATT. We have made some accommodations, for example, in debris removal. We do not typically, for example, remove debris from private property. But given the circumstances of Katrina and Rita, given the declaration of a public health emergency, given the catastrophic nature of the event, we have authorized debris to be removed from private property in recognition of that.

Mr. DAVIS OF ALABAMA. Mr. Chairman, may I make a parliamentary inquiry of the Chair and interrupt the witness for one second?

My inquiry, I note there are a number of individual members here who want to ask questions. I did want to make one request for solicitude from the Chair. The two of us in the room who actually represent States directly affected are Mr. Melancon and myself, and I know that he has been given unanimous consent to participate.

Can I ask that the Chair consider at least allowing the two of us, given the fact we have a vote coming in about 10 or 15 minutes, to go ahead of some members who have all spoken previously when the two of us have not?

Chairman NEY. Unless somebody objects.

Ms. VELAZQUEZ. Mr. Chairman, I just have a few questions, and I have a meeting on the issue of immigration that is coming before us.

Chairman NEY. I am done with mine.

If there is no objection, we will move on.

Mr. DAVIS OF ALABAMA. Thank you, Mr. Chairman.

I appreciate that.

Ms. VELAZQUEZ. Thank you, Mr. Chairman, and I want to thank the gentleman.

Mr. Garratt, I would just like to continue to ask you some questions about the contracts that have been awarded by FEMA. Specifically, you said that you want to do local buys, right?

Mr. GARRATT. We like to do local buys.

Ms. VELAZQUEZ. I would like to know, are you doing local contracts? Are you awarding contracts to local contractors?

Mr. GARRATT. Yes, ma'am.

Ms. VELAZQUEZ. Okay. How many Federal contracts have been given, of those big contracts, in the area of debris and demolition?

Mr. GARRATT. I don't know how many contracts have been given in the area of debris and demolition, ma'am.

Ms. VELAZQUEZ. Since FEMA falls within the jurisdiction of Homeland Security and is subject to the Small Business Act, you are required by law to make sure that those big contractors submit a subcontracting business plan to you. Have you seen any of those subcontracting plans?

Mr. GARRATT. I am certain that our procurement staff have seen those, ma'am.

Ms. VELAZQUEZ. Would you be able to submit those to us?

Mr. GARRATT. I would be happy to take that back to our procurement staff, yes, ma'am.

Ms. VELAZQUEZ. I just have one question about—I want to ask you, does FEMA provide assistance for mold remediation?

Mr. GARRATT. I am sorry, assistance for what?

Ms. VELAZQUEZ. For mold remediation. Mold.

Mr. GARRATT. We can certainly provide assistance under the Other Needs Assistance Program that individuals can use for mold remediation. That would fit the criteria for a necessary expense and a serious need. It may also be possible that assistance could be provided by a health agency, and that assistance could potentially be subsidized, but it is going to depend on the nature of the facility that is affected and some determinations that are made. So the bottom line is, yes, they can get assistance under other needs assistance, under direct individual assistance. It is possible to get other forms of assistance.

Ms. VELAZQUEZ. There is. By FEMA, they could get assistance; yes or no?

Mr. GARRATT. Yes.

Ms. VELAZQUEZ. Well, my staff called the hotline, and we inquired about assistance, and they said that you provide none. So the problem that we have is that it seems like the right hand doesn't know what the left hand is doing. There is no coordination on this recovery effort, and people and families do not know how to navigate the assistance that the different agencies are providing, and so, therefore, at the end of the day, they are not getting any.

Mr. GARRATT. Any individual who registers for assistance with FEMA, when an inspector arrives to evaluate their home and they identify the mold issues, that would be an eligible expense and they would be eligible for assistance to address that expense.

Ms. VELAZQUEZ. Okay.

Regarding the Federal contracts and subcontracting business plan, I just would like to make sure that we get the subcontracting plans submitted by a Latino business contractor in Mississippi—and I don't have the entire information with me. The only thing that I know is that she is a Latino contractor who got a contract for $6.7 million, and I am happy to know that she is a minority contractor who happens to be married to the nephew of the Governor of Mississippi.

Thank you, Mr. Chairman.

Chairman NEY. Is there objection to moving to Mr. Davis?

Mr. Davis.

Mr. DAVIS OF ALABAMA. Thank you, Mr. Chairman.

I want to thank my colleagues for being indulgent with my request.

Mr. Garratt, let me ask you, you have gotten a lot of pointed questions from the committee, and that won't stop with me, so I certainly want to put you on notice regarding that. There are several things I just frankly don't understand about this process, and I will be very blunt on the first set of questions.

This decision that was announced in mid-November that my colleagues have queried you about, the initial decision that people had to get out of these hotels, that honestly strikes me, coming a week

before Thanksgiving, as frankly one of the dumbest decisions I can imagine anyone making in government.

Who made that decision?

Mr. GARRATT. My name was on the guidance document that implemented that guidance.

Mr. DAVIS OF ALABAMA. Did you make that decision unilaterally?

Mr. GARRATT. I signed that document, sir.

Mr. DAVIS OF ALABAMA. I don't mean to offend you. I am sure you are a competent, capable person. Although I don't know anything about you, I will make those assumptions. But that is a pretty tone-deaf decision. It is a pretty clueless decision for a number of reasons. My colleagues have mentioned some of them, but I will add an obvious one: It was right on the eve of the holiday season coming up.

Do you have the authority to make that kind of decision without talking to the temporary head of FEMA?

Mr. GARRATT. Whether I do or I don't, I think that my responsibility is to talk to the acting director of FEMA.

Mr. DAVIS OF ALABAMA. Did you talk to the acting director of FEMA about that decision?

Mr. GARRATT. Yes, sir.

Mr. DAVIS OF ALABAMA. And did the acting director of FEMA consent to what you did?

Mr. GARRATT. The acting director of FEMA is aware of what I did; yes, sir.

Mr. DAVIS OF ALABAMA. Did you ask him, is this a good idea or bad idea?

Mr. GARRATT. We discussed that decision, sir.

Mr. DAVIS OF ALABAMA. And did he agree with you that it was a good idea to do it?

Mr. GARRATT. The decision to make December 1st the date that we stopped the subsidies of hotels and motels was actually made well before that guidance document was issued, sir. When we took over the corporate lodging consultant contract from the American Red Cross—

Mr. DAVIS OF ALABAMA. I understand all that, Mr. Garratt. But who made the decision to go with the termination and not to seek an extension. You said it was you. I don't want to spend my whole 5 minutes on this. I think you have gotten my point. It was a remarkably bad decision, frankly, and if you did share it with the FEMA director, one of two things occurred: Either your chain of command is so loose that he didn't engage in it, or that he joined you in the bad decision.

The second line of questions, you mentioned several times that you all do an inventory and you do a census, I guess, of people who have registered with FEMA, that you have some kind of an inventory of people who register with FEMA. And you said you get two pieces of information from them, you get their past address and you get their current address.

Do you ask them what their current housing needs are?

Mr. GARRATT. Yes, sir.

Mr. DAVIS OF ALABAMA. And is there an inventory that lists these people by housing need in terms of, are they renters, are they

homeowners, are they behind on their payment? Is that level of specificity contained in this information?

Mr. GARRATT. We find out if they are homeowners or renters, sir. When I said these two pieces of information, I meant just regarding whether—we obtain a lot of information during the registration process.

Mr. DAVIS OF ALABAMA. So let me ask you about that. You ascertain whether they are homeowners or renters. Do you ascertain what their specific financial situation is right now with respect to their delinquency on any payments? Do you ascertain specific information about what their financial situation is right now?

Mr. GARRATT. We ascertain their pre-disaster income level.

Mr. DAVIS OF ALABAMA. Do you ascertain specific information about their status right now in terms of whether or not they need help from the government or any number of other things?

Mr. GARRATT. When they call to recertify, after they start receiving assistance, an individual calls to recertify that they want to continue to receive rental assistance, we will discuss that with them at that time.

Mr. DAVIS OF ALABAMA. Let me ask you about the Transitional Housing Assistance Program that was implemented back in, was it September I think, Mr. Garratt?

Mr. GARRATT. Yes, sir.

Mr. DAVIS OF ALABAMA. Can you give me an assessment of how many people participated in that program?

Mr. GARRATT. In the Transitional Housing Assistance Program?

Mr. DAVIS OF ALABAMA. Maybe a better question, instead of you giving me a number out of the air, what is the status of those people? Can you tell me or is your agency able to tell whether or not you have an inventory as to how many of those people have been placed in permanent housing right now?

Mr. GARRATT. We can tell you that we assisted between 500,000 and 600,000 of those individuals. In terms of how many of them have been placed in permanent housing, I cannot tell you that.

Mr. DAVIS OF ALABAMA. Why can't you tell me that? Because it would seem, and I don't want to go over my time, but it would seem that what is striking about this process, obviously, you all have an inventory of some sort. You have some identifying information about these people. You get some information from them, and I can't understand why you wouldn't get the full waterfront. I can't understand why you all don't have adequate information regarding the status of the people in the program.

I guess I will just close, Mr. Garrett, on this point, because I know my other colleagues do want to ask questions. All of us understand the gentleman from Texas' point earlier that, well, yes, something bad happened, but at some point, these people have to get their lives together. Let my give you briefly a different perspective on that, sir.

Everyone on the other side of the aisle and our side of the aisle has spent the last 4 months talking about all of the failures of government, and, yes, in candor, the people on our side talk a lot about your agency and the Federal Government.

People on the other side like to talk a lot about the State Governor, like to talk a lot about the mayor, but the one consensus that we all seem to have is that government really messed this up.

We have something called a social contract in this country. And if we have a broad consensus, Mr. Garrett, that multiple levels of government failed, municipal, State and Federal, that means something basic to me. It means that they failed not in the abstract, but they failed people, they failed human beings. So isn't it reasonable to you that we owe those people something that we wouldn't owe them in the ordinary course of life?

Mr. GARRETT. Yes, sir. And we owe that same level of support to the victims of any disaster anywhere.

Chairman NEY. The time is expired.

Is there still a unanimous request to—without objection, we will recognize the gentleman from Louisiana, Mr. Melancon.

Mr. MELANCON. Mr. Garrett, with the trailer issues, a number of things, I guess, that come to mind.

We had trailers that we bought for Florida last year for the hurricane. It is my understanding that they were auctioned off as they became available; is that true?

Mr. GARRETT. We do auction off trailers, yes, sir.

Mr. MELANCON. So we have 1-year-old trailers that we auctioned off and then turned around and we are buying new trailers now. Is there no plan within FEMA to possibly store and maintain these? Because hurricanes are pretty common now and other disasters where they could used. Is there no plan to do this at all?

Mr. GARRETT. We store and maintain them at multiple locations now, sir.

Mr. MELANCON. Are you talking about the trailers from Florida and previous disasters, or are you talking about new trailers?

Mr. GARRETT. I am talking about either rehab trailers or new trailers. We store both.

Mr. MELANCON. How many trailers did you rehab from Florida last?

Mr. GARRETT. I don't know those figures, sir. We can get them to you.

Mr. MELANCON. How many did you auction? Do you know that?

Mr. GARRETT. I don't know that either.

Mr. MELANCON. If you can get that to me, also. Now, Hope, Arkansas has a contract for $25,000 a month to store trailers, and nobody from FEMA seems to be able to tell anybody how many trailers are there, how many are coming through. I think between Texarkana and Hope, which is a staging—off staging area I think is the proper term—is there, I mean, do we not know how many—

Mr. GARRETT. The Hope staging area is largely, if not exclusively, being used for mobile homes and not travel trailers. It turns out that there is not the demand for mobile homes in the affected area that there is for travel trailers. As a result, we have some excess supply, and we are storing those at the Hope site.

Mr. MELANCON. In south Louisiana the demand is for travel trailers because people would like to get back to their property, start cleaning it up and establishing their lives if that is at all possible, particularly if their houses are salvageable, and even if they are not, where some of them are just completely gone. There seems

to be a great difficulty with FEMA. They have to come in, they have to establish the electrical supply, they have to make sure there is sewage and water.

Now, if I understand the concept of travel trailers that people use for campers, are there not holding tanks to these trailers?

Mr. GARRETT. Yes, sir.

Mr. MELANCON. Are there water tanks on these trailers?

Mr. GARRETT. There certainly can be.

Mr. MELANCON. A 5–KW generator in my mind would probably run the air conditioning and the lights, and the stoves would probably run on propane; would that be a fair guess?

Mr. GARRETT. My understanding was that we were actually moving away from the propane units, sir.

Mr. MELANCON. Okay. I guess where I am trying to go is, I spoke with the president of the parish of St. Bernard. They are averaging, I believe, one trailer per day that they are spotting in St. Bernard Parish. At that rate, it will probably be in the next century before the folks will be able to get back and get started. And I have heard complaints from people who had several acres of land in Blackman's Parish, it is family owned land, they wanted to put four trailers or houses within a mile, daughters, son, the mother, and they are refusing to let them do that. Now, there are people camped out in pup tents in front yards from Mississippi and Alabama all the way through Louisiana, and having a travel trailer with a bed to sleep in, even if they didn't have air conditioning and they didn't have running water at this point in time, they had a septic tank, that is way ahead of the curve. But yet we refuse to let these people into those trailers until they are completely sited.

And then one of the things that I have been seeing when I fly into Baton Rouge, there are several hundred trailers in Baton Rouge. That is not going to get those people back into New Orleans and St. Bernard and Plaquemine Parishes where their homes are, and the commute, with traffic, will probably be an hour-and-a-half, 2 hours a day. They will never reestablish that. It is almost as though there is an intent there to not let them get established back.

You said there is about 40,000 trailers. Do you have the numbers per State that are sited and per parish and per county?

Mr. GARRETT. Yes, sir. By State, let's see, Louisiana travel trailers, projected needs 80,000, capacity on leased sites, 23,482. Capacity on leased sites is the sum of leased commercial pads plus industry sites plus leased group emergency group site pads, plus private sites.

Cumulative units on pads, 20,686. Cumulative ready for occupancy, 6,099. Units occupied 13,772. Occupancy rate of 86 percent.

Mr. MELANCON. Is that Louisiana or is that all States?

Mr. GARRETT. That is travel trailers in Louisiana.

Mr. MELANCON. Because you are giving me pads, you are giving me on sites, you are giving me at locations. I guess I need to get you, if you could provide that for me in written form rather than run through all those—

Mr. GARRETT. I would be happy to do that.

Mr. MELANCON. Because my problem that I am finding is that they are not getting the trailers to their homes, to their lots so that they can restart their lives and get their places back up.

The cost per trailer is about $20,000 average for these 30-foot trailers, or what is the average cost? Don't you have a—

Mr. GARRETT. That is the reasonable average cost, but we have also been getting them—I would say between $14- and $20,000 is probably a good—

Mr. MELANCON. So if you had 125,000, average price $18,000, that might give you the number you have been looking for?

Mr. GARRETT. I think the number for the national contract is less than that. Some of our local buys—

Mr. MELANCON. They are staged, and then they are hauled in. Do you know what the price per trailer contract is for hauling them from wherever it is from the staged area down to where they are going to be located, what the cost is per trailer to make those moves?

Mr. GARRETT. We have those figures, sir—

Mr. MELANCON. I am told it is $4- to $5,000 per trailer.

Mr. GARRETT. To haul and install?

Mr. MELANCON. Yes, sir.

Mr. GARRETT. That would seem a little high to me, but I would be happy to verify that.

Mr. MELANCON. One of the other complaints I am getting is rotation of personnel in and out. A lady called that I talked to last night, she was trying to get her claim adjusted for damage from Katrina. Then the person she was dealing with was rotated out. In the meantime, the next person comes back in and he is a Rita inspector, he is not a Katrina inspector, so she hasn't gotten anything completed on the storm damage that occurred during Katrina, and the guy is saying well, we have a problem because you have to finish that up before I can help you with Rita.

The parish presidents and the people who are dealing with them, they finally get somebody on the ground, and after about 2 weeks they are starting to understand the demographics and the geography and the problems, and then you rotate them out and they start from scratch. Grand Island, Louisiana rotated out a lady who had worked on the list of those people who could occupy the trailers, all of a sudden they rotated her out, the new person came in and nobody knew where the list was. The mayor took a crowbar and was getting ready to break into the trailers to let his people in them. It is as though the agency, instead of taking the initiative and saying let's make it work, it is like if it is not written that we can do it precisely, we are going to opt not to do it. And that seems to be the mindset, and that is where the frustration level is.

As I told the committee and Governor Barbour yesterday, and he agrees, Congressman Pickering made the statement that the people had moved into a state of depression. My people in Louisiana are either behind that curve or ahead of it because they are PO'd now, they are not depressed anymore, they are just flat out mad, and it is getting worse.

Chairman NEY. The time is expired, but would you like an answer?

Mr. MELANCON. No. What I will do, if I could, Mr. Garrett, I will make a list of the some of the things, numbers and such that I need and I will get them to you, and if you could get them back to me I would appreciate it.

Mr. GARRETT. I will get them back to you quickly.

Chairman NEY. Actually, can I intervene on one point you made, I would like to see if we can get a response on it, on the coordination of what the Congressman is saying about the fact that people are moved in and they are moved out. Have you heard this before, that this happens?

Mr. GARRETT. Yes, sir, we have, not only in this disaster but in previous disasters.

Chairman NEY. Because it has happened to us back home. Well, can you put a stop to that? You know, can you have the continuity? Have you taken that step?

Mr. GARRETT. We are working towards that, sir. We recognize that is an issue. Our problem is that a lot of the individuals who are currently out in the field right now are individuals from the various 10 regions, permanent full-time individuals who have been down there for three-and-a-half months. What we typically do in a disaster is we will often flood that disaster with permanent full-timers, and then over time backfill them with our Disaster Assistance Reservist Corps.

In this particular case we have been pretty stretched across the country, and we have had individuals in a lot of these positions for a lot longer period of time than we would like, and so we are getting around to slowly rotating them out. We are also rotating people out just for some R&R. But our long-term strategy for this particular area is the same strategy that we employed in Florida last year, and that is to develop long-term recovery offices with individuals who are assigned to that office and will be there for the long term and will be able to provide that kind of continuity. We are not there yet, but that is what we are moving towards, and we hope to have that kind of continuity in place here in time.

Chairman NEY. Thank you.

Mr. MELANCON. Thank you, Mr. Chairman.

Chairman NEY. The gentleman from Georgia.

Mr. SCOTT. Thank you, Mr. Chairman.

Mr. Garrett, let me ask you—I want to be clear, is it accurate to say that you made the decision, not signed off, but that you made the decision to evacuate the evacuees from the hotel rooms?

Mr. GARRETT. I made the decision, and I signed the guidance for that that made that official. I would not characterize it as evacuating individuals from hotels, I would characterize that as that was the date by which we had planned to stop subsidizing hotel room stays. However, I also want to make a point—and I think it is an important point to make here—that anyone who was a—if FEMA determined that an individual was eligible for assistance from FEMA, had not received that assistance yet, FEMA was prepared, and is prepared now, even beyond the December 15th date to continue on a case-by-case basis subsidizing individuals in hotel rooms until they receive the assistance that they are eligible for and due from FEMA.

By the same token, if we have individuals in our queue who are in what we call the pending queue, these are individuals whom we haven't made an eligibility determination for yet, we will continue to subsidize those individuals beyond December 15th until we can determine if they are eligible, and give them rental assistance, at which point they will be responsible for taking care of themselves, or we determine that they are not eligible for FEMA assistance, at which point we would refer them to HUD and to the KDHAP program.

Mr. SCOTT. Now, there are two dates that are amounting to some confusion in my mind as far as extension of the deadline. You mentioned a December 15th date as the extension for the hotel stay, but also there is a January 7th date. Can you explain the difference?

Mr. GARRETT. Yes, sir. We initially had established—on the initial guidance that went out we established December 1st as the date that we would stop the subsidies. And we had authorized two States, Mississippi and Louisiana, to apply for extensions up until January 7th. A week later we amended that guidance and extended what was the original date of December 1st to December 15th. And we preserved the January 7th date, but we also opened that up to an additional eight States who had the highest number of evacuees in their States.

Mr. SCOTT. Now, what you have just said is ample evidence of why the people are so confused. I mean, that—to go through that minefield that you laid of dates, how it applies, you know, even for me just sitting here, I had a little problem comprehending and following all of the dates. I can imagine what it would be for people who are actual victims of it.

But from my own point, then, January 7th is that foremost date at this point that you have extended for folks to be able to stay in the hotels?

Mr. GARRETT. For 10 States, sir.

Mr. SCOTT. For the 10 States. All right.

Now, now that you have extended the hotel deadline until January 7th for those specific States, those 10 States, does that mean that the 403 program's deadline is also extended to permit the evacuees to enter into this program and enter contracts into this program?

Mr. GARRETT. First, just a point of clarification is that those 10 States are authorized up until January 7th. I am personally aware that only one State has submitted a plan and has received the authorization to go to January 7th at this point. We have pending plans from the others, but they certainly have that capability.

In terms of the 403 and the extension, yes, sir, as long as individuals continue to be subsidized in hotels and motels as part of an organized strategy, then the States and locals who are hosting those evacuees will continue to have the authority to use 403 to place them in apartments during that period of time.

Mr. SCOTT. How are you getting that information out? How are you publicizing that information?

Mr. GARRETT. A couple of ways, sir. In terms of the information to the hotel occupants themselves, we are putting flyers under the doors of every one of the occupants. Corporate Lodge Consultants

contacts the hotels, provides them those flyers, provides the direction to do that. And we have done that multiple times. We also have teams who are going out, not only the Federal Government or joint teams with the States and locals, but States and locals are doing this themselves as well, knocking on doors, advising individuals about the deadline, what their options are, that they need to register; if they haven't received assistance yet, what their options are.

Mr. SCOTT. Now, as we move through that to the 403 programs, you stated—I think you released in November—that the payments under this section 403 program will end March 1st. Is that deadline still accurate?

Mr. GARRETT. Yes, sir.

Mr. SCOTT. Well, let me ask you this; how will this impact cities like Atlanta and Houston and Dallas that have already entered into 1-year contracts with the property owners? Will these commitments be honored to full term?

Mr. GARRETT. Well, if the commitments aren't honored to full term, then the provisions of the contract that allow that contract to be terminated, to include whatever those termination or penalty fees are, we will honor those terms. So if an individual who receives individual assistance by March 1st, is now receiving rental assistance at that point, elects to take that rental assistance and move to another city, leaving that apartment vacant, we are not going to pay for the full term of that apartment for 12 months. What we are going to do is we are going to tell them you need to terminate that apartment, we will pick up and reimburse you for whatever penalties you have to pay for terminating that apartment early.

Mr. SCOTT. Let me go to another point, because there has been a lot of discussion about monies that have been given to evacuees for their rent, to help with the rent, but they have used it on other things. And I want to find out from you that some of these apartment owners have even forgone the rent and have done so under the belief that they would be compensated by FEMA directly for housing assistance or through the evacuee once the evacuees receives this housing assistance money, but, however, in many cases where the funds were provided directly to the evacuees, the money was spent on more urgent needs, such as food, clothing, and medicine. Will FEMA advance money now to evacuees to pay their back rent?

Chairman NEY. The time is expired, but if you would like to answer that question.

Mr. GARRETT. I would like to answer that question.

We have issued guidance to our national processing service centers, we recognize that that is an issue, that the initial money that went out to the evacuees was sent to them or put in their bank accounts in advance of information that described what the intended use of that money was for. We also recognize that these individuals may have had compelling other needs at that particular time. The ones you mentioned, they needed food, they needed clothes for their kids. In recognition of the fact that these individuals who received that first increment of 3-month rental assistance may have needed that funding for other things and may not have been notified about

what the intended use of that was for, we have authorized our NPSC's to recertify those individuals if they will just make a self-certification statement. All they need to do is certify one of those two things occurred, either I was not notified what the intended use of this money was for prior to its receipt, or I had these compelling other essential needs that I needed to fulfill with that money. If they will do that, we are prepared to recertify them for rental assistance.

We are also prepared for individuals who need to pay, for example, a first month's rent with their 3 months worth of rental assistance and therefore only have really 2 months of rental instance left, we are prepared to recertify them at the end of that 2-month period. They are not going to lose a month as a result of that.

So we have made some accommodations here to recognize the situations that these individuals are in and to try and make sure that an individual is not penalized because they had to make what was—even an individual who was given—they had to make a difficult decision, and it may not have been the technically appropriate decision, but it was the smart decision for this individual and for their family. They made a decision, and we are not going to penalize those individuals for doing that.

So again, they will be recertified, they will be eligible for recertification of that rental assistance, they are not going to lose that source of funding. And we will continue to recertify people—and this is a point that we want to make to landlords all over the United States, which is that as long as an individual—I mean, just an individual who receives an initial allotment of rental assistance from us, and we are prepared to on a case-by-case basis, at the request of any individual who we are providing rental assistance to, talk to their landlords and explain how this works. This is not just a three months and they are out. This individual, in a situation that they are in, is going to be working on developing a plan to find a permanent housing plan for themselves, and they are also, during this period of time, hopefully going to be working to try to find a form of employment. We will continue to subsidize those activities up until the point that they are self-sufficient, and we will tell the landlord that, that until this individual is self-sufficient we will continue to provide them rental assistance. Once they achieve self-sufficiency, then our expectation is they are no longer going to be receiving rental assistance from us because they have achieved that self-sufficiency. And that is what we want to do with all the individuals, is we want to provide assistance to them to help them reach a point where they can be self-sufficient. And we are prepared to do that as long as we are legislatively authorized to do so.

So until they reach the cap on rental assistance, then they are going to be authorized for that. And even if they do reach that cap, we have the capability to provide direct housing assistance to that landlord for up to 18 months. So they have got some options, and we are going to be prepared to work with all of them to make sure everyone is taken care of.

Chairman NEY. We are going to move on to Mr. Green, but I just want to take one second, if the gentleman will yield. Just to clarify, I think, what I heard.

FEMA will continue to pay rent until a person is self-sufficient? Now, do you need a law change to do that? Did you say that FEMA will continue to subsidize—I am just trying to clarify what you had said.

Mr. GARRETT. We pay rental assistance to individuals. It is typically in most disasters paid on a monthly basis and they recertify monthly; in this disaster, because of the size of the population, we are doing 3-month increments. So when they come back, as they are approaching the end of that 3-month period to recertify and get another 3 months, if they have not achieved self-sufficiency at that point and if they still have room under their cap for that $26,200 they will continue to receive rental assistance from FEMA.

Chairman NEY. But once that $26,200 runs out, you are not going to continue after that?

Mr. GARRETT. We can't continue rental assistance for those individuals—

Chairman NEY. Unless you had a law change by the Congress.

Mr. GARRETT. Correct. But we do have authority to, under direct housing, essentially take over that lease and pay that lease directly to the landlord.

Chairman NEY. For how long?

Mr. GARRETT. Up to 18 months.

Chairman NEY. Thanks. I just wanted to clarify.

Mr. Green.

Mr. GREEN. I thank you, Mr. Chairman. And Mr. Garrett, I trust this will be an amiable, amicable exchange that you and I will have because I truly am interested in some very specific information.

Let's start with about $600 million in contracts, 8(a) contracts that are to be let, and proposals are due on December 30th. Are you familiar with these contracts that I am talking about, the 8(a) $650 million broken down into four separate contracts for various States that have been impacted by Katrina?

Mr. GARRETT. Yes. I have some information in front of me. We are talking about the contracts, the maximum value of each will not exceed $100 million?

Mr. GREEN. $150 million is the information I have. Do you have $100 million?

Mr. GARRETT. Yes.

Mr. GREEN. How can we acquire information in terms of what the scope of the work is for each of these 8(a) contracts?

Mr. GARRETT. Each contract will provide for the provision of maintenance and deactivation of approximately 6,700 temporary housing units. The period for performance will be 5 years from the date of the order.

Mr. GREEN. Maintenance and deactivation?

Mr. GARRETT. Correct.

Mr. GREEN. Is this information codified someplace so I may have it in hand so as to carefully review and make good use of it? For want of better terminology, is it codified someplace?

Mr. GARRETT. I am certain that it is, sir.

Mr. GREEN. May I have someone on my staff get that codification from you as quickly as possible?

Chairman NEY. Could I make a note on this, too? And I won't take it off of your time. The gentlelady from California had re-

quested, too, about information. Any information requested today, you can provide it to the member requesting it and also to the committee so we can then disperse it to all members. I just wanted to—any of the questions today, provide to the members asking and to the committee so we can disperse it to all members. Thank you.

Mr. GARRETT. I am have advised that until that appears on FedBusOps website, that we can't provide that to you directly.

Mr. GREEN. So until it is published on a website there will be no means by which I can acquire it, other than what you will tell me today?

Mr. GARRETT. That appears to be true, sir, yes. And I have got a little cheat sheet here in front of me. I will be happy to provide you information from that.

Mr. GREEN. Immediately afterwards why don't you and I visit about the cheat sheet and get as much of that information, and then I would like to explore some other avenues by which we may proceed.

Quickly now with Houston, and all of the contracts that have been let for 12 months. To recap, you will either honor the 12-month contract, or if the contract is not honored, you will then honor any penalties associated with the contract. This is true?

Mr. GARRETT. That is true.

Mr. GREEN. Houston has been styled a model city for this type of unfortunate circumstance, I think you have as much as said so yourself. Given that Houston is a model city, why would we not simply try to replicate what Houston was doing, and that was with the 12-months contracts, as opposed to negate what Houston did and move to the 3-month contracts?

Mr. GARRETT. No one was trying to—or there was certainly no intention to negate any of the very lean forward actions that Houston has been engaging in. Authorizations for cities to enter into leases for up to 12 months was not a method of encouraging cities to do that, it was recognition of the fact that they might not be able to get leases at less than 12 months.

Mr. GREEN. Here is the concern we have, Mr. Garrett, two—and possibly many more, but two quickly—one, your image is being tarnished with landlords once they hear about a 12-month arrangement and find out that you are now willing to move to a 3-month arrangement and pay the penalties. That does not encourage them to continue to do business with you.

Two, even if you are so kind as to pay the penalties, you still have a person who has to find a new place to stay in an unfamiliar environment, possibly with children, possibly without transportation. It still places the person in a position where he or she is having to do something that may not be done within a reasonable amount of time.

Mr. GARRETT. I would hope that is not the case. I would hope that the individual—again, what we are talking about, when we are talking about extending this contract out to the full 12 months, is just converting from having that contract paid by the State or by the jurisdiction, using 403, to being paid by the individual. So if an individual is in an apartment that was leased or—

Mr. GREEN. Because my time is running short, time is of the essence, let me—you made a good segue now for me as to what is

happening now in Houston. We have approximately 105,000 people in apartments, and that will escalate to approximately 130,000 people. Will you transition all the 130,000 people by your deadline?

Mr. GARRETT. We certainly hope to achieve that, yes, sir.

Mr. GREEN. And for those that have not been transferred, what will happen to them? Transition.

Mr. GARRETT. The same would apply to an individual on March 1st. Any individual, who through no fault of their own, if they are in an apartment that is being subsidized by the State and they are eligible for FEMA assistance and they have not received FEMA assistance at that point, we would continue their subsidy under that program until they are converted to the 408 program. So no one is going to be dropped from that program because they were not converted to the 408 program.

Mr. GREEN. So your statement, for the record, is people will be transitioned by March 1st or some point thereafter if they have not been transitioned on or before March 1st?

Mr. GARRETT. If they are eligible, FEMA's goal is to reach every single one of those individuals, determine their eligibility, if they are eligible for FEMA assistance, begin providing them that assistance. At that point they would be responsible for taking over that lease and making the monthly payments on that lease. If they are not eligible for FEMA assistance, they would be referred to HUD and to HUD's KDHAP program.

Mr. GREEN. The persons who have not transitioned—now I think I am hearing you give me something more than they will simply remain in the program they are in until they can be transitioned. You are saying that something else may happen to them as well?

Mr. GARRETT. Again, three things are going to happen. We are going to determine their eligibility and we are going to give them, provide them the assistance that they are due, their rental assistance. At that point they are going to be transitioned off of 403, and they will, using the rental assistance that they are given, be responsible for taking over the rental payments on the apartment that they are in. If they don't want to stay in that apartment, they are certainly free to move out of that apartment and find other accommodations to use that rental assistance.

They can also be transferred over to KDHAP program, under HUD's program. Or, as we discussed prior to this, was if that individual is still in a state of limbo, if by March 1st we have an individual who is either pending, we haven't determined their eligibility, or they are waiting for FEMA assistance, we would continue to subsidize that individual or those households until that determination is made and that assistance is provided to them.

Mr. GREEN. One final question as a follow up to our first line of inquiry.

How would one who proposes to acquire one of these 8(a) contracts do so in a prudent, judicious fashion without the information that we are making—we are asking you to share with us?

Mr. GARRETT. That information will be made available to everybody who wants to compete for those contracts at the very same time on the FedBusOps announcement.

Mr. GREEN. Notwithstanding the December 30th deadline for the proposals?

Mr. GARRETT. We have to double check on the status of whether that announcement is even out yet. It may be out now; I am not personally aware that it is. But if that deadline—or if a determination is made by our procurement officials—

Chairman NEY. Time is expired.

Mr. GARRETT. —that a deadline needed to be extended, that could be done.

Mr. GREEN. Thank you, Mr. Chairman.

Chairman NEY. The answer on that—

Mr. GREEN. Yes, sir, thank you.

Chairman NEY. Mr. Cleaver.

Mr. CLEAVER. Again, thank you, Mr. Garrett, for being here.

And the questioning, I hope you understand everybody's frustrated. I have spoken with one of the women sitting here, and of course they are frustrated and want answers to questions. And everyone—and we want them, too. And so even if we are noisy, we are not going to be nasty, so just bear with us.

Are you familiar with E.L. Quarantelli?

Mr. GARRETT. No, sir.

Mr. CLEAVER. He runs the Disaster Research Center out of the University of Delaware. I think one of your staff persons seems to be. You know, he has been doing this since 1949, and he wrote, this is the worst response to a disaster during his time of research. And so you understand that people are frustrated.

One of the—and this seems so simple, but what is the status of reuniting children with their parents? We have children, as I am sure you know, separated from parents. In Kansas City, Missouri, where I am from, we had some children who came there and ended up in the Children's Mercy Hospital, but we had no idea where their parents were, and I am not sure if they know even today. So is there some kind of process—

Mr. GARRETT. We have been working with the National Center for Exploited and Missing Children, and they provided us with a list of names. We have, on behalf of that center, done call outs to individuals, names that match up against the list of individuals that we have in our system, and we have locations for those individuals, and we have contacted the individuals or attempted to contact them, if we can, at the address at which they are listed and advise them that someone is looking for them at the National Center for Exploited and Missing Children and would like to talk to them and provide the contact information for that, either the individual or the guardian.

Mr. CLEAVER. Do you have a number of children who are still disconnected from parents or grandparents or guardians?

Mr. GARRETT. I think the numbers—and I don't have them here, but we can certainly provide them to you—are the numbers that we were provided by the National Center for Exploited and Missing Children. The number that we were successful contacting and the number, obviously, that we were not. We can provide those numbers to you.

Mr. CLEAVER. You know, one of the problems is that the name of the agency trying to do the connection, Missing Or Exploited Children, people don't like to respond to that is why we have problems with the census in the central city.

But the other issue that I wanted to relate on the same question, what would be the feasibility and practicality of having all the children in one area and trying to reconnect or to receive all of the children and put them in one area so that everybody in the country knows that if there is a child missing from Katrina or Rita, that if you go to Baton Rouge or St. Charles, all the children are there. Is that practical?

Mr. GARRETT. I am not prepared to make a practicality assessment of that. I will certainly take that back and we can knock that around, but I am not sure what the issues—I think there might be a number of issues involved with trying to relocate en masse a lot of children.

Mr. CLEAVER. You know what, I am moving my Congressional office at the first of the year because I can't get people to come in. You know why? Because it is also the office for the U.S. Marshals, the FBI, the U.S. Attorney, and so I don't get anybody to come in. I mean, they don't want to come in to the Federal courthouse, even though it is cute. So, you know, Missing and Exploited Children sounds like an agency that is going to do something to you. But if you would explore that.

The other, kind of related is do you have any kind of list of the people with special needs, the disabled? When you look at what happened there in the aftermath of Katrina, there were people—and it sends chills to me thinking about it—dying in wheelchairs, people were watching folk die because they couldn't walk and so forth. So even in the aftermath—and I think is it Justice After the Flood or something like—Justice After the Storm is kind of the theme they have. And so I am thinking about the disabled. Is there any special action being taken for people who have special needs?

Mr. GARRETT. When individuals register with FEMA, if they self-identify themselves as having a disability, we can capture that information and we can begin caseworking those individuals, again on a case-by-case basis.

Individuals within the impacted areas are also being caseworked on a case-by-case basis. We recently upped the number of ADA compliant travel trailers and mobile homes that we are providing to Louisiana to address what are the unmet needs of a sizeable population of the disabled.

So we are working that both at the ground level and at the regional and headquarters level to identify individuals, and based on where they are located, what their particular needs are, either working directly with them or making referrals to the appropriate social services to work with them.

Mr. CLEAVER. How many evacuees have registered with FEMA thus far?

Chairman NEY. The time is expired, but if you would like to please answer that question. Thank you.

Mr. GARRETT. More than two million. I would actually have to add those figures up, but I can give you a figure at the end of this.

Mr. CLEAVER. But roughly two million?

Mr. GARRETT. Yes.

Mr. CLEAVER. That is fine, thank you.

Chairman NEY. The gentlelady from California.

Ms. LEE. Thank you, Mr. Chairman.

A couple of things. Let me ask you, with regard to the homeless population, for example, following up on Mr. Cleaver's question. We have learned—and I think it was as a result of the briefing with FEMA—that there were what, about 842 Katrina survivors living right now in homeless shelters. And I am just wondering, in terms of people who were homeless prior to this disaster, as well as those who are now on the verge of becoming homeless, what type of services, not only transitional housing assistance, but the type of supportive services that either FEMA or HUD or whomever is providing.

And secondly, I just want to ask you about rent gouging? We have heard of instances where of course landlords are taking advantage of this unfortunate circumstance and gouging, and I wanted to find out if FEMA is working with HUD to establish some way to prevent that from happening?

And finally, a question I have—and I am just not sure what the answer is, and forgive me if you have answered this before—in terms of local rents in high cost areas, such as—and we have, like I said, probably as far as we can tell maybe 1,200 individuals in just the Oakland Bay area, and the cost of living, the cost of rent is enormous, I think a two-bedroom apartment you probably can't get for under $1,500 a month. And I am trying to find out how FEMA adjusts its housing assistance for high cost areas where individuals are living.

Mr. GARRETT. I will be happy to address all three of your questions or areas you are interested in, and I will start with the last one first, in terms of the cost of living.

FEMA initially gave out, under the Transitional Housing Assistance Program, 3 months at a national fair market rent. However, that was only for the initial allotment of rental assistance. From that point on, when an individual came back or comes back to FEMA and recertifies for rental assistance, they will be recertifying based on where they are living now, where they have established that temporary residence, and we will from that point on provide them rental assistance at the prevailing FMR for wherever they are living. So someone living in Oakland will get what that FMR is, not what the Tulsa, Oklahoma FMR is or what the national FMR is. And that will be effective with the very first recertification, and from every certification from that point on.

In terms of rent gouging, it is because we are only providing rental assistance to individuals at the fair market rate, it makes it a little more difficult for someone to gouge an individual who is basically on a fixed rental income at that point. We recognize that that does take place and it has taken place; that is largely anactivity that we make known to—if we become aware of it, we will let, through our joint field offices, through our region's States and jurisdictions, make them aware of the fact that we believe this may be going on. But that is largely up to the States and local jurisdictions to tackle in terms of addressing that rent gouging at a jurisdictional level.

And in terms of the homeless, that is a more complicated issue. For the predisaster homeless, they don't have as many options as an individual who was a homeowner or who was a renter. For example, they are not going to be eligible for rental assistance, they

are not going to be eligible for home repair. They may potentially be eligible for some types of other needs assistance. If they had personal property that they lost as a result of a disaster, they may get some funding there. But largely, from an individual assistance standpoint, they are not going to receive nearly as much as someone else—

Ms. LEE. Let me ask you this, because they were homeless in a disaster area where—they were homeless for, unfortunately, many reasons, but this compounded their homelessness and had to move from one homeless venue to another. Isn't there any way that FEMA can perhaps look at grandfathering in predisaster homeless individuals who were displaced to provide some type of assistance? Because it is unfortunate they didn't have a shelter, but now in fact because this disaster has hit so many, they should be eligible for whatever transitional housing assistance that is available for those who had to be displaced. And I think that FEMA needs to look at that and come up with some recommendations on how to do that.

Mr. GARRETT. Predisaster homeless are referred to the HUD program, to their KDHAP program.

Ms. LEE. Well, what is HUD doing? Since they are not here maybe you can answer. Don't you coordinate with them?

Mr. GARRETT. We do. And we make referrals to them.

Ms. LEE. Do you know what they are doing?

Mr. GARRETT. They work with the individuals who are referred and through their public housing authorities to find housing for those individuals.

Ms. LEE. Since they are not here, could you ask them, in your response to all these questions, what they are doing to make sure that people who were homeless and were displaced receive the same type of assistance as those who had shelter over their heads, please?

Mr. GARRETT. You bet, ma'am.

Ms. LEE. And if they are not doing anything, would you let us know?

Mr. GARRETT. Yes, ma'am.

Ms. LEE. Thank you.

Chairman NEY. The time is expired. Before we move on—we are going to recognize Mr. Watt—I just wanted to note for the committee members, we want to thank Jim Shuman, he is sitting right there in the blue tie, from FEMA; he has been a Congressional liaison to this committee, and Friday is his last day. And we all want to thank you for your hard work. I don't know what you are going to be moving on to, but whatever you are doing, thank you for all your hard work.

Mr. SHUMAN. Thank you, Mr. Chairman.

Chairman NEY. And also, we are going to go to Mr. Watt, and then we will be finished.

I do want to reiterate also to the committee members—and I want to thank Mr. Garrett for coming and addressing this situation. One way or another somebody from HUD is going to come here next week, not in January at the end, but next week, one way or the other somebody is coming here from HUD. I just want to assure you here on behalf of Chairman Oxley. So we can do it the

easy way or the hard way, but one way or another somebody will come and answer questions. And again, I have talked to Secretary Jackson, and he has stated he was going to be coming. So I just want to make sure that that is followed up on and to assure you of that.

And with that, we will go on to Mr. Watt.

Mr. WATT. Thank you, Mr. Chairman.

Mr. Garrett, I am Congressman Mel Watt. I happen to be the Chair of the Congressional Black Caucus. I am not on this subcommittee, and I want to thank the chairman for allowing me to ask a few questions and make a few comments.

Perhaps the face of this disaster, Hurricane Katrina, was disproportionately black, and because it is disproportionately poor, and perhaps you are wondering whether the face of this committee this morning is disproportionately African American. I guarantee you, all these chairs are occupied by folks who are Members of Congress. We don't represent 80 to 90 percent of the committee, as you have seen 80 or 90 percent of the questioners here this morning. And there is probably nobody in America who would be more justified in taking out and venting against FEMA than me, as the Chair of the Congressional Black Caucus, because there has been a lot of horror stories. And I have passed up multiple opportunities to slam FEMA, so I am not here to slam you. I am not going to take advantage of this opportunity today to slam FEMA. I got some real tough questions.

And part of what you are hearing is frustration because we can't get any answers, except whatever is convenient to be said at the given time. I happened to be in a meeting with the President of the United States yesterday, and if I listened to what the President told me in that meeting everything at FEMA is going well. It was like day yesterday and night today, because everything obviously is not going well. And that is the global thing. I want to bring it home for a little bit, not playing my national role, but to my own State of North Carolina, where I have in front of me a summary of Charlotte, North Carolina. I got the names of the individuals who are staying at the AmeriSuites, the Marriott Executive Hotels, Staybridge Conference Suites, Extended Stay, Glen Haven; 43 people at just those hotels. And we are told this morning that as of December 5, 2005, 194 hotel rooms are being occupied just in Charlotte, North Carolina. And I also represent Greensboro, Winston-Salem, and a number of other cities that have evacuees.

Now, we also were told this morning that this extended extension beyond December 15th to March 1st—everybody's concerned about that—applies to only 10 States, am I correct about that?

Mr. GARRETT. The extension is to January 7th, and yes, it only applies to 10 States.

Mr. WATT. And that North Carolina is not one of those States; is that correct?

Mr. GARRETT. That is correct, sir.

Mr. WATT. So I have 194 hotel rooms just in one city in my congressional district, and I have the names of the people and I have the record of the churches that have been working with them, they have been courageous and wonderful in working with these people. And they called me just as a last resort, and I don't know what to

tell them, Mr. Garrett, because they don't—I don't know what to tell the churches because—and they don't know what to tell these people about where they are going, and I need your help.

What would you have me say to those people?

Mr. GARRETT. Pick up the phone, call FEMA's 1–800 number, tell FEMA that you are in a hotel, that you have not received any assistance from FEMA, if that is the case—

Mr. WATT. No, no, no. These people are receiving assistance from FEMA now. I just told you they are staying in a hotel, FEMA is paying the bill. But you just told me that as of what date?

Mr. GARRETT. I was referring to our individual assistance program, sir, versus the program under which they are being billeted in those hotels right now. That is a program that we are providing to individuals through a—

Mr. WATT. Well, through what date? I mean, these people have been told that they will have to evacuate the hotels on December 15th.

Mr. GARRETT. They don't need to evacuate the hotels on December 15th, sir. On December 15th FEMA will cease paying the subsidies for their stays in the hotel. At that point, it will be their responsibility—

Mr. WATT. Well, what does that mean to somebody who doesn't have a dime in their pocket, Mr. Garrett, other than you have to evacuate the hotel?

Mr. GARRETT. That they, at this point, shouldn't wait until December 15th, they should pick up the phone right now. If they don't have a dime in their pocket, they should contact FEMA. If they haven't registered with FEMA yet, they need to register. If they have registered with FEMA and they haven't received—

Mr. WATT. They have done all of that, I guarantee you. There are individual volunteers from churches who are working with these people and they have done that, and they don't have anywhere to go on December 15th. What is it that I am supposed to tell them?

Mr. GARRETT. If they have—

Mr. WATT. Call the 1–800 number after you are standing on the balcony of the hotel?

Mr. GARRETT. Call it right now, sir, call—

Mr. WATT. They have already done that, Mr. Garrett, they don't have any place to go.

Mr. GARRETT. We are prepared, if these individuals have not yet received rental assistance from FEMA, if they have—

Mr. WATT. And if they have?

Mr. GARRETT. Then they will be responsible for using that rental assistance to take over their hotel and motel bills. That is what that rental assistance is for. Ideally they would use that for an apartment, but if they don't—

Mr. WATT. Well, I haven't even mentioned the people who are staying in apartments, I just focused on the—they are having the same set of issues here. When do they have to get out?

Mr. GARRETT. Individuals in apartments?

Mr. WATT. March 1st?

Mr. GARRETT. They don't have to get out on March 1st. March 1st is when we will complete—or hope to complete the conversion from a State—subsidized through the States and locals to having

individuals responsible for that because they will be receiving individual assistance.

Mr. WATT. Wait a minute. I thought you already terminated North Carolina before that. What did you terminate? I don't understand—

Mr. GARRETT. December 15th, sir. That was the date that we stop doing the hotel-motel subsidy.

Mr. WATT. For North Carolina?

Mr. GARRETT. Yes, sir.

Chairman NEY. The time is expired, but I would like to ask for a clarification. You might want to—

Mr. WATT. I am trying to get a clarification. Maybe you can ask the question more clearly than I am asking it. I am missing something here.

Chairman NEY. Just to get down to a point. Okay. If you were HUD assisted—let's just focus on who is in these rooms. If you are HUD assisted, you are taken care of. You are probably not in a hotel room if you are HUD assisted.

Mr. GARRATT. Or you are in that hotel room until you are HUD assisted. Once you make a determination that you are a HUD referral, we will refer that individual to HUD, tell that individual to contact HUD and begin working with HUD.

Chairman NEY. But if you were in Section 8 prior to this disaster, you were HUD-assisted. You naturally would have your voucher and, if you could find a place, be able to go to it. All right.

Of the other people who are in there, if you owned a home and you are in this hotel, you get $26,200, if you owned a home?

Mr. GARRATT. You can potentially get up to $26,200.

Chairman NEY. Now, is there another category of people, a mom and three kids who didn't own a home, were not HUD-assisted Section 8, but had rented an apartment? What happens to that group of people?

Mr. GARRATT. They are eligible for rental assistance, certainly, sir. So they are eligible to get rental assistance at the fair market rent, and they are eligible to get that in 3-month increments.

Chairman NEY. To pay to the hotel?

Mr. GARRATT. Or ideally to pay to an apartment.

Chairman NEY. But let me ask a question. We know they are HUD-assisted. We know that people who live in that hotel room now get $26,200, and they don't technically have to leave on that date, but they would have to start into the $26,200 to pay.

Now, is there another category of people though who were not on Section 8 but were the working poor, barely making it and were living in an apartment. Do they right now have the resources to pay, if FEMA says we are not going to pay anymore to the hotel tomorrow morning, do those individuals in the checking account have some money from the United States Government, FEMA or HUD, to pay that hotel room?

Mr. GARRATT. If they do not have that yet, that is why we urge them to pick up the phone and call FEMA right now, is because if they don't have it and they are eligible for it—and the family you just discussed would be eligible for it

Chairman NEY. I don't want to take more time. Who is eligible for it?

Mr. GARRATT. Renters and homeowners are eligible for it, unless the homeowner had insurance that covered alternative housing.

Chairman NEY. Say they are renters. Are they eligible based on income? Are they eligible just to get it? And how long would it take them to get it? I think this is probably—

Mr. WATT. Is there some written description of these various categories somewhere?

Mr. GARRATT. Yes, there is, sir.

Mr. WATT. I beg of you, my office, we need to know what to tell these people, and I can't tell these people to call a 1–800 number, Mr. Garratt. That is not a sufficient response for a Member of Congress to tell to volunteers from churches who have been working with these individual people throughout the process, who obviously they don't understand what the various alternatives are either, because they have called me after having worked—this is the 101st day. We have had people in Charlotte now for almost 90 days, and they have been matched up with volunteers. These people have tried to figure it out. Now they are calling me and saying okay, what do we do on December 15th? And I don't know what to tell them. So if you will give me a description of these.

The other thing I need you to give me is not a 1–800 number but somebody down in North Carolina that I can talk to, that my staff can talk to, to try to help these people. These are people out there, and now, even though they don't vote for me—we hope they are going to vote—if we ever give—maintain the right for them to vote in Louisiana or Mississippi or wherever they were evacuated from—even though they don't vote for me, they are now my constituents while they are in my Congressional district.

That is why I have the individuals—I mean, this is not a theoretical policy discussion that I am having with you, Mr. Garratt. These are about the lives of Walter Williams and Jerome Williams and the list of people who I have here in front of me who, on December 15th, don't know where they are going.

By the end of the day, just give me a description of these various categories and a contact in North Carolina that we can access to try to work to help these people.

Chairman NEY. If you could provide that, and also please, again, any information provided to individual members, provide to the committee, so we will be able to disseminate it.

I want to note that some members may have additional questions, of course, that the panel may want to submit in writing. Without objection, the hearing record will remain open for 30 days for members to submit written questions for these witnesses and for them to place their response in the record.

I appreciate the members' time for an important topic.

And I also want to thank you, Mr. Garratt, for coming here to address these questions.

Mr. GARRATT. Thank you, Chairman Ney.

[Whereupon, at 1:03 p.m., the subcommittee was adjourned.]

A P P E N D I X

December 8, 2005

Opening Statement

Chairman Michael G. Oxley
Subcommittee on Housing and Community Opportunity

Hearing
"Housing Options in the Aftermath of Hurricanes Katrina and Rita"

Thursday, December 8, 2005

I want to thank Chairman Ney for scheduling this important hearing. It is critical that we have a better understanding of the role FEMA and HUD have played in response to these disasters. The impact of Katrina and Rita on the Gulf Coast Region and specifically on the availability of housing is unprecedented. We do not today fully understand its impact; and it will be months, perhaps years, before we truly understand the ramifications on housing related issues in the region and on housing in general in this area

Hurricane **Katrina** and RITA have resulted in the displacement of tens of thousands of families from their homes. This hearing and future hearings will provide us an opportunity to determine if changes are necessary to ensure that we are better prepared for future disasters and to more adequately meet the needs of the current hurricane victims.

We are very pleased today to have testifying, David Garrett, the Acting Director of the Recovery Division at the Federal Emergency Management Agency. I understand that Chairman Ney also extended an invitation to the Department of Housing and Urban Development, but scheduling conflicts have prevented them from appearing here today. Nevertheless, HUD will be appearing at a future hearing in the near future.

On September 23, 2005, FEMA and HUD announced two distinct programs to address the housing needs resulting from Hurricane Katrina. The majority of individuals in need of housing will be assisted through FEMA's Individual and Household Grants (IHG) program. Under the program, grants are made to localities to assist disaster victims whose needs cannot be met through other forms of assistance. Individual and Household grant funds have a wide range of eligible uses, including temporary housing, funds for mortgage or rental payments, counseling services, unemployment assistance and medical assistance.

Families that do not qualify for FEMA assistance, including formerly HUD-assisted evacuees and those homeless prior to Hurricane Katrina, will qualify for assistance under HUD's Katrina Disaster Housing Assistance Program (KDHAP). FEMA is providing funding to HUD, through a mission assignment, for KDHAP.

This Committee has been at the forefront of the hurricane relief efforts with six bills that have passed the House, three bills that have passed the Committee and are pending in the House, three hearings, four briefings, and 79 witnesses." Clearly

there are many challenges ahead. There are still many that are without permanent housing, jobs, and infrastructure. How best to go about the reconstruction of the region and the potential impact and problems facing the mortgage and financial services industry are all issues that will need to be addressed in the future. I look forward to working with Chairman Ney and the members of this committee as we move forward to address those challenges.

Opening Statement of the Honorable Bob Ney
Chairman, Subcommittee on Housing and Community Opportunity

Hearing on

"Housing Options in the Aftermath of Hurricanes Katrina and Rita"

Thursday, December 8, 2005

The Housing Subcommittee meets this morning to discuss the Federal government's response to the emergency housing needs of residents affected by Hurricanes Katrina and Rita, specifically the Federal Emergency Management Agency's (FEMA) hotel program for evacuees, and the role of HUD housing programs in response to disasters. We had hoped to include the Department of Housing and Urban Development (HUD) in today's panel, but due to scheduling conflicts it was unable to attend. However, HUD Secretary Alphonso Jackson has given me his personal assurance that his Department will be available to participate in future hearings on this matter.

Along the Louisiana, Alabama, and Mississippi Gulf Coast, Federal and local governments now face the Herculean task of coordinating the relocation of thousands of individuals and families whose lives have been uprooted due to Hurricanes Katrina and Rita. In mid-September, I brought together groups from across the housing spectrum to begin discussing how best to respond and help those devastated by this disaster. This was just the first step, and in the weeks and months ahead, Congress and the Housing Subcommittee, will stay focused on how to help these citizens recover.

On September 23, 2005, the Department of Homeland Security and the Department of Housing and Urban Development announced two distinct programs to address the housing needs resulting from Hurricane Katrina. FEMA is the lead agency in administering disaster assistance, and the majority of those in need of housing assistance will be helped through FEMA's Individual and Households Program (IHP). Families that do not qualify for FEMA assistance, including formerly HUD-assisted evacuees and those homeless prior to Hurricane Katrina, will qualify for assistance under HUD's Katrina Disaster Housing Assistance Program (KDHAP). FEMA is providing funding to HUD, through a mission assignment, for KDHAP.

I was pleased to see FEMA's announcement last month that it was extending direct federal emergency assistance reimbursements for hotel and motel rooms occupied by evacuees of Katrina and Rita. As I understand from many interested parties, with varying perspectives on the merits of the hotel program, it appeared that significant research and analysis was necessary to understand the true impact on the Gulf Coast's housing system. Given the complex ramifications of abruptly ending this program, it became increasingly clear that more time was necessary to work with state and local partners to ensure these families can become self-reliant again and reclaim some normalcy in their lives. To that end, I look forward to hearing FEMA's housing plan for helping these families transition to longer–term housing once the program expires at the beginning of the year.

The Housing and Community Opportunity Subcommittee held four hearings and briefings on the national flood insurance program and the critical housing needs of the hurricane-ravaged areas. In addition, the Housing Subcommittee has shepherded needed relief legislation to the House floor in the recent months following this disaster that will affect not only families in the immediate hurricane ravaged areas, but those families forced to suffer the aftermath due to flooding.

I look forward to hearing from today's witness as to what housing efforts FEMA has taken on ground in the affected area, what the current needs are, and what regulatory or legislative solutions may be necessary in the immediate future. Today's hearing is an important step in the recovery process and I look forward to an important debate and discussion.

STATEMENT OF

DAVID GARRATT

ACTING DIRECTOR, RECOVERY DIVISION

FEDERAL EMERGENCY MANAGEMENT AGENCY

DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

HOUSING AND COMMUNITY OPPORTUNITY SUBCOMMITTEE

FINANCIAL SERVICES COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

DECEMBER 8, 2005

GOOD MORNING CHAIRMAN NEY, RANKING MEMBER WATERS, AND SUBCOMITTEE MEMBERS.

I AM DAVID GARRATT, THE ACTING DIRECTOR OF THE RECOVERY DIVISON AT FEMA, AND AM REPRESENTING SECRETARY CHERTOFF AND ACTING FEMA DIRECTOR PAULISON. IT IS AN HONOR TO APPEAR BEFORE THIS SUBCOMMITTEE TO SUMMARIZE AND DISCUSS OUR EMERGENCY SHELTERING AND HOUSING EFFORTS IN SUPPORT OF HURRICANE KATRINA AND RITA VICTIMS. WE AT THE DEPARTMENT OF HOMELAND SECURITY AND FEMA APPRECIATE YOUR INTEREST IN THE HOUSING CHALLENGES PRESENTED BY THE SCOPE AND SCALE OF THESE UNPRECEDENTED DISASTERS, AS WELL AS THE RESOURCES CONGRESS HAS PROVIDED TO HELP US TACKLE THOSE CHALLENGES AND ACCOMPLISH OUR MISSION.

I THINK WE ALL RECOGNIZE THAT THESE HURRICANES, AND KATRINA IN PARTICULAR, HAVE THOROUGHLY TESTED THE CAPABILITIES OF FEMA, THE DEPARTMENT, AND THE NATION, INCLUDING THE MANY STATES AND COMMUNITIES NATIONWIDE WHO ARE HOSTING DISPLACED EVACUEES FROM THE AFFECTED GULF REGION. AND YET, WHILE THESE EVENTS HAVE TESTED OUR PLANS AND PROCESSES AS NEVER BEFORE, FEMA'S SHELTERING AND HOUSING ASSISTANCE PROGRAMS HAVE PROVIDED OR FACILITATED THE MEANS FOR HUNDREDS OF THOUSANDS OF EVACUEES TO QUICKLY SECURE INTERIM ACCOMMODATIONS, AND CONTINUE TO FUND AND FACILITATE AN

AGGRESSIVE STRATEGY TO TRANSITION THOSE INDIVIDUALS AND FAMILIES INTO LONGER-TERM HOUSING SOLUTIONS.

WHAT WE WANT TO STRESS AT THIS HEARING – AND TO DISASTER VICTIMS ACROSS THE NATION – IS THAT NOW IS THE TIME TO BEGIN RE-ESTABLISHING AND REBUILDING YOUR LIVES.

WE HAVE BEEN, AND REMAIN, COMMITTED TO HELPING HOUSEHOLDS RECOVER AND RE-ESTABLISH THEMSELVES, AND I WOULD LIKE TO OUTLINE THE ASSISTANCE PROGRAMS - UNDER THE ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT - THAT FEMA IS AUTHORIZED TO PROVIDE IN SUPPORT OF BOTH SHELTERING AND HOUSING NEEDS.

UNDER OUR PUBLIC ASSISTANCE PROGRAM, AUTHORIZED BY SECTION 403 OF THE STAFFORD ACT, FEMA IS AUTHORIZED TO REIMBURSE STATES FOR EMERGENCY PROTECTIVE MEASURES, INCLUDING EMERGENCY SHELTERING. TYPICALLY, THESE COSTS ARE REIMBURSED ONLY FOR THOSE STATES DIRECTLY AFFECTED BY THE DISASTER. HOWEVER, THE SCALE OF THE EVACUATION PROMPTED BY HURRICANE KATRINA REQUIRED A MORE EXPANSIVE APPROACH. ACCORDINGLY, TO ENCOURAGE STATES OUTSIDE OF THE AFFECTED AREA TO ACCEPT THE HUNDREDS OF THOUSANDS OF EVACUEES FROM THE GULF REGION, THE PRESIDENT RESPONDED TO GUBERNATORIAL REQUESTS BY DECLARING EMERGENCIES FOR 43 STATES AND THE DISTRICT OF

COLUMBIA. THESE EMERGENCY DECLARATIONS HAD THE EFFECT OF REASSURING THOSE STATES THAT THEIR SHELTERING COSTS WOULD BE REIMBURSED, AS WELL AS PROVIDED THE MEANS FOR STATES TO TRANSITION THESE EVACUEES OUT OF SHELTERS AND INTO LONGER TERM TEMPORARY HOUSING. THIS LATTER CAPABILITY HAS PROVIDED AN INVALUABLE BRIDGE TO OUR LONGER TERM HOUSING STRATEGY, AS IT ALLOWS JURISDICTIONS – ON A REIMBURSABLE BASIS – TO ARRANGE SHORT-TERM LEASE APARTMENTS FOR EVACUEES, ALLOWING THEM TO MOVE OUT OF TRANSITIONAL SHELTER ENVIRONMENTS, SUCH AS HOTELS, AND INTO MORE STABLE TEMPORARY HOUSING. THE LONG-TERM GOAL IS TO BRING THESE INDIVIDUALS INTO THE BROADER FEMA HOUSING ASSISTANCE PROGRAMS, THAT HAVE MORE CONSISTENT GUIDELINES AND LEVELS OF ASSISTANCE.

OUR PUBLIC ASSISTANCE PROGRAM IS ALSO THE VEHICLE THROUGH WHICH WE HAVE ENGAGED CRUISE SHIPS AS SHELTERING RESOURCES. WHILE IT IS PERHAPS UNDERSTANDABLE THAT THE DECISION TO EMPLOY CRUISE SHIPS HAS PROMPTED CLOSE SCRUTINY, I AM COMFORTABLE THAT THE DECISION WAS OPERATIONALLY SOUND. IN AN AREA SUFFERING PROFOUND DEVASTATION, OVERWHELMED CONGREGATE SHELTERS, AND BEREFT OF POWER, HOUSING, AND WATER, THERE WAS AN IMMEDIATE AND COMPELLING NEED FOR TRANSITIONAL SHELTER THAT WAS CLOSE TO THE DISASTER AREA. IN SERVICE TO THAT MISSION, AND GIVEN THE NEED TO HOUSE ESSENTIAL SERVICE PERSONNEL SUPPORTING THE RESPONSE, THE CRUISE SHIPS HAVE

PROVIDED A CRUCIAL RESOURCE. AS OF DECEMBER 1, OVER 90 PERCENT OF CRUISE SHIP CABINS WERE OCCUPIED.

WHILE SECTION 403 SUPPORTS SHELTERING ACTIVITIES, FEMA'S HOUSING ASSISTANCE AUTHORITY IS COVERED UNDER SECTION 408 OF THE STAFFORD ACT. I WOULD LIKE TO BRIEFLY DISCUSS THE COMPONENTS OF OUR HOUSING ASSISTANCE PROGRAMS.

FIRST, WE USE OUR APPLICATION SYSTEM, ACCESSIBLE BOTH ON-LINE AND THROUGH 1-800 NUMBERS, TO WORK WITH APPLICANTS TO DETERMINE THEIR ELIGIBILITY FOR ASSISTANCE, AS WELL AS DISCUSS WHATEVER OPTIONS MAY BE AVAILABLE TO THEM. THE IMPORTANT POINT HERE IS THAT – TO RECEIVE ASSISTANCE – INDIVIDUALS AND HOUSEHOLDS MUST REGISTER WITH FEMA. EVEN IF AN INDIVIDUAL OR HOUSEHOLD IS NOT ELIGIBLE FOR FEMA ASSISTANCE, WE CAN REFER THEM TO OTHER SOURCES OF POTENTIAL ASSISTANCE, SUCH AS HUD'S KATRINA DISASTER HOUSING ASSISTANCE PROGRAM, OR KDHAP.

FEMA PROVIDES THE FOLLOWING FORMS OF HOUSING ASSISTANCE UNDER OUR INDIVIDUALS AND HOUSEHOLDS PROGRAM, AS AUTHORIZED UNDER SECTION 408 OF THE STAFFORD ACT: RENTAL ASSISTANCE, HOME REPAIR ASSISTANCE, HOME REPLACEMENT ASSISTANCE, DIRECT HOUSING, AND OTHER NEEDS

ASSISTANCE TO MEET NECESSARY EXPENSES AND SERIOUS NEEDS, TO INCLUDE PERSONAL PROPERTY LOSSES. I'LL DISCUSS EACH BRIEFLY.

RENTAL ASSISTANCE. UNDER THE TRANSITIONAL HOUSING ASSISTANCE PROGRAM, FEMA HAS PROVIDED RENTAL PAYMENTS TO MORE THAN 500,000 APPLICANTS, TOTALLING MORE THAN $1.2 BILLION. IN PROVIDING THIS RENTAL ASSISTANCE, WE ARE AWARE THAT MANY DISPLACED HOUSEHOLDS RECEIVED THEIR CHECKS, OR DEPOSITS TO THEIR BANK ACCOUNTS, BEFORE RECEIVING MAILED GUIDANCE AND INSTRUCTIONS DETAILING THE INTENDED PURPOSE OF THE FUNDING, AND REQUIREMENTS FOR RECEIVING SUBSEQUENT RENTAL ASSISTANCE. ACCORDINGLY, FEMA WILL RECERTIFY AND CONTINUE TO PROVIDE RENTAL ASSISTANCE IN THREE-MONTH INCREMENTS – FOR UP TO 18 MONTHS FROM THE DATE OF THE DECLARATION (WHICH COULD TAKE ASSISTANCE TO MARCH OF 2007) - TO ELIGIBLE DISASTER VICTIMS THAT USED THEIR INITIAL ALLOTMENT OF RENTAL ASSISTANCE ON OTHER DISASTER-RELATED SERIOUS AND ESSENTIAL NEEDS, PROVIDED THEY CERTIFY THE CIRCUMSTANCES OF THAT USE. THIS ACCOMMODATION APPLIES ONLY TO THE INITIAL ALLOCATION OF RENTAL ASSISTANCE. SUBSEQUENT RECERTIFICATIONS WILL REQUIRE NECESSARY RENT RECEIPT DOCUMENTATION. I THINK IT IS IMPORTANT TO QUALIFY THAT, IF A DISASTER VICTIM HAS AN INSURANCE POLICY THAT PROVIDES ALTERNATE LIVING EXPENSES, WE DO NOT SUPPLANT OR DUPLICATE THAT AID. SIMILARLY, IF VICTIMS ARE RECEIVING OTHER FORMS OF HOUSING SUPPORT THAT OBVIATE

THE NEED FOR OUR ASSISTANCE, WE WILL NOT KNOWINGLY DUPLICATE THAT AID. WE WILL ALSO, AS A STANDARD PART OF OUR RECERTIFICATION PROCESS, VALIDATE THAT THE APPLICANT IS PURSUING A PERMANENT HOUSING STRATEGY, TO INCLUDE ECONOMIC SELF-SUFFICIENCY.

HOME REPAIR ASSISTANCE. FEMA IS AUTHORIZED TO PAY UP TO $5,200 IN HOME REPAIR ASSISTANCE TO ELIGIBLE VICTIMS OF HURRICANES KATRINA AND RITA. REPAIRING A HOME TO MAKE IT LIVABLE, WHERE THAT OPTION EXISTS, IS A PREFERRED REMEDY, AS IT KEEPS PEOPLE IN THEIR HOMES, IN THEIR COMMUNITIES, AND IS COST EFFECTIVE. HOWEVER, IN A COMBINED EVENT AS MASSIVE AND DESTRUCTIVE AS HURRICANES KATRINA AND RITA, THIS IS NOT ALWAYS A VIABLE OPTION, AS MANY FAMILIES SUFFERED MAJOR DAMAGE TO, OR THE DESTRUCTION OF, THEIR HOMES. HOWEVER, FOR THE MANY FAMILIES THAT SUSTAINED MODERATE OR MINOR DAMAGE TO THEIR HOMES, THIS IS OFTEN THE FASTEST AND BEST HOUSING ASSISTANCE REMEDY. TO DATE, WE HAVE PROVIDED MORE THAN $300 MILLION IN HOME REPAIR PAYMENTS, HELPING MAKE NEARLY 175,000 HOMES HABITABLE ACROSS THE GULF REGION FOLLOWING KATRINA AND RITA. IN ADDITION, UNDER THE PUBLIC ASSISTANCE PROGRAM, WE HAVE PROVIDED OR INSTALLED PLASTIC SHEETING OR TARPS ON MORE THAN 140,000 ROOFS IN THE GULF REGION, ENABLING THOSE RESIDENTS TO CONTINUE LIVING IN THEIR HOMES WHILE THEY PURSUE PERMANENT REPAIRS.

HOME REPLACEMENT ASSISTANCE. FEMA IS AUTHORIZED TO PAY UP TO $10,500 IN HOME REPLACEMENT ASSISTANCE TO ELIGIBLE VICTIMS OF HURRICANES KATRINA AND RITA. THUS FAR, IN ALABAMA, LOUSIANA, MISSISSIPPI, AND TEXAS COMBINED; WE HAVE PROVIDED MORE THAN $166 MILLION TO OVER 16,000 HOUSEHOLDS TO ASSIST THEM WITH THE PURCHASE OF REPLACEMENT HOUSING. IT'S NECESSARY TO REINFORCE THE POINT HERE THAT NEITHER OUR REPAIR NOR REPLACEMENT ASSISTANCE SUBSTITUTES FOR INSURANCE.

THERE IS ONE NEW INITIATIVE THAT I WANT TO HIGHLIGHT IN THIS DISCUSSION OF HOME REPAIR. A MAJOR PROBLEM FACING FAMILIES AND INDIVIDUALS IN THE GULF REGION IS KEEPING UP WITH EXISTING MORTGAGES WHILE TRYING TO PAY THEIR CURRENT LIVING EXPENSES AND BUILD TOWARD A FUTURE WITH HOPE.

THE FEDERAL HOUSING ADMINISTRATION (FHA) RECENTLY ANNOUNCED A PROGRAM FOR GULF VICTIMS THAT PROVIDES SOME IMPORTANT OPTIONS FOR HOMEOWNERS WITH DAMAGED HOMES. UNDER THE NEW PROGRAM, THOSE HOMEOWNERS WITH FHA LOANS WHO ARE WILLING TO REHABILITATE THEIR HOMES IN AREAS HIT BY HURRICANES KATRINA, RITA, AND WILMA CAN ESSENTIALLY POSTPONE MORTGAGE PAYMENTS
FOR AS LONG AS A YEAR AS THEY REBUILD THEIR PROPERTY. THE PROGRAM APPLIES TO PRINCIPAL RESIDENCES WHERE THE FHA HAS INSURED HOME LOANS AND WHERE THE PROPERTIES ARE "HABITABLE OR CAN BE MADE

HABITABLE." THIS IS NOT AN ANSWER FOR ALL MORTGAGEES, BUT IT DOES PROVIDE SOME IMPORTANT RELIEF TO PEOPLE WITH HOMES WITH MAJOR DAMAGE.

AS I NOTED EARLIER, THE SCOPE AND SCALE OF DEVASTATION FROM THESE TWO HURRICANES ELIMINATED THE HOME REPAIR OPTION FOR MANY HOUSEHOLDS. OF COURSE, HOME REPAIR DOES NOT APPLY TO RENTERS WHO HAVE THE SAME NEED FOR TEMPORARY HOUSING ASSISTANCE. FOR BOTH THOSE TYPES OF HOUSEHOLDS, FEMA OFFERS TWO FORMS OF INTERIM HOUSING ASSISTANCE: RENTAL ASSISTANCE – IN THE FORM OF FINANCIAL ASSISTANCE PAID DIRECTLY TO AN ELIGIBLE APPLICANT, AND DIRECT HOUSING ASSISTANCE – IN THE FORM OF A DWELLING PROVIDED BY FEMA TO AN ELIGIBLE APPLICANT.

DIRECT HOUSING ASSISTANCE. THIS ASSISTANCE CAN BE PROVIDED – FOR UP TO 18 MONTHS FROM THE DATE OF THE DECLARATION - EITHER IN THE FORM OF DIRECT LEASES (SUCH AS APARTMENTS), OR THROUGH THE PROVISION OF MANUFACTURED HOUSING. THE LATTER OPTION IS AVAILABLE ONLY IN THE IMPACTED STATES, WHERE EXISTING HOUSING STOCK HAS BEEN DESTROYED OR RENDERED UNINHABITABLE. IN THIS CASE, PARTICULARLY IN THE STATES OF LOUISIANA AND MISSISSIPPI, MANUFACTURED HOUSING IS THE ONLY AVAILABLE TEMPORARY HOUSING SOLUTION FOR DISASTER VICTIMS WHO

WISH TO BE CLOSE TO HOME, CLOSE TO THEIR JOBS, CLOSE TO THEIR FAMILIES, OR CLOSE TO THEIR CHILDRENS' SCHOOLS.

WE FULLY RECOGNIZE THAT, WHILE MANUFACTURED HOUSING CAN HELP SOLVE CRITICAL HOUSING PROBLEMS, IT CAN ALSO CREATE SOCIAL CHALLENGES AND LOGISTICAL PROBLEMS. ACCORDINGLY, WE STRONGLY ENCOURAGE, WHEREVER POSSIBLE, THAT MANUFACTURED UNITS BE PLACED ON PRIVATE PROPERTY - SUCH AS A FAMILY DRIVEWAY - SO THAT DISASTER VICTIMS CAN REMAIN IN THEIR COMMUNITIES, AND BY THEIR NEIGHBORS, AS THEY BEGIN THE LONG PROCESS OF REBUILDING THEIR HOMES AND THEIR LIVES.

WHEN IT BECOMES NECESSARY TO DEVELOP GROUP MANUFACTURED HOUSING SITES – AND IT IS ABSOLUTELY NECESSARY FOR MANY COMMUNITIES ACROSS THE GULF REGION - OUR PREFERENCE IS TO PLACE SUCH UNITS ON PREVIOUSLY DEVELOPED COMMERCIAL SITES, SINCE THEY ALREADY HAVE THE INFRASTRUCTURE NECESSARY TO SUPPORT TIMELY INSTALLATION AND OCCUPANCY. HOWEVER, IN THOSE AREAS WHERE THE LACK OF INFRASTRUCTURE AND/OR CAPACITY PREVENTS USE OF PRIVATE OR COMMERCIAL SITES, WE ARE ACTIVELY BUILDING SITES – WITH THE NECESSARY INFRASTRUCTURE – TO SUPPORT MANUFACTURED HOUSING COMMUNITIES. AGAIN, RECOGNIZING THAT MANUFACTURED HOUSING COMMUNITIES CAN, OVER TIME, PRESENT SOCIAL CHALLENGES, THE SIZE OF

SUCH DEVELOPMENTS IS LIMITED TO 200 UNITS OR LESS, UNLESS LARGER CONFIGURATIONS ARE SPECIFICALLY APPROVED BY THE STATE AND DEPARTMENT.

AS OF DECEMBER 1, 2005, WE HAVE NEARLY 38,000 MANUFACTURED UNITS OCCUPIED IN THE HARD-HIT KATRINA AND RITA STATES. THE OVERWHELMING MAJORITY OF THESE UNITS ARE TRAVEL TRAILERS. THE TRAILERS ARE UTILIZED MORE FREQUENTLY BECAUSE THEY ARE MOVABLE, AND THUS CAN BE EMPLOYED IN LOW-LYING AREAS WHERE INSTALLATION OF A MOBILE HOME IS NOT ALLOWED. IN ADDITION, THEY ARE SMALLER AND CAN BE PARKED ON PROPERTY OWNED BY A HOMEOWNER, WHILE THAT HOUSEHOLD WORKS TO REPAIR THEIR DAMAGED STRUCTURE.

ONE OF THE BIGGEST CHALLENGES FACING RECOVERY IS FINDING AND SECURING SUFFICIENT RENTAL ASSETS TO MEET THE HUGE DEMANDS CREATED BY THE MASS EXODUS OF EVACUEES. FORTUNATELY, NUMEROUS DWELLINGS HAVE BEEN MADE AVAILABLE BY OTHER FEDERAL AGENCIES. TO DATE, OVER 5,000 DISASTER HOUSEHOLDS HAVE BEEN PLACED IN FEDERAL HOUSING RESOURCES ACROSS THE KATRINA-RITA IMPACT AREAS. THE U.S. DEPARTMENT OF AGRICULTURE HAS BEEN ESPECIALLY AGGRESSIVE, OFFERING, ON THEIR OWN INITIATIVE, AVAILABLE UNITS FROM THEIR INVENTORY TO KATRINA AND RITA VICTIMS. IN LOUISIANA ALONE, 974 FAMILIES HAVE BEEN PLACED IN USDA HOUSES. WE HAVE ALSO CONCLUDED AN INTER-AGENCY AGREEMENT WITH

THE DEPARTMENT OF VETERANS AFFAIRS THAT WILL MAKE THEIR UNUSED HOUSING UNITS AVAILABLE FOR EVACUEE RENTAL, AND WE ARE PURSUING A SIMILAR ARRANGEMENT WITH FANNIE MAE TO MAKE THEIR HOUSING UNITS AVAILABLE TO KATRINA AND RITA DISASTER VICTIMS

WE HAVE ALSO BEEN COLLABORATING CLOSELY WITH HUD FROM THE OUTSET OF THIS EVENT, WORKING TOGETHER TO DETERMINE THE BEST POSSIBLE MEANS OF JOINT COOPERATION TO BENEFIT THOSE MOST IN NEED OF HOUSING ASSISTANCE. IN PARTICULAR, I WOULD LIKE TO CITE THE ASSISTANCE OF MR. HANK WILLIAMS, A SENIOR HUD OFFICIAL, WHO JOINED OUR HOUSING AREA COMMAND IN LOUISIANA EARLY ON, AND LED AN INTER-GOVERNMENTAL AND PUBLIC-PRIVATE HOUSING GROUP IN DEVELOPING HOUSING SOLUTION STRATEGIES FOR THE KATRINA-RITA IMPACT AREA. WE GREATLY APPRECIATE THE SUPPORT AND EXPERTISE THAT MR. WILLIAMS AND HUD CONTRIBUTED TO THE DEVELOPMENT OF EFFECTIVE HOUSING STRATEGIES FOR THE REGION. HUD ALSO MADE REPOSSESSED HOUSES AVAILABLE TO FEMA ELIGIBLE DISASTER HOUSEHOLDS, AND HAS PLACED HUNDREDS OF DISASTER VICTIMS IN HOUSES IN THE FOUR-STATE AREA, INCLUDING 207 FAMILIES IN TEXAS ALONE.

HUD, THROUGH THEIR KATRINA DISASTER HOUSING ASSISTANCE PROGRAM (KDHAP), IS CO-PARTNERING WITH FEMA IN THE TRANSITIONAL HOUSING ASSISTANCE PROGRAM. THE KDHAP, FUNDED BY FEMA AND ADMINISTERED BY HUD, IS SPECIFICALLY FOR THOSE DISASTER VICTIMS WHO WERE IN HUD-

ASSISTED HOUSING PROGRAMS PRIOR TO HURRICANE KATRINA, OR ARE INELIGIBLE FOR FEMA HOUSING ASSISTANCE, SUCH AS PRE-DISASTER HOMELESS CITIZENS THAT DID NOT HAVE A PREVIOUS PERMANENT ADDRESS. SUCH VICTIMS ARE BEING ASSISTED THROUGH HUD'S KDHAP.

WHILE FINDING TEMPORARY HOUSING FOR SO MANY DISPLACED HOUSEHOLDS HAS BEEN AND WILL CONTINUE TO BE A CHALLENGE, FEMA AND ITS PARTNERS AT EVERY LEVEL OF GOVERNMENT AND WITHIN THE PRIVATE SECTOR ARE COMMITTED TO WORK TOGETHER TO FIND SOLUTIONS.

IN SUMMARY, AS OF EARLY DECEMBER, FEMA HAS SPENT OVER $4.3 BILLION ON HOUSING FOR DISASTER VICTIMS. AS THE RELENTLESS RECOVERY PHASE CONTINUES, SO TOO DOES OUR COMMITMENT TO THE VICTIMS OF THESE DISASTERS, AND TO THE STATES AND CITIES WHO ARE HELPING HOUSE AND CARE FOR THEM. AT THE SAME TIME, WE CONTINUE TO SEEK AND DEVELOP ALTERNATIVE HOUSING SOLUTIONS IN THE IMPACTED AREAS, TO AFFORD AS MANY DISPLACED VICTIMS AS POSSIBLE THE OPPORTUNITY TO RETURN HOME, AS FAST AS POSSIBLE.

BEFORE I CONCLUDE, I WOULD LIKE TO BRIEFLY ACKNOWLEDGE THE CONTRIBUTIONS OF SOME STALWART PARTNERS, FRIENDS, AND EMPLOYEES.

FIRST, I'D LIKE TO SALUTE THE THOUSANDS OF FEDERAL, STATE AND LOCAL OFFICIALS, VOLUNTARY ORGANIZATIONS, AND PRIVATE SECTOR INDIVIDUALS THAT HAVE RESPONDED – AND CONTINUE TO RESPOND - SO VALIANTLY AND TIRELESSLY TO MEET THE NEEDS OF THEIR FELLOW CITIZENS. I WOULD ALSO LIKE TO RECOGNIZE THE TREMENDOUS OUTPOURING OF SUPPORT AND AID FROM THE INTERNATIONAL COMMUNITY, WHICH HAS – THROUGH DONATIONS AND OFFERS OF ASSISTANCE - RESPONDED SO GENEROUSLY AND SO SELFLESSLY.

NEXT, I WANT TO CITE MY PERSONAL AND PROFESSIONAL ADMIRATION FOR MY COLLEAGUES IN FEMA AND WITHIN THE DEPARTMENT OF HOMELAND SECURITY, BOTH IN THE FIELD AND HERE IN WASHINGTON, WHO, DESPITE NEARLY RELENTLESS CRITICISM, REMAIN DEVOTED TO OUR MISSION, TO WHICH THEY CONTINUE TO PROVIDE DETERMINED AND UNSTINTING SUPPORT.

FINALLY, AND MOST IMPORTANTLY, I WANT TO RECOGNIZE THE VICTIMS OF THIS MEANEST OF HURRICANE SEASONS, WHO HAVE SHOWN NOT ONLY COURAGE AND RESILIENCE, BUT ALSO INCREDIBLE PATIENCE AND REMARKABLE GOOD WILL. THEY ARE THE REASON WE ARE HERE TODAY.

THANK YOU. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

Testimony on the Housing Options in the Aftermath of Hurricanes Katrina and Rita

Submitted to
House Subcommittee on Housing
and Community Opportunity

December 8, 2005

On behalf of
National Community Development Association
National Association for County Community and Economic Development
National Association of Local Housing Finance Agencies
Council of State Community Development Agencies
National Association of Counties
U.S. Conference of Mayors

In has been three months since the gulf coast region was devastated by Hurricane Katrina, followed shortly thereafter by Hurricane Rita. In the wake of these hurricanes, thousands of residents were left without food, clothing, or shelter. Across America, cities, counties, and States opened their doors, their hearts, and their resources to these displaced residents.

Provide Adequate Funding and Enough Time to Transition Evacuees

FEMA released a notice on November 23 that sets some tight deadlines to transition evacuees from hotels and motels into more longer-term temporary housing. As of December 15 (January 7 in some areas), FEMA will end payments for evacuees staying in hotels and motels. In addition, the notice states that FEMA will cease reimbursement to localities and States for lease payments after March 1, 2006. Some localities have entered into contracts with apartments and landlords beyond the deadlines that FEMA states will be honored in this notice. Localities are also very concerned that evacuees simply will not be able to find housing and sign leases within the allotted time. Furthermore, localities are very worried that even if housing is available, many evacuees will not be able to pass a credit check to qualify for the housing. Apartments and landlords were willing to work with localities to place evacuees into temporary housing, disregarding an initial credit check, but localities are worried that they will require a credit check for longer term housing placement and are concerned that many of the evacuees will not meet this requirement. In short, communities are fearful that many evacuees will be left homeless. We urge Congress to direct FEMA to extend the deadlines to transition households into longer-

term temporary housing, so that communities can work with the private market to place the evacuees. Understandably, many landlords may not be willing to accept an evacuee into longer-term housing without the standard credit check. In these situations, FEMA needs to provide other means of housing the evacuees, such as travel trailers.

Jurisdictions Need to be Reimbursed for Their Costs

States and local governments have been denied reimbursement by FEMA for costs associated with assisting the evacuees, such as security deposits, rent, utilities, essential local transportation costs, furniture and essential household items, cleaning and minor maintenance of housing units, overtime pay for staff (staff were needed 24 hours a day to man the emergency shelters and assist the families in moving out of the shelters and into temporary housing. Staff are still working with these households to transition them to longer term temporary housing), and other costs. With reduced State, local, and federal resources, States and localities are already financially strained and cannot take on the burden of paying for these costs. They were given assurances by FEMA that they would be reimbursed for these costs and FEMA needs to honor this commitment. We urge Congress to direct FEMA to reimburse State and local governments for reasonable costs associated with assisting the evacuees.

Communities Need Better Assistance from FEMA

Throughout the recovery effort, FEMA's response to local governments has been complacent. There has been a clear lack of communication and assistance from FEMA to localities. We are hearing from localities across the country that they are not hearing from FEMA on a regular

basis – or at all. Many communities have had to resort to contacting their congressional delegations to receive disaster assistance information. Many communities had not been told about the November 23 notice. How can communities effectively and quickly assist the evacuees when they don't receive vital information from FEMA? We urge Congress to require FEMA to have and maintain a liaison in place for all State and local governments that are assisting the evacuees and require this liaison to provide up-to-date information and quick assistance to the States and localities.

CDBG and HOME are Critical Resources

The Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) are two critical resources for providing housing and services to the areas damaged by the hurricanes as well as to those areas that have accepted evacuees. Both programs have a long history in assisting communities with their housing and community development needs, including in times of disasters, particularly CDBG. FEMA and others estimate that the damage to the areas devastated by Hurricane Katrina exceeds $37 billion. Therefore, we support the President's emergency request for $1.5 billion for CDBG to assist in providing housing, basic infrastructure, and other needs associated with rebuilding communities devastated by Hurricane Katrina. However, we also support other legislative efforts to appropriate more than $13 billion in supplemental funding for the CDBG program to assist the devastated areas, as CDBG is the best vehicle to assist these areas in their long term recovery process. We would also like to see areas hit by Hurricane Rita included in this request. We also support the President's request for $70 million in HOME funds for new construction, acquisition, and rehabilitation of affordable

housing. Again, areas hit by Hurricane Rita need to be included in this request. The areas hit by these hurricanes lack adequate affordable housing and an ample supply of affordable housing is key in order to transition families from temporary shelter into stable, permanent housing and stimulate economic growth in the devastated areas. We request that States and localities be allowed to use up to 20% of this funding for administrative costs associated with staffing and managing these funds. Along with these funding requests, we are also supportive of the President's request for $50 million for the Self-Help Housing Opportunity Program to create approximately 2,000 affordable housing units and $390 million for rental assistance for HUD assisted households and previously homeless persons affected by the hurricane. We are not supportive, however, of the President's proposal to offset these and other costs by reducing other federal programs, such as $24 million from the Brownfields Economic Development Initiative and $6 million from Section 108 Loan Guarantees. These reductions would effectively eliminate these two programs. Both programs are critical to the ongoing community and economic development efforts nationwide, including the areas devastated by the hurricanes.

Recommendations

In summary, the following changes need to be made to allow State and local governments to continue to effectively assist the evacuations:

(1) Direct FEMA to reimburse State and local governments for costs associated with assisting the evacuees.

(2) Direct FEMA to extend the deadlines to transition households into longer-term temporary housing.

(3) Require FEMA to provide travel trailers to those evacuees who are unable to locate housing in the private market.

(4) **Require FEMA to have and maintain a liaison in place for all State and local governments that are assisting the evacuees in order to provide day-to-day assistance and communication to the State and local governments.**

(5) **We urge Congress to quickly pass the emergency funding request submitted by the President to provide $1.5 billion for CDBG and $70 million for HOME to assist the areas devastated by Hurricane Katrina. We also urge Congress to extend this funding to areas affected by Hurricane Rita. We request that States and localities be allowed to use up to 20% of this funding for administrative costs associated with staffing and managing these funds.**

(6) **We support other legislative efforts to appropriate more than $13 billion in supplemental funding for CDBG to assist the devastated areas. We request that States and localities be allowed to use up to 20% of this funding for administrative costs associated with staffing and managing these funds.**

(7) **We urge Congress not to support the President's request to rescind funding from the Brownfields Economic Development Initiative and the Section 108 Loan Guarantee Program. If enacted, this rescission would effectively eliminate both programs. These programs will be needed in the recovery effort.**

We thank you for the opportunity to express our views on this very important issue and look forward to working with you to help the disaster victims.

December 7, 2005

The Honorable Bob Ney
Chair
Subcommittee on Housing and Community Opportunity
2438 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Ney:

We are writing with regard to the Housing and Community Opportunity Subcommittee hearing entitled Housing Options in the Aftermath of Hurricanes Katrina and Rita and respectfully request that our letter be placed in the record. We commend you, Chairman Ney, for your leadership, and we thank the Members of the Subcommittee for your valuable work addressing the important issue of housing the hurricane evacuees. As our nation struggles to recover from one of the worst natural disasters in our history, one of the most pressing needs is to find safe and decent housing for the hurricane evacuees.

In November, the Federal Emergency Management Agency (FEMA) announced a program to move evacuees into longer-term housing. This was welcome news, but there are still a lot of technical issues that need clarification if that goal is to be achieved.

At present the goal is to get evacuees out of transitional housing. To do this, FEMA will need to provide evacuees with housing and owners with the assurance that the rent will be paid. It is short sighted to expect that the majority of evacuees will be able to return to their homes for the next 12 to 18 months, thus the 3 month commitments for housing do not meet the needs of the evacuees, nor do they meet the needs of housing providers. And finally the owners need the ability to conduct background checks. During the immediate emergency this was not possible, but we request access to criminal information as a normal requirement to house evacuees for an extended period of time.

Specifically, we urge the government to request the following clarifications and confirmations:

Section 403 Program Clarifications/Adjustments

- Explanation about how the Section 403 Program will impact cities like Houston and Dallas that have already utilized the Section 403 Program and have written leases that extend beyond the March 1, 2006 FEMA deadline. Will commitments made to the evacuees and the landlords remain intact for those leases that were written before the December 1, 2005 deadline and that extend beyond March 1, 2006 deadline?

Section 408 Program Clarifications/Adjustments

- A November 3 FEMA press release headline read "Evacuees should use FEMA rental assistance to pay rent", which underscores the problem facing not only evacuees but many housing providers who to date have not been paid rent by the evacuee. The apartment owners who have forgone the rent have done so under the belief that they would be compensated by FEMA directly for the housing assistance or through the evacuee once the evacuee receives the housing assistance money. However, as FEMA has acknowledged, in many cases when the funds were provided directly to the evacuee, the money was spent on more urgent needs such as food, clothing and medicine. We urge FEMA to take the appropriate steps to advance money now to the evacuees to pay their back rent or to set up a program to facilitate the payment directly to the apartment owner. It would appear this would not require additional funding but simply be subtracted from the individual cap of $26,200.

- Clarify FEMA's intention to make future 408 rental assistance payments payable to both the evacuee and the apartment provider to ensure that rental assistance is appropriately applied to housing. In addition, would FEMA consider a plan to make future 408 rental assistance payments in the form of a rental certificate, similar to the Red Cross housing voucher?

Section 8 Project-Based Contract Suspensions

- A legal memorandum or notice outlining the Department of Housing and Urban Development's (HUD) authority and intention to suspend those Housing Assistance Payment (HAP) contracts for Section 8 Project-Based properties that have been damaged or destroyed in the impacted areas to ensure that assistance will not run out while these properties are being rebuilt. Based on communications with HUD, we understand this notice is forthcoming.

The apartment industry has taken a leadership role in the hurricane relief efforts since day one of this tragedy. We continue to support the need for adequate housing as evacuees restart their lives. Addressing the items included in this letter, coupled with a counseling program to educate evacuees about their housing assistance options, will go a long way toward getting these people back on the road to recovery.

Apartment owners want to do the right thing. However, the business risks and potential costs inherent in this outreach, including the unclear funding of rent, discounted or not; inability to perform typical background checks on occupants; and resistance from financial partners make it extremely difficult, if not impossible to provide the housing that is needed. We can't do it alone. We respectfully request that Congress pursue the answers to concerns that remain in an effort to house evacuees.

Sincerely,

Doug Bibby
President
National Multi Housing Council

Douglas S. Culkin, CAE
President
National Apartment Association

For Immediate Release
For more information contact:
Amrit Dhillon, National Low Income Housing Coalition
202.662.1530 x222; amrit@nlihc.org

JOINT PRESS STATEMENT
Center on Budget and Policy Priorities; Washington, DC
National AIDS Housing Coalition; Washington, DC
National Alliance to End Homelessness; Washington, DC
National Law Center on Homelessness and Poverty; Washington, DC
National Low Income Housing Coalition; Washington, DC
National Policy and Advocacy Council on Homelessness; New Orleans, LA
UNITY for the Homeless; New Orleans, LA

National Housing Advocates Call on the Administration and Congress for Action on Housing Hurricane Victims

Washington, DC (November 30, 2005) - -In the three months since Hurricane Katrina hit the Gulf Coast states causing at least a half million people to lose their homes, the federal government, which is required by law to assist people displaced by natural disasters in the United States, has been unable or unwilling to develop and implement a coherent, functional, consistent plan to assure that those who have been displaced will have safe and decent homes.

The result is continued instability and trauma for tens of thousands of people, who are unable to begin to rebuild their lives. In the absence of a marked improvement in the federal government's performance of its re-housing responsibilities, we are fearful that many of those displaced by the storms, especially those who are most vulnerable because of extreme poverty and/or disabilities, will remain homeless for the long term.

We do not make these charges lightly, and indeed have made numerous attempts over the past three months to assist in the development of policies that would better serve the displaced people of the Gulf region, with little effect.

Thus, today we must call upon the President and Congress to take immediate action as follows:

- Establish a unified and comprehensive program of housing assistance for all displaced households that relies primarily on the existing federal housing programs.
- Issue explicit and detailed guidance for the program that remains in force for the duration of the program, and is clearly understandable by both tenants and landlords.
- Determine, based on the most reliable and valid data available, the extent of assistance that will be needed and appropriate sufficient funds to carry out the program.
- Establish a single entity, based in the White House and accountable directly to the President, to oversee all aspects of the temporary and permanent re-housing of people displaced by Hurricanes Katrina, Rita, and Wilma.
- Immediately convene, in all relevant committees of the House and Senate both in Washington and in the affected areas, Congressional hearings focusing on the circumstances of all people who have been displaced, what the federal government has or has not done to carry out its duty to assist them, and what the most appropriate and effective actions are to be taken now.
- Enact with all deliberate speed any necessary authorizing legislation to accomplish fully re-housing all displaced people in permanent homes.

National Association of Housing and Redevelopment Officials
630 Eye Street NW, Washington DC 20001-3736
(202) 289-3500 Toll Free 1 (877) 866-2476 Fax (202) 289-4961

Via Electronic Mail

December 8, 2005

The Honorable Robert Ney
Chairman
Subcommittee on Housing and
Community Opportunity
Committee on Financial Services
United States House of Representatives
2129 Rayburn H.O.B.
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Subcommittee on Housing and
Community Opportunity
Committee on Financial Services
United States House of Representatives
B-301C Rayburn H.O.B.
Washington, D.C. 20515

Chairman Ney and Ranking Member Waters:

As you prepare to receive testimony from the Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA) regarding housing options for victims of the 2005 hurricane season, I wanted to take a moment to share with you a number of related concerns on behalf of the nearly 22,000 members of the National Association of Housing and Redevelopment Officials (NAHRO).

Assessment of the Extent of Damage to Public Housing

In recent days, NAHRO has been contacted by Congressional staff requesting estimates of the extent of damage to public housing units in the impacted areas. While NAHRO and its members have and will continue to do all we can to define the scope of damage, we believe HUD is in the best position to furnish this information. We understand that HUD has gathered at least some of this information, but to the best of our knowledge, a final and complete assessment has not yet been made public. If that is indeed the case, it is problematic on many levels. First and foremost, NAHRO is concerned that the Congress may be making decisions regarding relief and recovery resource levels without first obtaining a comprehensive assessment of damages from HUD. A public release of this information is also necessary in order to compare HUD's estimates with assessments conducted by FEMA and private insurers.

Donald J Cameron, SPHM, President; **Renée Rooker**, SPHM, Senior Vice President; **Bill Jacobs**, PHM, Vice President-Professional Development; **Montez C. Martin, Jr.**, Vice President-Community Revitalization & Development; **Maggie Lamont**, Vice President-Member Services; **Carlos A. Sanchez**, Vice President-Housing; **Richard S. Lujan**, Vice President-Commissioners; **Akinola Popoola**, PHM, Vice President-International; **Saul N. Ramirez, Jr.**, Executive Director

E-mail: nahro@nahro.org Web Site: www.nahro.org

During a September 27 appearance before the House Appropriations Subcommittee on Transportation, Treasury, and Housing and Urban Development, Deputy Secretary Roy Bernardi indicated that HUD had initiated a damage assessment of the public housing stock involving architects and engineers hired by the Department. During that same hearing, Assistant Secretary for Housing-Federal Housing Commissioner Brian Montgomery described the effort "to get as close as we can to an estimate as to what the scope of the damage may be" as HUD's "number one priority." In the most recently updated version of HUD's online report on actions taken in response to Hurricane Katrina, dated November 1, HUD states, "All physical inspections of both public housing and multifamily properties in the impacted counties in Mississippi, Louisiana, Alabama, and Florida have been postponed." I urge you to seek a full report from HUD on the status of these critically important assessments.

The Need for Dedicated Resources for Repairing and Rebuilding Public Housing

We note with great concern that the Administration's $17.1 billion reallocation package does not include designated funding for the reconstruction and remediation of destroyed and damaged public housing units. NAHRO believes that the federal response to the 2005 hurricane season must include a commitment to provide housing authorities with adequate financial resources to rebuild and repair public housing in a manner consistent with locally determined needs.

On September 15 Henry Alvarez III, President and CEO of the San Antonio Housing Authority, testified before this Subcommittee on behalf of NAHRO. In his testimony, Mr. Alvarez communicated NAHRO's proposal for an appropriate federal response to Hurricane Katrina. Among other recommendations, Mr. Alvarez urged the Congress to take immediate action to protect an irreplaceable federal asset – public housing – by providing dedicated resources for that purpose. NAHRO again calls upon the Congress, and HUD, and FEMA to take the following actions to meet the needs of impacted communities:

- The Congress should authorize and make resources available to fund a minimum of 50,000 emergency tenant assistance vouchers to be directed to hurricane victims who are not currently receiving assistance through HUD programs.
- Guided by a completed HUD assessment of damage to public housing units, designated appropriations, separate from the public housing Capital Fund, should be made for distribution to the affected PHAs in order to cover the cost of these repairs.
- A special program should be authorized to permit flexible, streamlined action (including acquisitions of existing properties where advantageous) to replace the public housing units lost.
- NAHRO has long supported supplemental Community Development Block Grant and HOME Program funding as integral components of the federal government's response to the hurricane season. We are pleased that there seems to be a consensus belief such resources should be provided.
- Housing and community development agencies across the nation stretched thin their budgets in order to offer immediate assistance to displaced families and individuals. These agencies have had to balance critical short-term needs with preexisting local affordable housing and community revitalization needs. As it continues to work to

address this crisis, the Congress should move to reimburse local agencies for their initial, unbudgeted outlays in support of relief efforts.

FEMA's Relationship with Local Housing Agencies

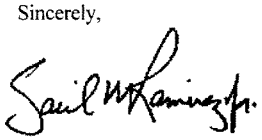
Regarding FEMA's impending termination of hotel payments for evacuee families, NAHRO believes that while efforts to achieve reasonably prompt relocation of these families to more suitable longer-term housing alternatives is necessary and sensible, the abruptness with which this is being undertaken is, to say the least, unrealistic, even after the issuance of an extension. Moreover, our public housing members report that they have had virtually no interaction with FEMA in its efforts to locate suitable longer-term housing for evacuees.

The more than 3100 local public housing agencies across the nation have for 70 years been primary providers of housing assistance to America's seniors, the disabled, and low-income families. They have detailed knowledge of local housing markets and options as a matter of conducting their everyday business. According to many of our members in the impacted area, it appears that FEMA has not done enough to effectively partner with local housing agencies in order to leverage their considerable expertise in support of FEMA's effort to relocate evacuee families not served by HUD's KDHAP program.

On November 17 NAHRO delivered a letter to acting FEMA Director R. David Paulison reiterating our members' willingness to share their expertise with FEMA. NAHRO staff made themselves available to meet with FEMA officials at their earliest convenience. To date, we have not received a response. I hope you will encourage FEMA to improve its lines of communication to local housing agencies. Our members are hopeful for a productive relationship and stand ready to provide whatever assistance they can. NAHRO's staff is available to facilitate this interaction.

Thank you for your consideration. NAHRO welcomes the opportunity to meet with you, members of your staff as well as with representatives of HUD and FEMA to discuss all of the above issues in greater detail.

Sincerely,



Saul N. Ramirez, Jr.
Executive Director

Cc: Hon. Alphonso Jackson
Hon. R. David Paulison

BILL WHITE
MAYOR

OFFICE OF THE MAYOR
CITY OF HOUSTON
TEXAS

November 9, 2005

via facsimile: 202.619.8365
and First Class Mail
Honorable Alphonso Jackson, Secretary
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, D.C. 20410

via facsimile: 202.282.8415
and First Class Mail
Honorable Michael P. Jackson
Deputy Secretary
U.S. Department of Homeland Security
Washington, D.C. 20528

Re: Need for Action on Additional HUD Section 8 Vouchers in Houston

Dear Secretary Jackson and Deputy Secretary Jackson,

This letter explains why we need additional HUD Section 8 vouchers for eligible people who resided in the Houston region before the hurricanes. This action is critical to the success of our relief efforts.

We appreciated last Saturday's meeting with the Acting Director of FEMA, Dave Paulson, and his team, along with you, Mr. Deputy Secretary.

Houston's outstanding housing relief program now provides apartment shelter for more than 61,000 evacuees in the City's voucher program supported by FEMA and another 3600 households with HUD Section 8 vouchers and households occupying our public housing units. Throughout the remainder of this month we are working aggressively to move 24,000 more evacuees from hotels to apartments, and are doing so at the rate of 500 or more every day.

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Secretary Jackson of HUD, this request was raised briefly by me for our region at the "town hall" meeting with you in Houston a month ago.

Background

The Houston Joint Katrina/Rita Housing Task Force, which includes HUD personnel, has secured apartments for evacuees by issuing vouchers to FEMA registrants allowing landlords to receive rental payment equal to the reimbursement rates established by HUD in its regional Section 8 program. Those leases have a term for one year from inception. The terms and conditions of leases were determined by supply and demand for apartments in this market. That program is much more economical than reimbursing hotels or purchasing trailers or cruise ships. Obviously, it is much more humane and less expensive to the country in the long run than some long-term program of sheltering people in tents or public buildings.

After the expiration of the lease all of those participating in the Joint Housing Task Force's voucher program who would qualify for either HUD Section 8 assistance or some new transitional assistance program which terminates on a fixed date for persons with above a certain income.

Both the current voucher program and the transition after one year to a means-tested program offer the most compassionate and cost-effective means of getting Americans who have been dislocated from their community for an extended period of time back on their feet. People can be discouraged from getting a job if they don't know where they will live the next week or will lose their apartment if they quickly find work.

A massive survey by the United Way, conducted by the University of Houston, shows that about 1-in-5 of the more than 150,000 evacuees currently living in our region intend to return. A substantial portion would be eligible for HUD housing vouchers according to the standard of rental expense in excess of 30% of household income. Attached find that United Way Survey.

In short, we designed an unprecedented, coherent plan to deal with the extended emergency of dislocated Americans. The sheer size of the challenge presented to Houston, and the impact of the citizens here before the hurricanes, is unique among major cities outside of Louisiana.

Action Requested

We request that HUD allocate sufficient Section 8 vouchers to Houston residents who had applied for housing assistance before Katrina/Rita to clear that backlog.

Failure to take this action would create a situation where either (1) Houston residents with the same incomes as Katrina/Rita victims are "pushed to the back of the line" for access to a limited stock of apartments or (2) evacuees whose houses and neighborhoods had been destroyed are cut off from housing assistance before they can return home and must live in the streets and shelters because of public outrage that a pre-existing local population would be forever pushed "in the front of the line" for apartments.

The Houston region has taken unprecedented actions to deal with a natural catastrophe. We did so with local public support, including tens of millions of private charitable contributions and a force of over 100,000 volunteers. We succeeded by unified local leadership, including our members of the U.S. House and Senate, letting the citizens of this region know that (1) we would obtain advances of federal funding so we need not loan taxpayer money to the federal government and (2) we would not tolerate a situation in which local residents were pushed in the back of the line for any normal assistance – whether it be police response, access to public health facilities, or public housing – by any preference given to the evacuees from hurricanes.

Every day, including a televised forum this morning, the working poor in Houston are asking what HUD has done to respond to these concerns.

Today 19,753 Houstonians eligible for Section 8 housing who are not evacuees, do not have vouchers from HUD. They have been on the waiting list for years. They fear that the availability for housing units qualifying for the HUD rates diminishes every week vouchers are provided to evacuees but not to qualifying residents living here before Katrina/Rita. They fear all available multi-family units will be filled by new residents. All local elected officials share their concern.

In addition, a swift waiver or allocation of additional vouchers to this area is critical to attaining the necessary goal of attracting the private investment to the massive new investment needed for new multifamily units in our area. Delay in providing those additional vouchers could invite a tremendous backlash as every available affordable housing unit fills up in our community. By the end of this year, there will be at least 100,000 people residing here in affordable housing units who did not live here before Katrina/Rita. (Another 50,000 or more will have found housing outside of the voucher programs.)

November 9, 2005
Page -4-

We have devoted tremendous resources to getting fellow Americans on their feet and in apartments so that they could "get on with their lives." Our local leadership and churches and community centers throughout this community have assured local concerned citizens who share much in common with the evacuees that the federal government will work in good faith to assure our residents that they would not be significantly penalized for responding effectively on the "front line" of disaster relief. We need HUD's help to make good on that commitment.

Sincerely,

Bill White

Bill White
Mayor

BW:lvv

Attachment – Survey

cc: Milton Wilson, Dir. HCD
Ernie Etuk, ED, Houston Housing Authority
John Walk, DCOS, Housing & Neighborhoods
Ann Travis, Dir. Intergovernmental Relations

BILL WHITE
MAYOR

OFFICE OF THE MAYOR
CITY OF HOUSTON
TEXAS

November 7, 2005

via facsimile: 202.282.8415
and First Class Mail
Honorable Michael P. Jackson
Deputy Secretary
U.S. Department of Homeland Security
Washington, D.C. 20528

via facsimile: 202.646.3930
and First Class Mail
R. David Paulison
Acting Director
Federal Emergency Management Agency
Washington, D.C. 20528

Re: Various Items Covered at Saturday's Meeting

Gentlemen:

Attached find some notes taken by our personnel concerning various things to do discussed at Saturday's meeting.

Thank you for your valuable time and attention.

I would be available with each or both of you to discuss our progress on each of these items anytime in the next ten days.

By separate letter to Secretary of HUD Alphonso Jackson and Deputy Secretary Jackson – the Jackson Brothers in short – I framed the necessary requests for HUD vouchers for qualifying Houston residents who lived here before Katrina/Rita.

Sincerely,

Bill White
Mayor

BW:lvv
Enclosure
cc: Mr. Casey Long, Director of Intergovernmental Affairs *(via facsimile: 202.646.3990)*
Federal Emergency Management Agency
Judy Johnson, CFO

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FEMA ACTION ITEMS BASED ON 11/5/05 DISCUSSION

1) Project Worksheets will be reviewed quickly and transparently.
    a. COH Housing PW and any others with complete documentation will be cleared to state funding by Friday, Nov. 11.
    b. Future PWs with full documentation will be processed expeditiously.

2) Supplements over HUD-authorized Sec. 8 rent levels – FEMA will provide a blanket waiver for evacuee-tenants to supplement housing vouchers to pay over HUD fair market rates up to prevailing market rates for comparable units (with COH controls).

3) Shift of Sec. 403 Sheltering costs (Houston Joint Housing Task Force vouchers) to Sec. 408.
    a. 1-year lease commitments with rent and utility payments must be honored as written.
    b. FEMA will review current statutory authority to continue Sec. 403 program for 1 year or transfer 1-year commitment to Sec. 408.
    c. FEMA will propose to the Joint Housing Task Force how it can administer the payments due under all rental agreements. (If this is becomes a FEMA direct disbursement, FEMA will be transferred an equivalent amount from money received for an approved Project Worksheet for that liability.)
    d. Houston and perhaps other "Katrina impact areas" may be treated differently than other areas.

4) Houston residents on Section 8 waiting list before Katrina should also be eligible for HUD housing voucher.
    a. DHS Secretary Jackson to speak with HUD Secretary Jackson regarding a waiver.
    b. Mayor White will make formal request to HUD Secretary Jackson.

5) Project Worksheet Estimates for Escalated Local Operating Expenses
    a. FEMA will identify a senior-level person to work with City of Houston and Harris County to define a principle for cost reimbursement, such as:
        i. Elevated operating expenses over an established baseline.
            1. Overtime and backfill costs are not cost effective, and not appropriate where evacuees are long-term and came from outside the region.
        ii. Per capita standard through defined transition period.
            1. Houston financial transition period extends until 2006 property tax appraisals are realized in July 2007 fiscal year budget.
    b. Cost estimate worksheets could be applicable in "Katrina impact areas".
    c. Harris County $30 per diem for faith-based sheltering will be funded through October 31, as previously agreed by FEMA.

BILL WHITE
MAYOR

OFFICE OF THE MAYOR
CITY OF HOUSTON
TEXAS

November 16, 2005

All via facsimile
Honorable Michael Chertoff, Secretary
U. S. Department of Homeland Security
Washington, D.C. 20472

Honorable Michael Jackson, Deputy Secretary
U.S. Department of Homeland Security
Washington, D.C. 20472

Honorable David Paulison, Acting Director
U.S. Department of Homeland Security
Federal Emergency Management Agency
Washington, D.C. 20472

Honorable David Garratt, Acting Director of Recovery
U.S. Department of Homeland Security
Federal Emergency Management Agency
Washington, D.C. 20472

Re: FEMA's November 14, 2005 New Policy Guidance
Received November 15, 2005

Gentlemen:

The directive dated November 14th states that "effective immediately, the acceptable term of any new or extended lease executed between now and December 1 will be limited to three months, unless longer lease terms are specifically approved by me upon the recommendation of the FCO." We need that approval to occur immediately, today for us to move folks out of hotels. There is not sufficient supply of apartments with a lease term of three months. This is the best judgment of the team who worked on the program at the outset.

In September the Joint Housing Task Force, with the active support and encouragement of FEMA, was required to extend the term of the lease from six months to one year to obtain the supply that has been used to house over 70,000

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evacuees. If FEMA has qualified individuals with other information about market conditions or some other source of information concerning the local market, we would be happy to visit with them today to identify those apartments by location.

Never, ever was some immediate suspension of the apartment program before December 1st discussed in numerous conversations with me or others in Houston. We were specifically told to continue what we are doing to get people out of hotels into apartments. But today we are having to suspend the program to comply with the November 14th new policy.

Why would FEMA restrict or eliminate the supply of apartments at the same time we are trying to move 19,000 people out of more costly hotels? We support continuing until the existing FEMA guidance in place that "reimbursable costs include the lease of properties, including apartments or hotels and will be reimbursed for a period of up to 12 months." Today the apartment market is even tighter than in September.

We also ask that the FCO or Houston liaison be given in advance the authority to approve, on local request, an extension of the period of subsidized hotel leases in the Houston region. It is not realistic to assume the remaining hotel population can be moved to apartments in the next fifteen days. Yesterday's action "suspending immediately" new leases of more than three months delays progress on the goal of moving individuals out of hotels and into apartments. FEMA's six-week delay in approving the request to allow tenants to supplement rents also delayed progress. Every day of delays costs the taxpayers money.

I will confine this letter to those two specific requests.

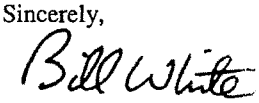
Houston has moved approximately 41,000 people from hotels into apartments in a period of seventy days. We have moved more evacuees from hotels than any other city has ever had staying at hotels. Our region has approximately 150,000 new residents. Both the evacuees and our local public and taxpayers support the swift and business-like approach in handling of these issues by the Joint Housing Task Force. So please respond today on these requests.

We thank you for FEMA's approval of project worksheets for our housing program, which embodies the principles of our housing program long agreed to by FEMA.

Great nations, like good people, keep their word. I am concerned that directives by FEMA be consistent with prior directives by FEMA made to local officials, American citizens who are evacuees, and landlords in the City of Houston.

This letter does not address the legality of FEMA's directive and new policy dated November 14, 2005, its inconsistency with FEMA's written guidance on September 9, September 10, September 29, October 14, and October 15, and the requirements of 42 U.S.C. § 5165c and FEMA Policy 9510.1, including its Appendix.

Sincerely,



Bill White
Mayor

BW:lvv

HEADLINES ON ADMINISTRATION'S FALTERING RESPONSE TO HURRICANE KATRINA HOUSING CRISIS*

KATRINA EVACUEES BLAST FEMA'S EFFORTS
The Arizona Republic 9/24

MANY CONTRACTS FROM STORM RAISE QUESTIONS
New York Times 9/26

HURRICANE EXPOSES CAN'T-DO GOVERNMENT
The Raleigh News and Observer 9/26

REBUILDING AFTER KATRINA: LOTS OF IDEAS, LITTLE DIRECTION
The Picayune Item 9/29

HOUSING FOR STORM'S EVACUEES LAGGING FAR BEHIND U.S. GOALS
New York Times 9/30

HOUSING PROMISES MADE TO EVACUEES HAVE FALLEN SHORT
Washington Post 10/2

MINORITY FIRMS GETTING FEW KATRINA CONTRACTS
Associated Press 10/4

HURRUCANES NEEDY TOWNS; IN THE WAKE OF TWO HURRICANES, LOCAL GOVERNMENTS RUNNING OUT OF CASH AND LOOKING TO FEDS
Associated Press 10/4

FEDS GRAPPLE WITH FINDING HOMES FOR KATRINA VICTIMS
Associated Press 10/6

EAST TEXAS VICTIMS SAY THEY'RE OVERLOOKED
Houston Chronicle 10/13

SHELTERS SHUTTING; NEXT STEP UNCERTAIN
New Orleans Times-Picayune 10/14

FEMA TRAILER COMES WITH SAND, CRITTERS
Biloxi Sun-Herald 10/15

TRANSITIONAL HOUSING HAS GAPING HOLES
San Antonio Express-News 10/16

BUSH IS IN NO HURRY ON KATRINA RECOVERY
Los Angeles Times 10/17

GUNNING FOR THE POOR
Washington Post 10/19

STILL NO PLAN FOR HOUSING KATRINA EVACUEES
Reuters 10/20

RITA VICTIMS ASK FEMA FOR MORE
The Lafayette Daily Advertiser 10/24

EVICTIONS ANGER TENANTS – FAMILIES CLAIM THEY ARE BEING FORCED OUT FOR FEMA
Lafayette Daily Advertiser 10/27

VOUCHERS IN THEIR POCKETS, EVACUEES FIND IT HARD TO GET KEYS IN HAND
New York Times 10/28

GOVERNMENT'S PLAN TO HOUSE EVACUEES CALLED MISGUIDED, TOO COSTLY
Knight Ridder Newspapers 10/30

KATRINA EVACUEES NOW FACE EVICTION
Gannet News Service 10/31

DELAYS AGITATE STORM EVACUEES
The Lafayette Daily Advertiser 11/16

FEMA BROKE ITS PROMISE ON HOUSING, HOUSTON MAYOR SAYS
New York Times 11/17

REPORT: GOVERNMENT OVERSPENT ON TEMPERARY HOUSING AFTER HURRICANE
Inman News 11/21

APARTMENT GROUP CALLS FEMA'S HOUSING-TRANSITIONAL PLAN 'UNWORKABLE'
San Antonio Business Journal 11/21

FEMA EXPECTS HOUSING PLAN
Fort Worth Star Telegram 11/24

KATRINA AID FALLS SHORT OF PROMISES
Boston Globe 11/27

EVACUEES REMAIN IN NEED
The Charlotte Observer 11/27

OFFICIAL SAYS HURRICANE AREAS NEED MORE
Associated Press 11/28

HOUSING GROUPS DECRY GOVERNMENT RESPONSE TO KATRINA AND CALL FOR NEW ACTION
Globe St.com 12/1

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* Please contact Financial Services Committee Democratic Staff @ x. 5-7054 for copies of these articles.

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