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POST-KATRINA TEMPORARY HOUSING: DILEMMAS AND SOLUTIONS

(110–20)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

MARCH 20, 2007

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

34–791 PDF WASHINGTON : 2007

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March 16, 2007

SUMMARY OF SUBJECT MATTER

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

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

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

PURPOSE OF THE HEARING

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

BACKGROUND

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

Disaster Response: The Role of FEMA

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

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

- Temporary Housing: Money is available for individuals displaced from their homes to rent a place to live for a limited period of time, or to provide a government housing unit when rental properties are not available. Direct Housing is usually a FEMA-provided manufactured housing unit, such as a travel trailer or mobile home. These units may be placed at the homeowner's property while they repair a home, a commercial site, or a site operated by FEMA. Generally, this assistance is limited to 18 months, although it can be extended (as it has been in response to Hurricane Katrina)

- Repair: Up to $25,000 (adjusted for inflation) is available to homeowners to repair damage to their primary residence caused by the disaster, which is not covered by insurance. The goal is to make the damaged home safe, sanitary, and functional.

- Replacement: Up to $25,000 (adjusted for inflation) is available to homeowners to replace their home destroyed in a disaster that is not covered by insurance. The goal is to help the homeowner with the cost of replacing his or her destroyed home.

- Permanent Housing Construction: Money is also available for the construction of a new home. This type of assistance is offered only in limited areas specified by FEMA, where no other type of housing assistance is possible.

FEMA Housing Policies in Response to Hurricane Katrina

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

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

Ongoing Housing Concerns

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

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

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

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

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

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

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

WITNESSES

The Honorable Mike Ross
Congressman
Arkansas, District 4

The Honorable David R. Paulison
Director
Federal Emergency Management Agency

Michael A. Molino
President
Recreation Vehicle Dealers Association

Pamela Williams
Resident
Yorkshire Mobile Home Park
Hammond, Louisiana

Ben Dupuy
Partner
The Cypress Cottage Partners, LLC

Margery Austin Turner
Director
Metropolitan Housing & Communities Policy Center
Urban Institute

POST-KATRINA TEMPORARY HOUSING: DILEMMAS AND SOLUTIONS

Tuesday, March 20, 2007

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
Washington, DC.

The committee met, pursuant to call, at 3:00 p.m., in Room 2167, Rayburn House Office Building, the Honorable Eleanor Holmes Norton [chair of the committee] presiding.

Ms. NORTON. The Subcommittee will come to order.

Even before I do my opening statement, I understand that Congressman Ross, who represents one of the jurisdictions whose plight drew our attention to these issues, has to leave shortly. So I will defer to him for a few minutes of opening statement.

TESTIMONY OF THE HONORABLE MIKE ROSS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. ROSS. Thank you, Chairwoman Norton and members of the Committee, for holding today's hearing on post-Katrina temporary housing problems. I am grateful for the opportunity and the invitation to discuss these issues before the Subcommittee today, and I am eager to work together to find solutions to the temporary housing problem that currently exists.

Chairwoman Norton, I am good for a while, and I will be glad to stay and answer questions and be a part of this for as long as I can. I appreciate again the invitation to be asked to be here today.

Let me begin by explaining my recent experience with the temporary housing crisis in my district, due to severe weather and tornadoes that recently struck Arkansas. On February 24th, 2007, severe storms and tornadoes ripped through the town of Dumas and Desha County, Arkansas. This small delta community has a population of about 5,000 people. Median household income is $26,628. Fifty-three percent of the residents of this county live at or below 200 percent of poverty. It is what we would consider a very poor county.

When the tornado hit, it completely destroyed 37 homes and 25 businesses, injured over 30 people and left this community without power for five days and 800 people without jobs indefinitely. In total, it was estimated that up to 150 homes were deemed uninhabitable. I was back there again Friday, and I can assure you, there are still people looking for a place to live and a lot of businesses

that just do not—they simply do not know when they will be able to reopen their doors, leaving up to 800 people unemployed.

In total, it was estimated that up to 150 homes were deemed uninhabitable. This kind of massive damage to a poor delta community is incredible and extremely difficult to recover from. Yet, FEMA spokesman John Philbin stated that, "The damages or need for Federal assistance is not readily apparent."

On February 27th, three days after the storms hit, the Governor of Arkansas requested an emergency declaration from FEMA. Later that day, I led conference call from FEMA Director Paulison and expressed my support for the Governor's request, as well as requested that FEMA transfer some of the 8,420 new fully-furnished and never used manufactured homes located three hours away at a FEMA staging facility in Hope, Arkansas, also in my district, to these families in need. These homes were originally purchased for Katrina victims, but never made it to them, either. Instead, they have been sitting idly by at a FEMA staging facility in Hope, Arkansas, since 2005.

Finally, 12 days after the tornadoes destroyed parts of my district and 9 days after the Governor's request, we finally received a response from FEMA. FEMA said no. They denied the State's request for an emergency declaration and as a result, the State, county and city are now responsible for 100 percent of the storm cleanup expenses, and we are not allowed to receive even one of the new, never-used mobile homes FEMA had stored in Hope.

But after 13 days of working, waiting and prodding to the point of our story becoming national news, and I don't believe it was any accident that the conference call with FEMA came two hours after the NBC Evening News, where they finally offered to give the State of Arkansas 30 used and/or refurbished mobile homes and travel trailers from the staging facility in Hope, but only if the State would pay to transport them and set them up for victims who remained homeless for two weeks.

The people of Dumas were grateful to receive them. In fact, I would like to share part of an e-mail I recently received: "Dear Congressman Ross, I am a tornado survivor in Dumas. While my husband and I have the means to take care of our own housing, I am fully aware that there are some who cannot. I am a school teacher to many of the Hispanic families who received trailers this weekend. You have no idea how much this has made an impact on these students. They came into school this morning with bright smiles on their faces saying, 'I got a new house.' "

This e-mail shows why we do what we do in Washington to make a difference in the lives of those we represent. It confirms how important our role is in this debate. But I am frustrated with the massive bureaucracy involved in simply helping people in an emergency situation. It is astounding to me that for 13 days, hard-working families in my district had nowhere to live, and yet, 160 miles away, 8,420 new, fully-furnished, never-used mobile homes sat untouched.

Last year, I introduced two bills to give FEMA the authority to provide relief to the victims of Hurricanes Katrina and Rita and so many others in need of temporary housing caused by natural disasters. In March of last year, I introduced H.R. 4784, which would

allow FEMA to distribute some of these manufactured homes to victims that are located in flood plains. And in September, I introduced H.R. 6128, which would provide for the distribution of the excess manufactured housing units located at the Hope Airport to people who are in need of affordable housing.

However, the Republican leadership would not give us one hearing or a vote on these bills. Now, I want to use this hearing as a opportunity to find a way to help the people who are still suffering and improve this process for the next town that is forced to deal with a natural disaster that might be recognized by FEMA or declared by the President a Federal disaster.

Ultimately, with the help of Chairwoman Norton, Chairman Oberstar and Chairman Thompson of the Homeland Security Committee, I hope to enact legislation to empower FEMA or some other Federal agency to distribute these surplus homes in a timely manner to the people who so desperately need them in the direct aftermath of a natural disaster, whether declared a Federal disaster or not. As my constituents drive down U.S. Highway 278 from Hope to Nashville, they still see 8,420 new mobile homes, sitting there untouched and never used, when storm victims remain homeless. To them, these homes are a symbol of why our citizens have lost faith in FEMA and feel that our Government is failing them.

I want to allow, once and for all, these 8,420 mobile homes to be used for communities in need, like Dumas, when a natural disaster hits them. I believe that we owe it to the people of Desha County, the victims of Hurricane Katrina and so many other communities who are devastated by natural disasters, to change the system. I am optimistic that this hearing is a step in the right direction. I will be glad to stay and answer questions that anyone on the panel might have.

Ms. NORTON. Thank you very much, Mr. Ross.

I must say, Representative Ross, that your own work in bringing these issues to light is exemplary. What you have raised for Arkansas has brought to the attention of this Subcommittee matters that frankly, large parts of the Country, parts that may not qualify under existing law to be declared disaster areas. The tsunami was not recognized under law, and yet we found a way to be helpful. Consistent with the law, we want to find ways to be helpful.

I really don't want to detain you. I want to get to the folks who have been most involved and get to some solutions. Homeland Security, to its credit, has already heard a hearing. Actually, this is the committee of jurisdiction for these disasters. When it comes to solutions, it is the job of the Subcommittee to do something about it or to help FEMA do something about it.

So I am going to excuse you, unless another member has any questions for Mr. Ross.

Mr. SHUSTER. No questions. I appreciate the gentleman's being here today.

Ms. NORTON. Mr. Cohen has come in and I will be pleased to recognize him if he has any questions.

Mr. COHEN. Thank you, Madam Chairwoman.

Just one question. I read something about a law that prohibits FEMA from selling these trailers. Did you put in a bill to change that law, or should it be put in, in your opinion?

Mr. ROSS. Basically, it is the Stafford Act that tells FEMA that they basically can't help anyone unless they are declared a Federal disaster. In Alabama, Georgia, they had loss of lives there, and my heart goes out to them. Testimony last week, though, from the Director of the Department of Emergency Management in Alabama indicated that no jobs have been lost in Alabama, yet we have had 800 jobs lost. I know the hearing today is about these mobile homes. But I do believe that we also need to rethink how we go about figuring out who qualifies as a Federal disaster area and who does not. Obviously, FEMA can't give them to people that are not in an area that is not declared a Federal disaster.

There was an amendment through the Senate last year which allows them, through the GSA, to make homes available to city, county and local governments, I believe for the public good. FEMA can better answer that.

Here is what I know, sir. I am convinced that David Paulison is a good man. I have been emotional about this in the past and I hope he hasn't taken it personally. I think to a large extent, his hands are tied under current law. I think we need to help them figure out—FEMA is in the business to help people. The people that work at this so-called FEMA staging area in Hope, Arkansas, they are good people. They wanted to go to work for FEMA not to babysit 8,420 mobile homes. They went to work for FEMA because they want to help people.

I think it is our job to try and figure out how we can pass legislation. This should not be complicated. I have 8,420 mobile homes sitting here. One hundred sixty miles away, also in my district, I have 150 people with no place to live. We had 30 people living in a metal building two weeks ago. This shouldn't be that complicated to fix. So I am talking to anybody in Congress who will listen to me, until we can come up with what I hope is a bipartisan, common sense, legislative fix to empower him, not to go out and buy more mobile homes, but to get these out of the cow pasture and get them to people who need them.

It should not be complicated. Here is the way I think it should be. Whether you are declared a Federal disaster or not, if you have a home or are renting, wherever you are living, if it gets blown away or heavily enough damaged that you can't live in it, as long as we have 8,420 of them sitting in the cow pasture, why don't we let people use them?

To me, this is not complicated. Unfortunately, it is caught up in this bureaucracy, and to the folks in South Arkansas that drive by this cow pasture and look at them, it just doesn't make good sense. All told, the Inspector General estimates that FEMA will spend $47 million this year, not just in Hope, we have other FEMA staging areas, $47 million of our tax money is going to baby-sit these mobile homes.

If I could, on that, not to confuse the two, a lot of people get confused over the mobile homes and the camper trailers. The camper trailers worked. I think 80,000, maybe more, were put out in Hurricane Katrina. People could back them up in their driveway, they were easy to hook onto, they were allowed to be put in flood plains. The camper trailers worked, and now they are coming back to Hope and they are storing them. I have some 15,000, 16,000 of

those. I applaud FEMA for that. That is being good stewards of your tax money. They are bringing them back, they are refurbishing them, they are getting them ready to go back out in the next disaster. That makes sense.

My problem is these 8,420 brand new, fully-furnished, never-used mobile homes that never quite made it to anybody, and they are just caught up in this bureaucratic maze, if you will.

Mr. COHEN. I don't know if that answers my question, but I enjoyed hearing your remarks.

[Laughter.]

Ms. NORTON. Thank you very much.

Are there any other questions from members of the Committee?

Thank you very much, Congressman Ross.

Mr. ROSS. Thank you.

Ms. NORTON. I am going to make an opening statement, then ask Mr. Shuster if he has an opening statement. I want to welcome Mr. Shuster, especially since he and I have changed positions. This was my chair, and I very much respect the relationship we had. Mr. Graves is away today with the President of the United States, so I have dutifully excused him and we will proceed.

I do want to just say that I recognize that we have had two Subcommittee hearings and that this is only our first on FEMA and on the Stafford Act. I want to indicate that that is no indication of the importance of the two agencies under our jurisdiction. One of course is GSA, and the other is FEMA. If I had to rank them, and you know I never do, when you have children, and neither of these qualify as those, but you never say which is your favorite. I do not have any favorites. But I do say this, if you had to rank the two agencies, the GSA, important for the Country, for its construction of Federal buildings, its repair of them, the safety of them and especially here in the district, with FEMA, there would be no comparison in importance.

So I want to be clear how important this jurisdiction is to every member of this Committee. There is no member of this Committee that can afford to believe, well, FEMA must be for them, the Louisianas of this world or the Arkansas. To give you some idea of how important FEMA is, I bet you think that the last place that would be interested in FEMA, because of a natural disaster, would be the District of Columbia. I am here to tell you differently. The District of Columbia and Northwest Washington, no less, one of our residential areas, had a flood. I was put in exactly what other more risk-prone members are often put to, of trying to make sure we got the needed help for them.

I emphasize, then, that the notion of emergency is in FEMA's name. That can mean and almost surely will mean every jurisdiction in the United States. Jurisdictions like Mr. Ross' are far more vulnerable than in the big cities. Somehow they will get it together. But rural areas with the kind of unemployment he described cannot afford to be left without some kind of assistance, somehow, some way.

The other reason that we should have had a hearing before now, if I had my druthers on FEMA, is the ongoing problems that keep coming up, and trying to decide whether they are FEMA problems or Stafford Act problems. I want to say to the members of the Com-

mittee, I regret that the Committee has not yet been briefed about our FEMA jurisdiction. We meant to do so at the time that we had our briefings with the Committee on jurisdiction, but the person with expertise couldn't be there. So I have instructed staff that before we go on vacation, we have to offer a group briefing to us all on what our FEMA jurisdiction is likely to look like this year.

Again, I stress, if anything, the most important part of our jurisdiction, you are going to see as a number of hearings come forward. One is already planned. It was a very good hearing of the kind planned and I just want to say I asked the hearing be moved back in light of the problems we learned of involving Arkansas and Louisiana. That is how this Subcommittee is going to operate. It is going to respond to the public need. If it has to put off something that we had planned, we will do it. It is about emergencies and the kinds of problems that were described in Arkansas and Louisiana, where people were evicted, purportedly, with 48 hours notice. Hey, you think that is an emergency for FEMA, that is an emergency for the Subcommittee.

I am pleased to welcome today's panel. Each of you can be instrumental in helping the Subcommittee think through emerging new and unprecedented issues. This Subcommittee's jurisdiction over activities and programs related to the Federal Emergency Management Agency's all-hazards national preparedness system is well known and well established. But FEMA, with the help of this Subcommittee, must face new and unmet challenges, some of which may require language or amendments in the governing Stafford Act. The Subcommittee's jurisdiction over Federal management of natural and man-made disasters is comprehensive and broad, including support of the Nation's risk-based comprehensive emergency management system, of preparedness protection, response recovery and mitigation. The Congress has updated the Stafford Act as new challenges have come forward.

Programs authorized by the Stafford Act and the Homeland Security Act of 2002 include the disaster relief programs, individuals and household programs, the public assistance program, emergency assistance program and hazard mitigation program. The current disaster relief program was established by the Disaster Relief Act of 1974, amended in 1978 by the Stafford Act, and amended by the Disaster Mitigation Act of 2000. The Subcommittee conducts oversight hearings to ensure, among other things, that the national preparedness goal is consistent with the national incident management system and national response plan.

Further, through oversight hearings, the Subcommittee, along with FEMA, identifies plans and procedures that will promote maximum efficient use of Federal emergency and disaster funds. During today's hearing, we intend to take a much closer look at certain aspects of disaster recovery, specifically the overall Federal housing policy and response to a disaster or emergency declaration.

The response to Katrina reveals significant failures and shortcomings in Federal, State and local response to catastrophic disasters. Because of FEMA's notoriously poor performance following Hurricanes Katrina and Rita, the assumption often is that continuing problems must be attributed to the Agency's management or staff. This may be true.

However, I have looked closely at the nature of some of these issues, including those in today's hearings. Some indicate apparent unnecessary rigidity, but others may indicate that FEMA may need additional authority to meet new circumstances.

The Agency falls seriously short, however, when it does not bring matters to the Subcommittee that require new or amended authority. At the same time, Congress cannot continue to criticize and agency when our own oversight could uncover problems and new issues and help to resolve them.

Recent press accounts regarding use of new and used trailers in Arkansas, as well as ongoing treatment of evacuees in Louisiana, seem to be the antithesis of good housing and relocation planning. Reportedly in Arkansas, thousands of excess trailers owned by FEMA sat empty while a short distance away, residents were dealing with the aftermath of a tornado that had destroyed many homes. Additional press reports found that in Hammond, Louisiana, FEMA abruptly relocated Katrina evacuees with very short notice and perhaps insufficient attention to what relocation would do to an already Katrina-weary group of evacuees whose continued housing in trailers signaled that they had problems moving on as required.

Today the Subcommittee will use these examples to examine FEMA's housing and relocation policy and attempt to identify the components of an effective policies that are necessary to ensure that temporary housing does not evolve into something more permanent, where necessary services cannot be provided under the Stafford Act.

What actions are needed to assist the last evacuees who may be the lesser skilled, elderly or others who have been unable to find work or otherwise have greater difficulty making the transition to assume their lives as before must be discovered. In a FEMA-controlled area that has taken on an aspect of a temporary town, what must be done to help people move on? For example, can the evacuee community evacuate as intended without transportation to employment, to jobs that will provide the wherewithal to acquire housing and resumption of a normal life? The link between housing and jobs is basic. But there may be too few remedies available to FEMA to help the Agency adopt new approaches within the framework of the Stafford Act.

Yet even if evacuees have been unemployed or elderly when the disaster occurred, they once lived in a permanent community and must be assisted in returning to their own or some other jurisdiction to resume at least whatever life they once had. It is unfair to evacuees to allow them to remain under FEMA's jurisdiction where only minimal services related to shelter are provided, while the statute intends and will continue to require them to leave within certain time frames.

It is unfair to FEMA to expect the Agency to take on increasingly permanent functions that are beyond the Agency's statutory authority. Chairman Jim Oberstar once suggested the need for another round of Stafford Act reform. At the very least, new issues need creative rethinking within the Stafford Act parameters of the temporary relief that FEMA must provide. A massive disaster such as Hurricane Katrina in Louisiana and Mississippi, yes, and small-

er disasters, like the tornadoes that recently struck in Alabama and Arkansas, that are arguably outside of FEMA's jurisdiction, nevertheless are raising issues that must be confronted.

The Subcommittee thanks and looks forward to hearing from witnesses who have lived with or executed FEMA housing policies to help us in today's results-oriented hearing, whose title contains the operative word, solutions. I am pleased to recognize our Ranking Member of the full Committee, Mr. Mica of Florida.

Mr. MICA. Thank you. It is so good to be with you this afternoon. I want to thank you, Madam Chairwoman, for hosting and chairing this important meeting and I also thank Mr. Shuster for his leadership as our Ranking Member. I am excited about having both of you, you are both members of action and we will get some things done.

I did not mean to upstage my Ranking Member, but I wanted to come for just a minute, I will try not to come back too often.

Ms. NORTON. You are welcome any time.

Mr. MICA. Thank you so much. I will try not to abuse my privilege of serving on all the subcommittees as Ranking Member.

I have a statement that I will ask to be made part of the record.

Ms. NORTON. So ordered.

Mr. MICA. Just let me say this. Mr. Ross' testimony, I have heard his public statements and I just finished reading the testimony he provided. First I have to thank Director Paulison and FEMA for providing assistance. We had three hurricanes in my district in the last three years. Then we had two tornadoes. The tornadoes gave me quite an education in how FEMA does work and some of the challenges that we face with some of these national declarations for disaster. Again, I thank them for what they have done to help people in the hurricanes and the tornadoes.

I think in looking at improving the system, I would also share some of the concerns expressed by Representative Ross. Maybe you can help on this Mr. Shuster and Madam Chair, on this issue. There are two things that we noticed. First, I had the first tornado hit Christmas day in a town called Deland. This gentleman I have behind me, his name is Justin Dunn, he is from the town of Deland, was visiting my office. He is a student here on one of the programs. He is fortunate, his family was not hit.

But the northern part of our community, on Christmas day we had a tornado come in. It was not a total catastrophic event. Now, if your house was in the way, it was catastrophic for you. It displaced maybe 80 to 100 people. A declaration for disaster was submitted shortly thereafter to FEMA.

On February 2nd, we had our second tornado. This was a gangbuster tornado. There was no question on this. However, the week before Friday the 2nd, on that preceding Friday, I was handed a denial of the request for a declaration on the Christmas day disaster. To make a long story short, that was appealed. We did have a declaration again on the massive strike. We had to wait almost 30 days. It left us sort of in the lurch. Then of course, you can appeal.

I found out very few appeals are ever granted, at least historically, as far back as the staff looked the past three or four years. I don't think any were granted. However, ours was granted. It was

a little bit different circumstances, not that I was the Ranking Member or anything. But it so happened that we got two disasters that you could say didn't allow the State and locals to be able to handle a situation of that magnitude.

So my first request would be if we could look at trying to speed up that. I found out from talking to other folks that this long period that you wait, sometimes up to 30 days, leaves everybody in the lurch. But speeding up that process, if we could, and having a declaration resolved in a shorter period of time would make a lot of sense. Then everybody knows what to do. And also the appeal. So that is the first recommendation.

Then I thought, well, here I have a small number of people, maybe 50 trailers would help me, this is on the December disaster, and this is before we had the one that was really the belly-buster here. I thought, well, 50 trailers would help, like Mr. Ross. Then I found out that FEMA had trailers stored. Then I found out FEMA, I guess, is the biggest—I say trailers—mobile home owner in the United States, probably a quarter million of them, 60,000 of them are sitting vacant, some they are paying rent on and storage on, many of them in good conditions, others in various conditions.

But I want to tell you, Madam Chairman, Mr. Shuster, that I spent this whole week in different conversations. At one point I think we had six attorneys on the phone trying to figure out how the hell to get 50 trailers that were close by in to help these folks out, at least on a temporary basis. We did not succeed in that, unfortunately, but again Mother Nature dealt us that second blow that made us eligible.

The second point being that we need a way in smaller disasters to get some of this, now, we don't want to take down our stockpile of equipment that we have stored for major disasters. But there has to be some reasonable approach and then some reasonable protocol. We tried to get them to the State, but without a declaration they can't go to a private entity, and so on. So if we could speed that up and define what could be made available.

Subsequent to that, I met with the State emergency management directors here in Washington when they were here. They felt that this proposal had merit, and I think that they would endorse it. So if we could work together on that, I think Mr. Ross' problem, we are trying to help people with a smaller disaster get a quicker decision out of the process, and then kind of make it look like Government does work and what the ground rules are for making it work.

Thank you so much for indulging me. I didn't mean to come down and interject myself in this. But I think we can, working together and with recommendations from Director Paulison, make this better and work more effectively. Thank you.

Ms. NORTON. I appreciate the Ranking Member's intervention with your statement. As a matter of fact, Mr. Mica, the Florida tornado gave me what I had been looking for for an opening hearing. I did not want to simply go back all over the major disasters and what do we do. What the Florida disaster told me, Florida, where you expect hurricanes, Florida, where you do not expect tornadoes, is that we have to look at disasters that are not typically expected. Remember, 99.9 percent of all disasters are going to be natural disasters.

But here come tornadoes in a place where you did not expect them. And the hearing that has been planned is going to look as well at something we have all been hearing, what would happen if in fact those levees that you keep hearing about in California burst, and they talk about those levees in exactly the same way as Louisiana, except that they probably are less sturdy, at the same time, there was an earthquake, which is the other disaster they expect. So I am trying to look forward at the same time that we look at the continuing problems that emerge that FEMA mst handle for the here and now.

I would like to ask Mr. Shuster if he has an opening statement that he would like to make.

Mr. SHUSTER. Thank you, Madam Chair.

First I just want to say thanks to the witnesses being here today. I will keep my statement brief, I would like to submit it to the record in its entirety.

I do want to say something briefly. I just want to echo your statement on the importance of this Subcommittee. As a matter of fact, I had the opportunity to be the Ranking Member on Railroads, which I took. But everybody assumed I was going to get off this Subcommittee, which I didn't, because I agree with the Chair that this Committee is extremely important, especially with the FEMA aspect. I look forward to working with you as we move forward.

Also, one of the pilot projects for housing, we have someone here today who is going to testify, and I appreciate them being here, look forward to hearing from them, as well as to talk to Director Paulison about some of the reform aspects of the FEMA reform that we passed last year, some of it concerning to me, some of it good. I look forward and welcome him here today. Thank you for being here.

With that, I yield back.

Ms. NORTON. Thank you very much, Mr. Shuster.

I am going to ask all of the witnesses to come forward and sit at the table. I apologize that House business, which we of course have to accede to, has delayed this hearing. It is important enough for me to go as long as I have to in order to discover what has happened and what can be done about it.

But in order to save time, we are going to ask all the witnesses to come froward at the same time. We are going to proceed as rapidly as we can, with apologies to those of you who came expecting the Congress to run on time. Where have you been?

[Laughter.]

Ms. NORTON. That is just not how it works here. It is not because anyone intends it, it is because there is no way to avoid it.

I want to thank all of you again for coming and for your indulgence in waiting out the votes. I am going to begin with Mr. Paulison of FEMA. You may begin, sir.

TESTIMONY OF THE HONORABLE DAVID A. PAULISON, DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY; MICHAEL A. MOLINO, PRESIDENT, RECREATION VEHICLE DEALERS ASSOCIATION; BEN DUPUY, PARTNER, THE CYPRESS COTTAGE PARTNERS; PAMELA WILLIAMS, RESIDENT, YORKSHIRE MOBILE HOME PARK, HAMMOND, LOUISIANA; MARGERY AUSTIN TURNER, DIRECTOR, METROPOLITAN HOUSING AND COMMUNITIES POLICY CENTER, URBAN INSTITUTE

Mr. PAULISON. Thank you, Chairwoman Norton, Ranking Member Shuster and Ranking Member, Mr. Arcuri.

Ms. NORTON. Would you speak up? I really can't hear you at all.

Mr. PAULISON. We will try again. Thank you, Chairwoman Norton, Ranking Member Shuster, Ranking Member, Mr. Arcuri. Thank you for being here. I appreciate your time. I know how busy Congress is right now, and I think this Committee is going to be very important to FEMA. I am looking forward to working with you.

I am here to discuss the post-Katrina housing under the new FEMA. I want this, the new FEMA, to be better, I want it to be a stronger and more nimble organization than you have seen in the past. We have already made substantial progress in improving our operations with major reforms in areas of communications, logistics, customer service, our renewed focus on reducing waste, fraud and abuse, developing a business approach to internal operations and also bringing in new and extremely experienced leadership into this organization. The old way of doing business simply does not work. We are not going to wait for local and State resources to become overwhelmed before we are prepared to act.

But there are two areas I would like to focus on today about the process by which a Federal disaster is declared and the role of our Federal, tribal, State and local responses in aiding response. In particular, I want to discus the authorities and resources related to post-disaster housing.

Let me start with the declaration process. When disaster strikes, the first step is a joint State-Federal assessment of the damage. Based on this assessment, the Governor can ask for specific supplemental aid if they believe the disaster is beyond the effective response capability of the State and the affected local communities. My written testimony goes into much greater detail on this process, especially the factors we consider when we are making a recommendation. Should the President make a formal declaration, FEMA immediately moves to work with our Federal, tribal, State and local partners to provide Federal assistance that includes housing assistance.

Which brings me to the next point: the importance of working through and with our State and local partners. Under the Stafford Act, FEMA is authorized to provide emergency shelter and housing assistance. Sheltering is typically provided by State and local governments, as well as with our partner and non-profit organizations. FEMA can provide material and financial support for these operations, following an emergency or disaster declaration.

FEMA can provide housing assistance in three primary ways. One is rental assistance by housing that is available on the ground

in nearby communities. Two is repair or replacement of home assistance. And the last option, used only when the first two are insufficient, is direct housing, such as travel trailers and mobile homes in group sites. But these are not designed for long-term solutions. The authorities and programs involved envision temporary aid, while individuals work with their insurance companies, State and local governments, non-profit organization and other Federal agencies to find permanent housing as part of the individual's road to recovery.

As you can see, FEMA does not respond alone. We must work hand in hand with our partners in any response.

Before I conclude, I would like to touch briefly on FEMA's management of two recent housing issues. First, the relocation of 54 families living in Hammond, Louisiana. The owner of that facility repeatedly did not respond to health and safety issues and concerns raised by FEMA and the Louisiana Department of Health and Hospitals. I have detailed that in my written response. So FEMA moved in to address the issue.

In our haste to provide residents with safer housing, some residents were not pleased by the coordination and the consultation provided. For that I am sorry. But FEMA made the right decision to move people out. We did not evict anyone. We found housing for everyone. But we are going to work in the future to improve our coordination.

The second incident I would like to discuss is FEMA's response to the storms and tornadoes that struck Desha County, Arkansas in February. Following the process I just discussed, and in discussing the responsibilities with local governments, the resources available to the State and the extent of the damage, a request for a Federal declaration in this case was denied. But I am pleased to say this does not mean we are not finding new ways to help while still complying with the law. Let me be very clear: we are going to follow the statutory law that we are supposed to do.

In this case, FEMA worked with our partners at GSA who did an outstanding job to help us identify excess housing units that could be transferred to Arkansas using existing authority. These were not new, but like-new units. I was personally on the phone with the Arkansas director of emergency management and made sure he had access to the housing units he felt he needed. We have also told the State, we will continue to work with them to provide them as many units as needed under this program. The Desha County incident provided the impetus for us to use this new tool to provide aid while still following the confines of the law.

Madam Chairwoman, what I have described to you is both the process by which FEMA implements the Stafford Act to determine the eligibility of presidential declaration of an emergency or major disaster and FEMA and the States as actors in that process. It is a partnership where each actor has specific responsibilities and where there are certain expectations.

Our challenge is to engage that process more openly, more quickly and with a shared focus on best meeting the needs of disaster victims who place their faith and confidence in government, whether it is Federal, State or local, to act in their best interests.

I want to thank you for the opportunity to be here today, as I said earlier, and I am looking forward to your questions.

Ms. NORTON. Thank you very much, Mr. Paulison.

Mr. Molino.

Mr. MOLINO. Madam Chairwoman, members of the Subcommittee, thank you for inviting me here to testify. I am here to tell you about the impact that Government sales of RV trailers could have on the market and the general public. My organization, RVDA, is a not-for-profit national association of RV dealers. It represents more than 2,700 small business people that sell travel trailers and motor homes.

According to the most recent U.S. business census, 58 percent of RV dealers have eight or fewer employees. In the aftermath of Hurricane Katrina, RV dealers began delivering travel trailers to FEMA just days after the hurricane ended. This was an unprecedented use of RV travel trailers during a national emergency. RV dealers responded and cooperated in a time of great need.

Now, RV dealers respectfully request that our Government take into consideration the impact that Government sales of thousands of RV travel trailers will have on dealers, their employees and public safety. Media reports and our own contacts at FEMA tell us the Agency, through GSA, is preparing to auction as many as 46,000 travel trailers to the general public. To put this in perspective, last year the industry retailed 154,693 new travel trailers. Forty-six thousand trailers approximates 30 percent of the entire 2006 new unit sales for the entire United States.

When you drill down to the local level, the impact is even more dramatic. For example, last week, the GSA auction web site listed 61 trailers for sale in Purvis, Mississippi on March 19th. In 2006, a total of 79 new travel trailers were sold in the entire county of Lamar, where Purvis is located. In one day, the Government will try to sell the equivalent of 77 percent of the travel trailers registered in that county in 2006. The public auction of so many vehicles at one time can ruin that local market for months to come.

The practice of selling directly to consumers also raises significant public safety concerns. RVs include electrical, plumbing and propane gas systems that power sophisticated heating and cooling units. They have fire safety equipment and gas leak detectors. Consumers could face many problem unless the vehicles are thoroughly checked out, serviced, repaired and reconditioned by qualified technicians.

We understand that the Government conducts liquidation auctions where it sells items in large quantities. Selling these trailers in lots instead of individually seems to make better sense for all concerned. Requiring sales in lots would make it more likely that the vehicles get back into the stream of commerce through a licensed dealer who is capable or ensuring the safety and serviceability of the unit.

RVDA is in a unique position to help. We can help solve the Government's problem of too many travel trailers, while minimizing the disruption of a small but growing industry that provides Americans a great way to vacation and travel. We can also help plan for the acquisition of trailers for future disasters. We can help inform dealers about FEMA's needs.

In the liquidation phase, we could inform dealers when surplus trailers would be available, where the trailers are stored and other important information. More dealers may want to bid on the trailers, but the current auction process is not well known among dealers and is difficult to understand.

By opening the lines of communication with RV dealers, FEMA and GSA can get more of these trailers into dealerships where they can be serviced and sold in a way that is in everyone's best interests. America's RV dealers are looking for solutions that meet the needs of the public, the Government and the RV industry.

Thank you very much, Madam Chairwoman.

Ms. NORTON. Thank you, Mr. Molino.

Like Mr. Paulison, your testimony is much appreciated and very helpful.

Mr. Dupuy.

Mr. DUPUY. Thank you. I am Ben Dupuy, I am a native New Orleanian and I am Executive Director of Cypress Cottage Partners. Thank you for the opportunity to testify today.

The shortcomings of FEMA's emergency housing options allowed for under current law are well known. The Inspector General of the Department of Homeland Security has reported that some of FEMA's group sites on the Gulf Coast could be operating for five or more years, and that the living conditions are far from ideal.

For an 18 month period, the cost of FEMA trailers and manufactured homes are nearly $60,000 and $90,000 respectively. With 70,000 trailers in use in Louisiana, as of February 2007, that amounts to a cost of at least $4.3 billion in that State alone.

Using $4.3 billion for temporary housing that has no hope of becoming a suitable permanent solution is clearly not in the best interests of displaced citizens, affected communities or taxpayers. The combination of the unprecedented demand for disaster recovery housing and the shortcomings of the options available under the Stafford Act prompted Congress last year to appropriate $400 million to FEMA for the alternative housing pilot program to one, identify new solutions for disaster recovery housing; and two, transition displaced families into housing more appropriate for long-term use.

The legislation included a one-time waiver of the Stafford Act so as to make it possible for homes built under this program to be occupied longer than 18 months. The selected proposal for Louisiana was the Cypress Cottage Partners' solution, to build homes that transition from temporary housing to permanent communities, or what we call temp-to-perm. The homes Cypress Cottage Partners will build are affordable, permanent, quickly constructed, appropriate for various sizes of families, able to withstand winds of up to 140 miles an hour and easily adaptable to local building codes and architectural styles.

We will build five different models of single family homes, ranging in size from two to three bedrooms. We will also build single story, multi-family buildings with units ranging from one to four bedrooms.

A significant problem that FEMA encountered on the Gulf Coast in the wake of Hurricanes Katrina and Rita was the placement of temporary group sites. Many communities, not wanting to be sad-

dled with trailer parks that they feared could become permanent, prohibited the building of group sites. In contrast, our temp-to-perm model appeals to local governments in several ways, including aesthetics, size, speed to construct and ability to transition to permanent communities.

Our homes will have a higher initial cost than existing temporary housing options. However, they will generate significant savings over their total life cycle in comparison to travel trailers and manufactured homes.

Most importantly, the homes we build will enable displaced citizens to move more quickly into housing appropriate for long-term use. If all the trailers in group sites in the New Orleans area were instead temp-to-perm homes, the city's affordable housing crisis would certainly not be as severe as it is today.

We plan to build our homes at four sites in southern Louisiana. Two of the sites are in the New Orleans area and were affected by Hurricane Katrina, and two of the sites are in southwestern Louisiana and were affected by Hurricane Rita. Two hundred and four thousand homes in Louisiana experienced major or severe damage from Hurricanes Katrina and Rita. There is a much greater demand for permanent homes, like the ones we are building, that can be delivered through Louisiana's $74 million alternative housing pilot program grant.

Several solutions exist. First and most significantly, Congress should encourage FEMA and OMB to write the regulations and policies necessary to implement Congressman Richard Baker's important provision in the FEMA reform legislation passed at the end of 2006 that amends the Stafford Act to enable the Federal Government to build permanent housing in the wake of large-scale disasters.

Congressman Baker, a long-time member of the Transportation and Infrastructure Committee, has been a real leader in the effort to change the Stafford Act to allow for the construction of permanent homes following catastrophic disasters. The legislation you worked to enact last year will result in a remarkable improvement in the Government's response to future housing crises.

Second, Congress could dedicate part of the funds from the proposed GSA affordable housing program to the appropriate agencies in Louisiana and Mississippi to build additional permanent homes. Third, as Governor Blanco and members of Louisiana's Congressional delegation have advocated, Congress could appropriate funds to a Federal agency for the purpose of creating additional units.

Finally, the State of Louisiana could use proceeds from the sale of homes we build to create a revolving fund that could be used to generate additional permanent homes.

In conclusion, to respond to future disaster situations, the Federal Government should have among its available solutions the ability to deploy temp-to-perm housing that enables displaced citizens to return quickly to their communities and that prevents the prolonged purgatory of life in temporary group sites. The Cypress Cottage Partners Model is that solution. Thank you.

Ms. NORTON. Thank you again for that very helpful testimony, Mr. Dupuy.

Ms. Williams.

Ms. WILLIAMS. Good evening. I am from Port Selfa, evacuated to Washington Parish to Hammond. So I had a long ordeal throughout Katrina.

Where can I start? I evacuated on a school bus to the shelter in Washington Parish. Not being a bus driver, not licensed to drive a bus, I evacuated 250 people. From Washington Parish to Hammond we landed. In a shelter in Emmanuel Baptist Church, we were in a shelter for two months. From the shelter to Yorkshire Trailer Park in October 2005.

There we became family, the ones that were able to get a full-size mobile home. So we are now scattered, because of hazards in the park. You did the right thing, but it was just too fast.

I am a little nervous about this situation, first time speaking on the issue.

Ms. NORTON. You are doing just fine, Ms. Williams.

Ms. WILLIAMS. Thank you.

Well, I was in a full-size mobile home in the trailer park and now we are in camper trailers, me and my family. So what they did for us, they relocated us from Yorkshire to Orlean Rogers Park into camper trailers, for me and my family, gave us an extra trailer for storage, I had to put some of my things in storage.

My kids go to school, but some people were not as fortunate as I was. Some people that were in the park got scattered. Their children are not in school. That is where that problem comes in on that issue.

Everybody wants to go home. We are not from Hammond. I'm from Plaquemines Parish. Some people are from New Orleans. They all want to go home. They all want the State to help us get back home.

I had a house, some people had mobile homes. I had a five bedroom house Katrina took from me. Now I have nothing, me and my kids. So we are still battling, trying to make it home. We would like to know what can the State, Congress, FEMA do for us to help us get back home. We all don't want to be scattered all over. Sometimes when we go into different places, we don't feel welcome in that area, because we are not from that area.

So what can be done to help us get back home, is what I would like to know.

Ms. NORTON. Thank you very much, Ms. Williams. It is important to hear straight from someone who has lived through this. I appreciate your coming all the way up here. I know it has been a real sacrifice for you.

Ms. WILLIAMS. Yes, ma'am, it has.

Ms. NORTON. I know you work every day and you have to get back on a plane tonight.

Let me go on to Ms. Turner so we can quickly get to questions.

Ms. TURNER. Thank you. I appreciate the opportunity to be here today. I direct the Center on Metropolitan Housing and Communities at the Urban Institute, where my research focuses for the most part on segregation, poverty concentration and its effects on families and on communities.

More than 18 months after the devastation of Hurricanes Katrina and Rita, too many low-income families are still living in FEMA trailer sites. The numbers seem to change day by day, but

I have read recently that thousands of displaced renters are still living in over 115 group trailer sites constructed or managed by FEMA.

I visited one of these sites almost a year ago and despite the best efforts of the management staff, it really epitomized everything that housing policy can do wrong for families. Hundreds of tiny trailers were lined up in very efficient rows in a huge, fenced-in field, miles from schools, jobs, grocery stores, playgrounds or doctors' offices. Social science research teaches us that clustering large number of vulnerable families in isolated, under-served locations is a recipe for disaster. Historically, many federally-subsidized rental housing projects have made the same mistake, trapping poor families, especially minorities, in distressed inner-city neighborhoods. In these neighborhoods, jobs are scarce, schools are often ineffective, crime and violence are common and young people see few opportunities for success.

So a growing body of research evidence indicates that living in this kind of high poverty community undermines the long-term life chances of families and kids, cutting off access from mainstream social and economic opportunities and perpetuating inequality. Young children, especially like the children who were so badly shaken by the trauma and displacement of the storms, are especially vulnerable.

Public policy should focus on providing meaningful, permanent housing choices in decent neighborhoods for the low-income families who are currently living in trailers. Housing vouchers can be a part of this solution. They offer a critical tool for supplementing what low-income families can afford to pay for rental housing, and when they are implemented properly, they let families choose what type of housing and location is best for them.

But vouchers alone won't do the job. Many families will need hands-on help finding homes or apartments where they can use vouchers. Based on small scale demonstrations in communities across the Country, we have actually learned a lot in recent years about how to help families make the most of housing vouchers. When families receive hands-on assistance with their housing search, along with basic support and counseling to help them find jobs, arrange for child care, obtain medical attention, a housing voucher can open up opportunities for stability, security and economic advancement.

In addition to vouchers, Federal policy really must focus on making more affordable housing, both rental and sales, available in Gulf Coast communities as quickly as possible. Most new construction is going to take a lot of time. I think the modular solutions described by Mr. Dupuy look really promising. But it is also important to take steps to bring the existing stock of rental housing back into use. This could be accomplished by offering grants and low interest loans to rental property owners who agree to reopen their buildings and keep rent reasonably affordable and by purchasing single family homes whose owners do not want to return and transferring them to non-profits that will fix them up and make them available for rent.

In this process, it is really important to focus also on combating possible discrimination by housing providers, in order to ensure

that low income and minority families have full and fair access to the homes and apartments that are available.

Finally, as long as some families remain in trailer communities, they need on-site services to counteract the damaging effects of isolation and distress. Key services include health and mental health care, job training and job search assistance and high quality child care and after-school activities. Clustering very large numbers of low-income families in isolated trailer sites was a grave mistake in the first place. We know how to do better. The Federal Government should be drawing on the housing policy experience of the last decade to create opportunities for families to leave the trailer site sand choose permanent affordable housing in opportunity-rich communities.

Thank you.

Ms. NORTON. Thank you very much, Ms. Turner. You turn us toward solutions, indeed.

Because Mr. Paulison has to go in connection with his official duties, I am going to focus on a few questions that go to the whole basis for this hearing. I think all the testimony has provided a basis to talk about solutions and not merely the problem.

Let me tell you about the assumption of my questions. I am not assuming a brave new policy. I am assuming that FEMA can provide only temporary assistance. And you can bet your bottom dollar Congress is not going to make it into some new permanent housing agency.

I am assuming much of the status quo, with changes that can be made either administratively or by statute if necessary. Let's clear up this horrible number of trailers. Ms. Turner testified as to the numbers she hears, the press says the numbers they hear. There was other testimony by one of you about 46,000.

Mr. Paulison, how many trailers are in your inventory at this moment, at this time, I should say?

Mr. PAULISON. Around the Country, we have occupied 88,000 travel trailers and mobile homes, with families living in those. In our inventory, totally, I can tell you at Hope, Arkansas, we have, as Congressman Ross said, we have over 8,000 new mobile homes. We have about probably less than 2,000 travel trailers. But I have about 40,000 travel trailers that have been used that are not usable. These are the ones that we are going to be auctioning off. We have 65,000 total nationwide in storage.

We are getting back in from Katrina, from others around the Country, about 800 a week that are coming in. Those are the ones that Mr. Molino was talking about that we are considering auctioning off or giving them to volunteer agencies, selling them to the people who are actually living in them, those types of areas. That is kind of where we are with the amount of trailers we have in stock, travel trailers and mobile homes.

Ms. NORTON. Mr. Paulison, you used the word auction. I am going to quote from Mr. Molino's testimony, because I will tell you, it broke my heart to hear Ms. Williams, it broke my heart to hear his testimony, too. He talked about the sale is scheduled for March 19th. The GSA auction web site listed 61 trailers for sale in Purvis, Mississippi. Anybody heard of Purvis, Mississippi? I have not. That tells you how small a community it must be. It may even be a hint

as to what kind of an economy it must have. Actually, Mr. Molino supplies some testimony in that regard, too.

He says, Purvis is in Lamar County, 2006 total of 79 new travel trailers were sold in the entire county. This means that in one day the Government will try to sell 77 percent of all the travel trailers registered in that county in 2006. As you can imagine, the public auction of so many vehicles at one time can ruin the local market for months to come.

Now, Mr. Molino, if not him, I think it was him, suggested that there was another way to go about it, and that is selling by lot as opposed to by auction, which in ordinary parlance would be seen as dumping. I would like your answer on, is there an alternative way to do what you concede has to be done, and that is to get them off your hands and give the taxpayer back whatever you can, without in fact destroying the local market in parts of the Country where people really live in these things? It is not D.C. A lot of people live in these trailers. So there is a market.

What about the suggestion that has been offered?

Mr. PAULISON. We are very sensitive to Mr. Molino's organization as far as the impact it could have on the recreational travel trailer business. However, they were not complaining when we were buying millions of dollars worth of these things. However, the ones that we are selling are not what we consider mission-ready.

Ms. NORTON. I am sorry?

Mr. PAULISON. These are not what we consider mission-ready. These have been in the field for a long time.

Ms. NORTON. Please answer my question, Mr. Paulison. I don't want to hold you here beyond—I asked you about a practical suggestion that was made by Mr. Molino and I told you this was a results-oriented hearing. I need to know whether as an alternative to doing this by auction, which destroys the market in parts of the Country where these trailers are commonly used, because people live in them and therefore there is a market, is there the alternative available to you as he suggested, to sell them by lot?

Mr. PAULISON. That is an alternative. We do not agree with that. We do not think we can get rid of the ones we need to get rid of using that method.

Ms. NORTON. All right. Let me ask you why you believe that you could not, in fact, because you do have a duty to sell them. We are not trying to say you should not get whatever you can. Why do you believe that selling by lot would be impossible?

Mr. PAULISON. It is not impossible. It is a way to do that. However, the only ones who could purchase those would be RV dealers, instead of individuals. We have been very successful in selling these to individuals who can take those and spend the time to refurbish them, in mostly the camping trade.

Ms. NORTON. Let me ask Mr. Molino. I understand that it would be preferable, and we have here a typical situation where you have to find an answer between a rock and a hard place. The rock is the taxpayers are due back whatever is possible and appropriate. The hard place is, we are not going to destroy, or we think it is outrageous to destroy Purvis, Mississippi.

I am looking for a solution there. Mr. Molino, your response to Mr. Paulison?

Mr. MOLINO. We are looking for solutions also. We looked on the lot sales as a way of getting it back into the stream of commerce and the dealers could fix up the units and sell them back at retail.

Ms. NORTON. So you believe that dealers would be willing to buy by lot on those conditions?

Mr. MOLINO. I believe so. I don't think we have tested it. I know that in one of the auctions, one of the dealers bought 100 units recently, a dealer up in Alberta, Canada. So there is a market for lot sales. I would like to be able to work this out with FEMA and Mr. Paulison has offered to have a meeting to talk about this. So that is a good start to finding solutions.

Ms. NORTON. Mr. Molino, thank you.

The only problem I had with your answer, Mr. Paulison, is you quickly said, that is not the way to do it.

Mr. PAULISON. I have also offered to meet with him and GSA———

Ms. NORTON. You didn't even say that.

Mr. PAULISON. I am sorry. I should have said that———

Ms. NORTON. If you had said that, I would not have had the next set of questions. So save me some time. Look, if you want to do something like this, there is no way to do it without talking with the industry. That is why it was my suggestion, minority didn't have to say, why don't you invite some people from the industry, I said, bring the industry in here so we can see if there is some way to get to a workable solution. Perfect solutions are not available to the Congress of the United States. I doubt if they are with you.

I would like, without saying what should happen, I have no idea, if I were you, Mr. Paulison, I would try some place, somewhere, try it out on an experimental basis, before dumping this in some small community and wiping out the market instantly. I believe that the Congress of the United States wants you recoup the taxpayers' money, but you have a long time doing this, would mind if you indeed had that meeting within the next 30 days and reported to this Committee, and I mean within 30 days, because time is ticking.

What you think is possible, I have suggested that some kind of experiment to happen, you can find out pretty quick if you offered it. I would like to have that plan within 30 days, or if a plan is impossible, to tell me why.

I know if you have to go, therefore, if you answer my questions directly, you will go even quicker. No declaration. We understand what the statute says. The problem I had with your decision not to do a declaration in Arkansas had to do with a reason that was given in the press. I will give you an opportunity to tell me that perhaps that was not the reason. That the community involve din Arkansas was told that somehow the State, I guess it was, had a surplus, when in fact in the same general area, where there had been tornadoes, there had been declarations and those States also had surpluses. We all have them for the moment, they will disappear quickly.

But why is surplus the operative standard as opposed to need, and is that in the statute?

Mr. PAULISON. No, ma'am, we did not consider the surplus in the State. It had nothing to do———

Ms. NORTON. Sorry?

Mr. PAULISON. We did not consider the surplus in the State. It had nothing to do with the decision.

Ms. NORTON. Where did they get that from?

Mr. PAULISON. The Governor made a comment that they had a surplus, and I am assuming that is where they picked that up. The decision was made because there were only 37 homes destroyed and 25 homes heavily damaged, total, that were unoccupied, that it did not meet the level of a disaster declaration for the President to sign. I made the recommendation that we not approve that.

Ms. NORTON. I am going to ask one more question before I go on to the Ranking Member. I just want to get some of this on the record.

Surplus. There are surplus trailers. Let's assume for the moment there is nothing we can do or would want to do, I don't know, we will have to look there, at the fact that no surplus was held. We are going to look into the other communities that had tornadoes in the same surrounding area. That notwithstanding, you apparently believed that you could not sell excess trailers to the Governor or the local community and told them that until the matter was exposed in the press.

Then as the Post said in an editorial, FEMA is congratulating itself in finding 15 trailers or so that it could sell after telling them, sorry, that is not within their authority. Would you explain, please?

Mr. PAULISON. What you read in the press is not accurate. They were asking for the new trailers that Congressman Ross talked about. The Post-Katrina Reform Act does not allow us to do that. It makes us go through a GSA process and offer them to normal, to Federal agencies first, primarily focusing on the Bureau of Indian Affairs, to get them to the Indian tribes.

Had I gone through that process, the State would not have seen one travel trailer or one mobile home. I got with the State emergency manager, I said, what do you need, and they said, I need 30, I need 23 mobile homes and 7 travel trailers. I said, I can access good, almost like-new used ones to you through GSA, we can expedite that and you can have them the next day. He said, I will need to talk to the Governor. The next morning he called back and said, that is exactly what I need. We worked with the GSA and over that weekend, that was a Friday night, Saturday and Sunday, the State came and picked those trailers up.

These were like-new but used, so I didn't have to use the process that is laid out in the Post-Katrina Reform Act.

Ms. NORTON. That is typical of what I meant in my opening statement, when I said if there is a problem, if you notify us then at least it won't arise again.

Mr. PAULISON. And this is the first time we have used this process, and that is why we were pleased to be able to work it out with general counsel.

Ms. NORTON. What I am not pleased at is that obviously it did not work out right away. Somebody did not step up and say, okay, here is the alternative. Because it all made the newspaper, everybody came down on FEMA again. It seems to me that somebody has to say, look, do you think the Governor would have insisted on

new trailers if somebody from FEMA had said, here is something in the alternative? And indeed, that might have been the appropriate thing to do in the first place, rather than offer your new stock, which you may be saving for the next disaster.

Anyway, we will look at it again. I am complaining about inflexibility on the part of FEMA and where you don't need a change in statute, but you need somebody sitting there thinking about the disaster and thinking about what is possible, what are my options.

I am going to ask Mr. Shuster to ask any questions he may have.

Mr. SHUSTER. Thank you very much.

My question, I am a former automobile dealer, so when we are talking about selling things in lots, used cars, I understand exactly where Mr. Molino is coming from. But I also, Mr. Paulison, understand where you are coming from, I think, and tell me if I am wrong, if we sell them in lots, it has been my experience, when I used to sell used cars in lots to people, we would tend to get less money, because they take some of the good, they take some of the bad, and so we lose out on the money we get back. I think that is where we are coming at. I know that in the small community that I live in in Pennsylvania, along the river, I have seen some of these FEMA trailers, people buy them and refurbish them, I think that is what you are talking about, you get a better, you can get more money selling them to individuals than you can selling them in lots.

But on the other hand, you sell them in lots, you may be able to move them out faster. So it becomes a question of, do I want, and I do not know that this is a question, is it a better return if you are selling them individually, and that is more important in getting them out in mass quantity?

Mr. PAULISON. That is why I want to sit down with the industry and with GSA to work this out. There maybe a compromise here where we can do both. In the past, we have had better luck selling them individually. They have sold faster and we have gotten more money. We have been averaging 40 cents on the dollar, which is not bad for a trailer that has been out there in use for a long period of time.

However, I am very sensitive to the organization's concern and the industry's concerns. We will sit down and work with them. Madam Chair, I will have something back to you within 30 days.

Mr. SHUSTER. The second question is, under the FEMA Reform Act that we passed in the last year, there was a provision in there actually offered by Senator Pryor from Arkansas that forces us to go through the GSA process. I think that is correct.

Mr. PAULISON. That is correct.

Mr. SHUSTER. Again, I think it is important that, and you can comment on it in a minute, but as the Chair has said, it is important that people at FEMA are thinking outside the box. I think, and you can talk about it a little bit more if you would, the situation in Arkansas, you did come, you found a creative way to use those trailers and get them out there, is that accurate?

Mr. PAULISON. That is correct. I felt that we were very flexible in forward leaning and trying to find some way to say yes as opposed to saying no. I challenged staff to do that, and they went back and found a legal method to do this, where we were able to

get those trailers outside of a declaration, something we have never done before, to get those to the people who needed it, without violating statute and still getting the job done.

Mr. SHUSTER. I think that is exactly the kind of thing we want to see from FEMA. I think part of the problem is creative solutions are not coming out of FEMA because there are folks up here on the Hill and in the media that the first time they see something at FEMA that does not look quite right they are all of a sudden jumping all over you and they want to have investigations or the media is doing a witch hunt. It is important in an emergency I think for you folks at FEMA to be a little creative and try everything you can. Because in the end, that is what we are trying to do, is help people. Sometimes we make mistakes, whether it is us up on the Hill or you at FEMA. We can't hang people for trying to go out there and try something creative and unfortunately sometimes stumbling and falling.

Mr. PAULISON. Thank you. I appreciate that. I know, Madam Chair, we are trying to move quickly. But I do need to say, what we did in Florida and Georgia and Alabama, we moved even before the State even asked for declaration. Arkansas, I delayed that decision because I did not want to say no. I could have said no the first day, because we simply did not have the amount of devastation. I kept going back to the State, going back to our staff, is there more damage, is there more damage, give me more information. Maybe I should have said no sooner. But I really wanted to say yes, and I just couldn't get there. So that was part of the delay, and I won't make that mistake again. We will make a decision quickly so the Governors can make the decisions they have to make. You are absolutely right and thank you for that comment.

Mr. SHUSTER. I have no other questions.

Ms. NORTON. I am going to go to Mr. Arcuri.

I do want to say, look, you have not seen me say, let's change the declaration. I do not have enough information to know. I think that was set for a reason. I am looking for solutions that leave us with a status quo but are able to use our out of the box thinking, rather than say, okay, here come 500 more communities that we are supposed to pay for and we have no money. So I don't want to raise those kinds of expectations. I juste want you to think harder.

Mr. Arcuri.

Mr. ARCURI. Thank you, Madam Chair. Thank you all very much for being here, especially Ms. Williams, thank you for taking the time to share your story with us. I appreciate it very much.

Just a short question, Mr. Paulison, Mr. Molino. Is there any consideration given to which way of selling, whether by lot or individually, is more advantageous or more conducive to the needy or the lower income being able to purchase a trailer? Secondly, is that a consideration for FEMA?

Mr. PAULISON. I think that is. Most of what we are selling, quite frankly, are travel trailers. They are not something you would live in. The people who purchase these are using them mostly for camping and those types of things. So I don't know that that would meet a low income type of thing.

We do also have the ability to donate these to volunteer organizations. We can donate them to States and other areas that can be used for people of low income, use for volunteers who are providing services and things like that. So there is a method. We do have the authority to do that, and we are going to push very much to do a lot of that.

But like I said, we already have 40,000 of these in stock that are used and we have to get rid of, and I am getting 800 a week back in. We are out of space as to where we are going to store them. So we have to do something to dispose of them and we need to do it quickly before hurricane season, which is coming up very soon.

Ms. NORTON. Thank you, Mr. Arcuri.

We are going to let you go. I want to ask, on the GSA process, we of course have jurisdiction over GSA, I will tell you, I am inclined, the fault that one would lay at FEMA is that you did not immediately suggest that these used trailers would have probably been more appropriate, if anything, and didn't send them to that process. You know what? At the moment, I don't want to disturb the fact that GSA has the process. I just want you to send people through the GSA process. I don't want to put, what is that old spiritual, he will not put on your shoulders any more than he will give you strength to bear? I am not sure about that, if we give FEMA yet a new process, the GSA process.

So I think what I would prefer at the moment with respect to people who have needs, we are not talking about the State now, who have needs where the GSA process could click in, or we could by statute say, give that process to you, I would only ask you to send out something to say, the first thing you should do is go to the GSA process if somebody from an area where no disaster has been or could be declared. That just might solve that problem.

I need to know, Ms. Williams is going to have to go shortly, too, because she has come all the way from Louisiana and has to go all the way back. I heard her say she had a five bedroom house. You owned that house?

Ms. WILLIAMS. Yes.

Ms. NORTON. She owned a five bedroom house. Ms. Williams, you are employed by whom?

Ms. WILLIAMS. Plaquemines Parish government.

Ms. NORTON. How far is that from, I have a question to ask Mr. Paulison of whether he can help people like you, how far is that from—is your place of employment—from———

Ms. WILLIAMS. Hammond.

Ms. NORTON. The one now, the FEMA area before.

Ms. WILLIAMS. An hour and a half to two hour ride.

Ms. NORTON. How do you get there every day?

Ms. WILLIAMS. Drive.

Ms. NORTON. We are very fortunate. Ms. Williams had a very good job, I don't know how many people like that might be spread around in trailers, everything was gone. She had a car, because she had a good enough job to get there on her own transportation. Suppose Ms. Williams was exactly as she is now, except that her car had been wiped out too, except that the parish said, Ms. Williams, you can get back here you can have your job. But we can't get you back here. And she didn't have any way to get back here.

Do you think, I am not asking if FEMA could do it, do you think that we would all be better off if there were a way to get people who have jobs to their jobs, so that they could perhaps relocate quicker and fulfill statutory mandate of keeping people in trailers on a temporary basis?

Mr. PAULISON. Do you want me to answer that?

Ms. NORTON. I am asking you the question.

Mr. PAULISON. I am sorry, I thought you were talking to Ms. Williams.

Ms. NORTON. I certainly was not. She has a car. I recognize what would happen if she didn't have a car and had been wiped out but has a job. I just want to know, I am using her as a hypothetical, somebody, forget Ms. Williams for the moment, somebody who has a job but no way to get there and has been wiped out, is there anything that FEMA could do now, or for that matter in your view should be able to do to get such a person closer to employment?

Mr. PAULISON. The difficulty—the answer is yes in one sense. The difficulty was finding places to put our group sites, to put them in place where people were before. In Plaquemines Parish, that is extremely difficult, because that whole area was wiped out.

Ms. NORTON. Is there housing anywhere in Plaquemines Parish where you could move now? I am talking about Ms. Williams.

Mr. PAULISON. I don't think we have any group sites in Plaquemines.

Ms. NORTON. Look, she has a job. I am trying to get her out of a trailer altogether.

Ms. Williams, is there housing closer to Plaquemines Parish or there which is rental housing, for example?

Ms. WILLIAMS. Yes.

Ms. NORTON. I understand you even had some benefits that came to you as a result of your insurance or the like.

Ms. WILLIAMS. In the Bellechase area, that is the only area that maintains housing in that area. But as far as the rest of the parish, it was wiped out. So they do have camper trailers on one side of the parish and mobile homes on the east bank of the parish. That is a question that some of the parish people would like to know, why one side of the parish can get full-size mobile homes and the other side gets travel trailers.

Ms. NORTON. What is the answer to that, Mr. Paulison?

Mr. PAULISON. It depends on the size of the lot and what stock we had available at the time. Eighty percent of our mobile home stock or travel trailer stock is in people's driveways, on their personal property. Most of the group sites were travel trailers. We are probably not going to do that again, because we did not recognize they were going to be there that long. So in the future, if we do group sites where we use mobile homes and not the travel trailers, we will use the travel trailers to back up in people's driveways.

That is another lesson learned. This is another housing piece for FEMA that we did not have the experience in, we did not have the expertise in. We didn't, quite frankly, have the ability to do it, it got dumped in our lap. We normally house 3,000 to 5,000 families a year. We ended up housing over a million people after Katrina and Rita, far beyond the capacity of this organization.

So we are learning as we go along. We would not use travel trailers again at group sites, if we have the choice.

Ms. NORTON. Just two more questions. Mr. Dupuy, of course, is doing something very interesting and new. Congress itself has authorized this. Is this a pilot, the first of its kind?

Mr. DUPUY. Yes, ma'am. Congress in June of last year included $400 million in supplemental appropriation for FEMA to conduct a pilot program.

Ms. NORTON. Could I ask whether or not, when these houses are built again, these were still under FEMA's jurisdiction, although this is permanent housing in the sense that it could remain standing. What is envisioned, that FEMA will sell the housing to these or other people, Mr. Dupuy?

Mr. DUPUY. Each of the four States that are receiving grants from this pilot program get to make the decisions on how the housing will be displaced at the end of the pilot program. In Louisiana, Governor Blanco has tapped the Louisiana Housing Finance Agency to administer the program. That agency promotes home ownership, and the LHFA has committed to make as many of the units available for home purchase as possible.

Ms. NORTON. So they will be owned by people afterwards? And this will become permanent housing in the community?

Mr. PAULISON. They are owned by the State, and each State will decide how they are going to be dissipated. They belong to the State. They don't belong to FEMA.

Ms. NORTON. This alternative housing is very promising. I don't know how promising it is for large numbers of people, but obviously Katrina is unusual. We don't have many disasters that have such huge numbers of people. So this may be more practical than we think.

Before you leave, finally, Mr. Paulison, again with my apologies, and I appreciate that you have been able to stay, I would like to ask you this question. Given what Mr. Shuster and I have said about new thinking that can be done within the agency, bearing that in mind, do you believe that any statutory change is necessary to meet the kind of problems that arose in Arkansas, in Mississippi and in Alabama with respect to housing relation planning and the proximity to either services or other housing?

Mr. PAULISON. No, ma'am, I don't. I think we have the authorities we need to do the job. I think that what you are going to see and what you see now is you are going to see a different FEMA, looking at things differently, looking outside the box. But the authorities that I have at my disposal I feel are adequate for me, not only adequate, are more than adequate for me to do the job that you want us to do.

Ms. NORTON. Let me ask you one more question. Are there people living in some of the Louisiana, there are so many people there, people like Ms. Williams who have jobs and can't get to them, she has gotten to her and I congratulate her. But are there people living in some of these trailer areas who are disproportionately elderly, had been on welfare, had been disabled, in these trailer units?

Mr. PAULISON. I don't know about disproportionately, but the answer is yes, the group sites that we have are a mix, a cross of Lou-

isiana. We have elderly, we have families, we have people who are disabled.

Ms. NORTON. What is going to happen to those people?

Mr. PAULISON. It is a major social issue. I don't know what the final answer is. We have tens of thousands still in Houston that have been displaced from Louisiana, who have not been able to go back home yet.

This is a major social issue that I would love to work with this Committee on, maybe outside the purview of FEMA. But I think that this Committee definitely would be able to look at some of these issues and how we are going to resolve them long-term.

Ms. NORTON. I don't know what the answer is. But I know this much: people who are elderly, people who were previously on welfare, people who are disabled, are not going to buy themselves and make their way out of temporary housing. And here the courts are faced with a situation they don't even know what to do with, because they don't want to do something inhuman, you don't want to do something inhumane.

Recognizing that many of the communities have been destroyed, that is, however, let me put that aside for a moment, that would, in most States there still are communities. If people have been on welfare or are elderly or have been on aid to disabled or any of the like, is there anything that would keep FEMA from saying, you had a life in a permanent community. It might not have been the life you loved, but it was a life involving each of these things. Could FEMA help these people get to a community and to the local service where at least they could resume living the life they lived, as opposed to, understand what a FEMA trailer is, people are accepting food by charity. You have no obligation to render many of the services you are rendering. You are setting time limits that themselves would be regarded as something close to displacement camps some place.

What is to keep you from saying, some community must be found, and we will aid you to find a community, whatever was your prior circumstance, because this community has to evaporate? What is to keep you from doing this, and do you have the authority to do this now?

Mr. PAULISON. Yes, we do. We are working very closely with HUD, trying to make our relationship with HUD and other Federal agencies much more robust than it has been in the past. HUD is the expert in housing, it is not FEMA. So we have been working with them to find out what do we do. We have people in apartments, particularly in Houston, and to transition those people over into HUD programs and then the people in the travel trailers and mobile homes, to do something similar to that. The travel trailer and the mobile home sites we set up are not conducive to a good family life. We need to find some way, like you just said, to find a better type of environment for them to live in. It is not where they are right now.

Ms. NORTON. Like we don't dump trailers, we don't dump people on communities who are in need of community services. We have got to find a way, though, this is catastrophe waiting to happen. You are going to have some of the last evacuees left and something terrible happens to them, fire, something terrible happens to them.

And I'm telling you, the simple thing I am suggesting is not Houston. Houston has done more than its share. Moreover, Louisiana doesn't look like there are many communities either.

But it does seem to me that somehow the decision has to be made that of the communities in the larger area, with perhaps some assistance from the Federal Government, at least to begin with, people can find their way back to the life they had. FEMA doesn't promise, the United States doesn't promise the life you should have. But if the life you had was less than any of us would have wanted, at least you must find that life, or else FEMA is left with 48 hour cutoff notices, although that had to do apparently with the State of the particular area.

You have said that relocating was the right thing, but you regret the 48 hours. We know there was no emergency there. It had a stench to it, we know that the light had been cut off. It was a pretty inhuman situation. Why 48 hours?

Mr. PAULISON. Staff wanted to move people over the weekend, so they didn't lose day work, come in Monday and the kids would not miss school. They thought they could move everybody over the weekend.

Ms. NORTON. Did you have a meeting and call people like Ms. Williams together and tell them that?

Mr. PAULISON. They did not. And that was my concern, I fixed that, that is not going to happen again. There should have been better communication. There should have been better consideration for people who maybe wanted to stay another week to get out of there. However, the conditions, and I am sure Ms. Williams will testify to that, in that particular area, was not good. They were not being treated with respect. Some people were on oxygen, so when the power went out, they would have problems. The sewer would back up consistently. This particular person had two other trailer parks that we closed down also, we moved out of.

The decision, again, was a good one. I will stand by that. However, my staff should have been a little more sensitive, and I have made that extremely clear to them. That is not going to happen again.

Ms. NORTON. Thank you, Mr. Paulison. Let me ask you this. Whether you are going to give people two months, or the notion of calling people together, so that they understand. Most people, if they understand what is happening, can accept it, particularly under the circumstances that they are living. I tell you, that was the part of it that most got to my gut. Here are people who have, for reasons having nothing to do with themselves, because it was a natural disaster, have bene left out there longer than any of us would know what to do with. If you are down there, you can get to treating people like cattle, or some kind of displaced somebodies who we just have to find room for. That is outrageous.

And I understand that you bring a very good and humanitarian view to your work. I don't mean to criticize it. I do mean to say that that has to down from the top, all the way down. And I wish you would send out a notice about what has to be done. All people must be called together somewhere if you intend to move them. So that the same kind of town meeting that I have in my district, you

all would have, call it what you want to, so that people could ask questions.

If the old people heard you say, but you know, there are young people here and children here and we don't want them to miss school, do you think they would have said, well, I don't want to be moved on 48 hours' notice? But if you are a cripple in a trailer and you think somebody wants to move you, you think, this is the third time maybe that you have moved, you have every reason to be outraged.

Thank you for your work. I want to work closely with you. If you are willing to work with me and if you are willing to do what Mr. Shuster said, let's think about how to do it another way, not cite a regulation, do what you finally did with the GSA trailers, only do it right away, and tell your people that we are expecting that kind of thinking about alternatives before ever saying no, then I think we are going to get on fine as long as I am Chair of this Subcommittee. You may be excused.

Mr. PAULISON. Thank you.

Ms. NORTON. I would like to have the other members ask questions of our other witnesses at this time, if they desire.

Mr. SHUSTER. Thank you. First question, to Mr. Dupuy, it appears as though the Katrina cottages are superior to the travel trailers. Can you talk a little bit more about that?

Mr. DUPUY. Sure. They are certainly larger. Travel trailers are very small inside. They are intended for recreational use, as we heard today, they are not intended for long-term living.

Mr. SHUSTER. They can be long-term living? The look like they are stout enough that you could live there.

Mr. DUPUY. The homes that we are building are on a foundation, they are stick-built, they are not modular. They are meant to last forever. They used advanced material, we will be using steel framing that is designed to withstand hurricane force winds, cement fiber paneling.

Ms. NORTON. Just a moment. We are excusing Ms. Williams to get to the airport. The last thing we want to do is compound the problem by having her miss her plane. Thank you so much for coming, Ms. Williams.

Excuse me, Mr. Dupuy.

Mr. DUPUY. Sure. Also, aesthetically, they are an improvement over travel trailers and mobile homes. New Orleans is a very aesthetically sensitive place. Mobile home or travel trailers do not fit into the neighborhood fabric there. The homes that we have designed speak very much to New Orleans architecture, over in the southwestern part of the State, the architecture over there.

Mr. SHUSTER. And you looked at different sections of the Country to try to make it aesthetically pleasing?

Mr. DUPUY. One of the benefits of this model is that the exteriors can be adapted to any architecture around the Country.

Mr. SHUSTER. It is Cypress Cottage Partners, what groups are those, investors?

Mr. DUPUY. No, it is a collection of companies that came together to respond to FEMA's pilot program and to deliver on it, now that we have been selected. It consists of Cypress Realty Partners as the developer, the Shaw Group out of Louisiana, which is a large

engineering construction company, Lowe's Home Improvement, which is providing the materials, Andres Duany, who is an internationally respected town planner and architect, Marianne Cusato, who was the designer of the first Katrina cottage. That is our team.

Mr. SHUSTER. Thank you. Mr. Molino, is your concern about the travel trailers, is the used trailers or the new trailers that are of greater concern to you and your industry?

Mr. MOLINO. I don't think they are getting rid of the new trailers. I think it is the used trailers that they are putting into the market. But our concern would be anything, because we are a small industry and dumping or selling to the consumer has two issues. The first is the market issue, the second is the safety and, if they are not fit, mission-ready, selling them to a consumer, a consumer thinks he is buying an RV from watching our commercials and stuff, and they are not getting a safe RV, they are going to have a bad experience. That is going to give our industry a bad name, too.

Mr. SHUSTER. Is it your concern, as Director Paulison said, they are trying to maximize what they get out of these trailers, because it is the taxpayer dollars. Are you comfortable with the amount of money they are getting for them? I understand your concern about what condition they are in, but as I mentioned, I live in a small community and there are farmers that have along the river frontage a lot of folks that have purchased these types of trailers. They buy them inexpensively, because they can afford them, then they spend the money to fix them up.

So the amount of money you are getting for them, do you consider that dumping?

Mr. MOLINO. It could be. I am really not competent to comment on that, because I do not have the data on how much exactly they are getting. Forty cents on the dollar does not seem like that is a tremendous discount, really.

Mr. SHUSTER. And the new ones, they are not selling the new ones, based upon, I think, because of the law we put in place.

Mr. MOLINO. Right. I don't think they are selling new ones.

Mr. SHUSTER. They aren't, because it is against the law at this point. They have to go about it in a long way to make sure that it doesn't affect your industry in an adverse way.

Are you concerned over donations? Is that a concern to you?

Mr. MOLINO. No, I don't think so. That doesn't get them—if they are donated, I am sure they will be donated to people who have the ability to refurbish them and make sure they are safe. In fact, the dealers might even want to participate in that on a voluntary basis, on a community service basis.

Mr. SHUSTER. I have no further questions. I yield back.

Ms. NORTON. Thank you very much.

Mr. Molino, can I ask you, do members of your association have a standing contract or some kind with FEMA to provide trailers?

Mr. MOLINO. No, ma'am. That is another part of the issue. When Katrina happened, it was very chaotic and people were out trying to buy trailers. It was very difficult to try to bring any order to it, to tell our people where to go, to send their specifications because it was happening so fast. And that is one of the things I would like to talk to the Director about and be able maybe to work something

out in the future so that there is an alert system. We don't really want a contract with them, but we would like to be able to inform all the dealers, especially the dealers in the disaster area, that there is a need for trailers, so that they can offer them, they can bid on them.

What happened, manufacturers sold direct. They didn't sell through dealers in all cases. And some dealers from out of the area actually benefitted more greatly than the dealers in the area. It is a definite fairness issue. So I appreciate your asking me that.

Mr. SHUSTER. Madam Chair, I have to depart shortly, I just want to make sure the record will remain open and we can submit question to our witnesses.

Ms. NORTON. Very much so. We certainly are learning a lot.

Mr. SHUSTER. Thank you.

Ms. NORTON. I wonder if it would make sense, Katrina brought up all these huge, you say they ran around looking for trailers and I am sure people were willing to sell them. Would it make sense for FEMA to have a contingency contract with the owners so that they could quickly transport trailers, rather than to store them and then be left as we are now finding them?

Mr. MOLINO. I would like to pursue that. We offered that actually before Katrina and I think what FEMA was looking for at that time in their planning, and this ma have even been prior to the current Administration, but it was in that area between Mr. Witt and the first FEMA director under the current Administration. There were some issues about trying to find a company that could actually take over the contract and actually put the vehicles into sites and get the sites prepared and do all of that. We weren't capable of all that enormous task.

Ms. NORTON. Of course not. So you had to have two or three things going for you in order to be able to do that. This is the kind of contingency planning that we hope FEMA learned from Katrina, and that is something that we will want to submit as a question to them.

Mr. Dupuy and Ms. Turner, you are here because of what I indicated at the start of the hearing, that we were interested in solutions and too often hearings are not solution-oriented or they are oriented toward, oh, why don't we do what Mr. Dupuy says, all over the Country quickly. The Congress did it the right way by seeing what happens, making sure that some contracts could be let, learning from them. That is one way to do it, very attractive. Because I see it as fulfilling two possible needs, obviously the need for short-term housing. But since, as I understand it, this housing is built so that it could be permanent, given the shortage of affordable housing, there goes a double bang for the buck. So I am very interested in this solution.

Meanwhile, Ms. Turner, we have asked you to come, and may I thank you again for coming on such short notice. Because the problem is just that hard. We are not going to be able to do enough of what Mr. Dupuy apparently is already showing can be done, we are not going to be able to do it, even though it looks like we will sell these. So the cost doesn't even become the kind of problem it is for FEMA and others to deal with this situation.

But we know that FEMA deals with emergencies. What we are trying to do, as I said in my opening statement, is to assume the state of affairs we have with Katrina. We have it in Mr. Mica's district. We have some trailer areas that have never dispersed. Perhaps some of you have seen some in the press, it was either Mr. Mica's district or somewhere in Florida. You may have seen that in some of these areas where the last people to leave are the ones who have the least means to leave, or for whatever reason can't get out, aren't getting out.

In those places, we have reports of serious crime, FEMA is not a place force. We have had reports of fires and the local fire people sometimes saying we are not coming the next time, but of course they do. They submit a bill to FEMA and FEMA says, we have your bill, we are going to try to do what we can. And FEMA doesn't know whether it should pay or not for this vital service. We have the transportation issue. Ms. Williams was an excellent witness, because all we have to do is take away her car and we have someone that we are making dependent on the State, because you then take away her job and yet, FEMA is not supposed to help you get there. My question to you is, we can't do what Mr. Dupuy wants us to do for, remember, not just Katrina victims, but for victims of natural disasters all over the Country. What would be the component parts of the town or community, I won't call it a town or community, because it is not meant to be that. It is really meant to be a temporary place.

What would be the component parts to make it work while people are there and to help it, I use the word evaporate, because I mean that, what is minimally necessary to keep that from becoming a crime, disaster area, so that you will never put another trailer park there as far as that local community is concerned? What is necessary given a fact that you may have a disproportionate number of people who have problems, like the elderly have, or people who didn't have any work in the first place? What is necessary, one, to sustain them in some kind of decency? The statute says shelter. Nobody is going to provide long-term food and services. Sustain them in humane conditions while at the same time moving them on and out as quickly as possible rather than allowing them to take root, as some are quickly taking root in Louisiana and already have in Florida from past hurricanes.

Ms. TURNER. I want to start by saying that I am not an expert on FEMA or the Stafford Act. So I am going to talk about, in principle———

Ms. NORTON. Talk about in principle, because none of us are on what to do here. That is why we are really talking off the top of our heads. But talk about this. We are not going to set up a new social services agency within FEMA.

Ms. TURNER. I agree. First, we should be putting as few people in trailer sites like this as possible. I think it is inevitable in a disasters of the magnitude of Katrina that there was going to have to be some people put in group trailer sites. But FEMA, this Administration went to that solution way too fast. They didn't use HUD and HUD-type solutions to help as many people get back into regular communities with some housing assistance quickly.

Ms. NORTON. I take your point but I really wonder where the whole darned Gulf Coast had been wiped out and people are piled into Houston and Baton Rouge, whether there was room to do much more piling in of people than was done.

Ms. TURNER. I think they could have served a significant number of families with vouchers.

Ms. NORTON. Where?

Ms. TURNER. In the outlying parishes of the New Orleans metropolitan area, outlying areas of Baton Rouge. It wouldn't have taken people back exactly where they wanted to be. And it wouldn't have taken care of everybody. I am not suggesting this is a silver bullet. But we could have done more, both in the Gulf and in the diaspora.

Ms. NORTON. How do you know that?

Ms. TURNER. Because actually, vacancy rates in that whole part of the Country, rental vacancy rates were quite high at the time of Katrina.

Ms. NORTON. Why do you think, if there are vacancy rates, people usually come themselves to the Government agency and say, me, me, me. Mr. Paulison is not here, so I have to ask these questions.

Ms. TURNER. Because our conventional housing subsidy programs are under-funded and have huge waiting lists, essentially the Katrina families were either getting at the end of a very long waiting list if they went to the conventional programs, or they were bumping equally needy people from those communities.

Ms. NORTON. These were temporary, they weren't bumped for long, because FEMA can only provide temporary assistance. So if you provide somebody with a house, you might be bumping somebody who is already living in a dilapidated house. You are not in fact displacing people for very long on FEMA funds.

Ms. TURNER. I think that is part of the problem here. I understand that there is a line between what FEMA can do and what other parts of Government can do. But in a disaster like Katrina, the temporary for the families, like Ms. Williams, temporary is not 18 months. Temporary is a couple of years until their communities can be rebuilt. She has not been able to rebuilt her house on her land yet.

So we need a way to think about solutions that last longer than FEMA's 18 months.

Ms. NORTON. I'm trying to make this as hard as it is. You heard Ms. Williams say that in the areas closest to her house, she obviously would rather not have a two hour drive, there wasn't housing. So that is why she is wiling to drive. The woman has children, and five people living in a trailer.

Ms. TURNER. I think Mr. Dupuy's solution would work great for Ms. Williams. She owns land. Her insurance settlement has paid off her mortgage. She doesn't earn enough to have a new house built on her land. This temp-to-permanent solution would work perfectly.

Ms. NORTON. She may be a buyer for these houses.

Ms. TURNER. Yes, she was writing down the information on her pad.

Ms. NORTON. I want you to go on, but I tell you, without more information from FEMA, I do not accept the notion that there was

all kinds of rental housing that they overlooked or didn't use. I just don't believe that the market system works this way.

I realize that Katrina is a bad model for what we expect in the natural disaster. But it is very hard to believe. Although I accept that the first thing you ought to do is try to find existing rental housing. Of course, Baton Rouge, that was done, Houston, that was done. I don't know about other places. But go ahead. But assuming you get there, which is a problem we have now.

Ms. TURNER. Assuming that we end up with these trailer communities, I would say the keys are health and mental health care for adults, elderly, disabled, but also children. The children who were traumatized in this storm are suffering terribly emotionally. The consequences for them long-term could be devastating. There should be job training and job search assistance. And if the trailer community isn't near jobs, there needs to be help with transportation. Ms. Williams is really an incredibly resourceful person. A lot of the families left stuck in these trailer parks, as you have suggested, don't have her strength, resilience, resources.

Ms. NORTON. So even if FEMA, which obviously is not equipped to provide job training, and I assure you, we do not intend to have a job training agency, are you suggesting that the Department of Labor, for example, which does provide, it might provide a trailer nearby or some place nearby to help place people, already existing, funded services?

Ms. TURNER. And coordination between FEMA and its trailer park managers to get those services that are available in the communities on site.

The Renaissance Village trailer community outside Baton Rouge that I visited was just getting a Head Start facility up and running when I was there. And the woman running that facility, not using any FEMA money, had had to fight tremendous battles to be allowed access to that fenced-in trailer encampment, where there were hundreds of little kids in need of the kind of successful program that Head Start offers.

Ms. NORTON. I'm sorry, what was the service that she wanted in?

Ms. TURNER. She was putting a Head Start, an excellent Head Start program into that. So health and———

Ms. NORTON. And you are saying she was funded by the county to do Head Start?

Ms. TURNER. I think she was funded by HHS to do this Head Start program. But it was a long battle to get her program into the FEMA trailer camp.

Ms. NORTON. I am going to go back to transportation. I don't think anybody wants to make the FEMA village look like it is a village with services. If you didn't have Head Start where you came from and more than half of the families who are entitled don't, then set up Head Start in the FEMA village and of course you send a message about the FEMA village that wouldn't be necessary.

It seems to me, though, that if she is funded to do Head Start, she can help get them out, if in fact people can, here I go back to travel, if FEMA can provide a shuttle to the Head Start. To the extent that a FEMA place looks like a place where there are services, I don't understand why you should leave the FEMA place. I hate to be just that hard-headed. But that is what the statute con-

templates. If it didn't you can imagine how permanent these particular trailer parks would be.

We are getting to the point where nobody decent who owns a piece of land wants a FEMA trailer park there. So you get people like the Hammond, Louisiana trailer park, who took the money from FEMA, let the lights go of, didn't take care of his land. I am trying to make it as hard as I think it is out there. I don't think that lots of on-site services, as opposed to what your writing has suggested, that transportation may be the key to people being able to move on with their lives. You didn't have in mind a FEMA park. But again, being able to get some place and seeing what life was—I hate to use this word—but what life is like on the outside can give you a taste for the outside.

Ms. TURNER. I agree that making these FEMA trailer park villages super rich in services has a potential downside and that the primary goal should be getting families out of them.

Ms. NORTON. You realize FEMA doesn't provide any food?

Ms. TURNER. Yes. Getting people to jobs would be a critical element. But again, you have talked about a rock and a hard place. I agree with you that there is a concern about making these too village-like, too permanent-like. But if you have thousands of vulnerable families living in a place with no services, that is also a recipe for disaster, for the families and for the surrounding community.

So I think it is actually a really tough call. As long as you have significant numbers of families who you have put in a FEMA village, really making that the most unpleasant place possible is counterproductive. So I would argue for delivery key services at the same time you work family by family, with good case management services, on getting them out and back into home communities, if not their original home.

I appreciate your point that they may go back to their previous circumstances, which might not have been perfect, that perfect can be the enemy of the good here.

Ms. NORTON. That is very helpful. Listening to you, this is what I take away from what you said. At the very least, these people are under the jurisdiction of the Federal Government, I will call it humanitarian services. Charities are doing things like providing food. FEMA has provided food well beyond the authority it should be able to do so. So I am not even willing to say that food has been included, because I don't know enough.

But I do know that what FEMA faced with something that looks outside of its statutory mandate is not to say, okay, here is the propane gas for you to cook, except we are not supposed to provide propane gas, so all the propane is gone after this or you have a certain amount per X or what. I am saying, relieving it to ad hoc circumstances and that becomes per se inhumane, because it is not being thought out either by FEMA or by this Subcommittee.

Secondly, the crime that has become a part of some trailer parks, the ones I know about are in Florida, where they were so notorious that they were on television. It does seem to me that minimally, wherever you are, you are entitled to protection against crime. I know nothing about it. I intend to find out about whether there are peace officers, to say to a county, by the way, tell your cops to come

in here. An unfunded mandate, as we say here, is obviously not the solution. On the other hand, if you say, here is a guard that is at the gate of the FEMA village and that is it, then of course you are creating an intolerable and inhumane circumstance of your own kind.

For services other than humanitarian services, seems to me that, I am going back again to transportation, shuttles, for example, probably could be provided today to jobs, certainly. To services, but where does that lead us? Some people need only services and will never get, did not a have a job before, or perhaps had one but were unemployed. That has to be faced. What is the obligation of the Federal Government with respect to those people?

I believe the obligation is to resettle them somewhere. And there is the dilemma, where. My own sense is that if they are dependent that they must not all be settled, they have to be spread out. I am literally thinking off the top of my head, before it all happens and one day you find out you are left with a FEMA village of elderly people, disabled people and unemployed people. Whoever they are, they have to be spread out. They are not entitled to anything more than they had when the disaster occurred. And to get any community to accept any but the kind who would automatically go, we have freedom of transportation as a constitutional right in this Country. If there are any number, it does seem to me that the Federal Government for a period, a very limited period, might provide some transition costs to the local community.

Ms. TURNER. It may require some transition costs to the family to get them back to the less than perfect circumstances they had.

Ms. NORTON. Well, that goes with, the reason, now watch out, this may be too clever by half. You want them to get to the community that provides the services. And every community of the United States, whether it is in that particular part of the community or not, the same services are available. We give people aid, unemployment insurance when they have lost a job. We give people aid to dependent children. We give people, you don't have to live in your community to get the aid that you are entitled to as a 70 year old person who can no longer work, even if you were at the time entitled to.

Ms. TURNER. But those are all entitlements. But———

Ms. NORTON. The whole notion of giving it on-site is not necessary, if we can take that person to some place where those services are provided, it is everywhere in the United States of America. But not in a FEMA park.

Ms. TURNER. For all those services, but there may need to be some long-term, not FEMA, Government help for some of those families with their housing costs. Because many of the people from New Orleans, which I know the most about, they lived in very expensive, possibly run-down but affordable housing before the storm, the elderly, disabled, unemployed. That housing is not there any more.

Ms. TURNER. You are so right, Ms. Turner. When I said transition costs, you have to have a place to live. And I am assuming the worst now. You have to have a place to live, you do not have a job. Maybe you didn't have one at all. But you have to, the point of the transition costs is that you "deliver the family to the services."

Now, you know, you could do that anyway, because we do have, as I said, freedom of movement. But that would be a terribly unfair thing to do. We have already done it to Houston.

So you put them on notice, there are X number of families coming in, large numbers of families would just be stupid, so X number of families coming in. They will need these services. If there weren't Section 8 housing there, that is one of the services they would need. This family, like Ms. Williams, has a job. She needs affordable housing, she needs Mr. Dupuy to give her this housing, which isn't available yet.

In other words, the point is, to get the people to the services as opposed to saying to FEMA, you now are a service providing agency, which will never happen in this Congress and should never happen, should never happen, as long as we are providing services anywhere in the United States of America, unless we want to have colonies of people who are displaced from disasters, and then they become displaced people in the United States of America.

Ms. TURNER. I very much appreciate this argument that you are making. I would just suggest that in addition to thinking about giving the receiving communities time to prepare that the families who are going to be relocated get time to prepare.

Ms. NORTON. Not 48 hours.

Ms. TURNER. Not 48 hours. And that their choices and wishes are respected.

Ms. NORTON. This is America. That is how you would have to do it. Here are a set of communities where there is Section 8 housing, where there is a market for jobs. You choose. But you can't stay here forever.

Ms. TURNER. And some of those families, as you have recognized, are going to have a really tough time with that choice. Some of the families, certainly not Ms. Williams, but some of the families who remain in those trailer parks are like some of the families remaining in the distressed public housing of Chicago or the District. The families who are the last to leave are the most troubled. And they really need a lot of help, if we are going to be compassionate. They need a lot of help figuring out what their options are and taking advantage of them.

Ms. NORTON. Ms. Turner, that is the—go ahead.

Ms. TURNER. Even Ms. Williams, who is tremendously resourceful, the little conversation I had with her, she does not fully understand what is going on with the insurance, her mortgage, the road home. She could really use somebody helping her figure out what her options are and how she can best take advantage of them.

Ms. NORTON. Meanwhile, the United States of America is providing a trailer at what is the cost, Mr. Molino, of a typical trailer?

Mr. MOLINO. It is $60,000 to $90,000 installed.

Ms. NORTON. Thank you. It is a question of looking to where the money is and tapping it for the right purpose. Nobody is going to dump people who can't take care of themselves in a community or you will hear from their Congressman. They will be right in here telling you about it before the first family is there. Nobody is going to fail to take the trailer experience that now makes it hard to find any place to take a trailer. Your point is really the point I tried

to make in my opening statement, who are the last evacuees? They are the people who are least able to help themselves.

Therefore we have to say compared to what now is. You may be in a $60,000 trailer, but your family is eating via, not even welfare. Via charity. Why, because you don't qualify for welfare, so via charity.

Yes, the children are going to school. God knows how far the school is, since the important point is to get a trailer some place. In other words, it is untenable for these trailer parks to continue to house people without moving them on. If I were to put any marker on FEMA, it would be, are they doing what we have provided them with in order to help people move on. And I am in a position now where we haven't provided them with anything except with their own creativity, which we need to give them suggestions about how to use. Because I think that they probably could be providing the trailers right now. I think probably, and I don't even know what I am talking about, because I haven't looked at the statute, but I think probably if there was a Ms. Williams, could be providing her some basis to get there and giving her a limit to find closer housing. So that $60,000 or $90,000 could be freed up for those in greater need.

I want to thank all of you for coming, particularly for waiting us out. I go on for so long, because we could easily hear your testimony. Thank you for it. We try to leave these hearings with, what are we going to do. You have given us not only a lot of food for thought, but frankly, each of you some very practical suggestions. The Subcommittee is very grateful to you for the time and attention you have given.

Thank you and the hearing is adjourned.

[Whereupon, at 5:16 p.m., the subcommittee was adjourned.]

Subcommittee on Economic Development, Public Buildings and Emergency Management

Hearing on "Post-Katrina Temporary Housing: Dilemmas and Solutions"
Tuesday, March 20, 2007

Statement – Congressman Jason Altmire (PA-04)

Thank you, Chairwoman Norton, for holding this important hearing today on the Federal Emergency Management Agency's response to Hurricane Katrina and, specifically, whether or not sufficient temporary housing and housing assistance was provided to the displaced residents of the Gulf Coast region. I appreciate your attention to this issue.

I also want to thank our witnesses for taking the time to provide us with their first hand accounts of the federal, state, and local response to Hurricane Katrina. I appreciate your expertise and insight, and look forward to learning more about how Congress can assist with the ongoing recovery efforts.

Nineteen months after Hurricane Katrina, thousands of people in the Gulf Coast region are still displaced and without permanent housing. More than 1.5 million people were directly affected and more than 800,000 residents were forced to live outside their homes. One of the complications in providing sufficient housing to displaced residents was the enormous damage to the region's infrastructure caused by the hurricane and the subsequent flooding of the levees. In total, 302,000 affordable housing units were destroyed or damaged. I understand the challenge this presents to FEMA, but we need to find solutions to the current temporary housing crisis.

Working under the Chairwoman's leadership, I hope we will be able to work with FEMA and the local authorities in streamlining some of the bureaucratic processes to ensure sufficient temporary housing and housing assistance is provided to the displaced residents of the Gulf Coast region.

Thank you again, Madam Chair. I yield back the balance of my time.

# # #

OPENING STATEMENT OF REP. STEVE COHEN

Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management

"Post-Katrina Temporary Housing: Dilemmas "

March 20, 2007

I look forward to hearing from my colleague from Arkansas, the Honorable Mike Ross, the Director of FEMA and other witnesses today as we examine the process by which FEMA disposes of surplus property and the treatment of Hurricane Katrina evacuees housed at the Yorkshire Mobile Home Park in Hammond, Louisiana.

I remain concerned about the thousands of individuals who remain displaced by the hurricane. The National Low Income Housing coalition estimates that in areas affected by Hurricane Katrina, 302,000 housing units were damaged by the storm. Of these units, more than two-thirds (216,000) were affordable or low-income households.

I also am interested in learning whether FEMA has made any improvements in ensuring aid and relief for citizens affected by a widespread national disaster. While the threat of a hurricane reaching the 9th Congressional District I represent is minimal compared to costal areas, the threat of our area being hit by a tornado is quiet real. The National Weather Service Forecast Office has reported that since 1996, 11 percent of all tornado deaths nationwide have occurred in the areas covering West Tennessee, East Arkansas and Northern Mississippi. Historically, April is the month with the highest frequency of tornadoes in Memphis.

Should natural disaster strike Memphis, or any other major metropolitan area as it did New Orleans, Americans need to be confident that their government will be ready. It is my hope that we can take from this hearing new methods of action and preemption that will help restore the American people's trust and confidence in their government.

Cypress Cottage Partners

TESTIMONY TO THE HOUSE COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, & EMERGENCY EMANGEMENT

HEARING ON "POST-KATRINA TEMPORARY HOUSING DILEMMAS AND SOLUTIONS"

DELIVERED BY BEN DUPUY
EXECUTIVE DIRECTOR OF CYPRESS COTTAGE PARTNERS

WASHINGTON, D.C.
MARCH 20, 2007

Cypress Cottage Partners
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Baton Rouge, Louisiana 70801
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Introduction

I am Ben Dupuy, I am a native New Orleanian, and I am the Executive Director of Cypress Cottage Partners.

Shortcomings of Existing Housing Options

The shortcomings of FEMA's emergency housing options allowed for under current law are well known. The Inspector General of the Department of Homeland Security has reported that some of FEMA's group sites on the Gulf Coast will be operating for five or more years and that the living conditions are far from ideal. For an 18-month period, the costs of FEMA travel trailers and manufactured homes are nearly $60,000 and $90,000 respectively. With 70,000 trailers in use in Louisiana as of February 2007, that amounts to a cost of at least $4.3 billion in that state alone. Using $4.3 billion for temporary housing that has no hope of becoming a suitable permanent solution is clearly not in the best interests of displaced citizens, affected communities, or taxpayers.

The Alternative Housing Pilot Program

The combination of the unprecedented demand for disaster recovery housing and the shortcomings of the options available under the Stafford Act prompted Congress last year to appropriate $400 million to FEMA for the Alternative Housing Pilot Program to, one, identify new solutions for disaster recovery housing and, two, transition displaced families into housing more appropriate for long-term use. The legislation included a one-time wavier of the Stafford Act so as to make it possible for homes built under this program to be occupied for longer than 18 months. The selected proposal for Louisiana

was the Cypress Cottage Partners solution to build homes that transition from temporary housing to permanent communities, or what we call "temp-to-perm."

Cypress Cottage Partners

Cypress Cottage Partners is the consortium of companies that have come together to deliver the "temp-to-perm" model, and it includes Cypress Realty Partners as the developer, Andres Duany as the planner and architect, Marianne Cusato as the designer, The Shaw Group as the engineering and construction provider, Lowe's Home Improvement as the materials provider, and Worthington Industries as the steel framing provider.

The homes we will build are affordable; permanent; quickly constructed; appropriate for various sizes of families; able to withstand winds of up to 140 miles per hour; and easily adaptable to local zoning, building codes, and architectural styles.

We will build several models of single-family homes, ranging in size from two to three bedrooms. We will also build single-story, multi-family buildings with units ranging from one to four bedrooms.

A significant problem that FEMA encountered on the Gulf Coast was the placement of temporary group sites. Many communities, not wanting to be saddled with trailer parks they feared could become permanent, prohibited the building of group sites. In contrast, our temp-to-perm model appeals to local governments in several ways, including

aesthetics, size, speed to construct, and ability to transition to permanent communities. Our homes will carry a higher initial cost than trailers; however, they will generate significant savings over their total life cycle when compared to travel trailers and manufactured homes. Most importantly, our homes will enable displaced citizens to move more quickly into housing appropriate for long-term use. If all of the trailers in group sites in the New Orleans area were instead temp-to-perm homes, the city's affordable housing crisis would certainly not be as severe as it is today.

We plan to build our homes at four sites in southern Louisiana. Two of the sites are in the New Orleans area and were affected by Hurricane Katrina. Two of the sites are in Southwestern Louisiana and were affected by Hurricane Rita.

Additional Funding for Gulf Coast Recovery Housing

204,000 homes in Louisiana experienced major or severe damage from Katrina and Rita, and there is much greater demand for permanent homes like the ones we are building than can be delivered through Louisiana's $74 million Alternative Housing Pilot Program grant. Several solutions exist. First – and most significantly – Congress should encourage FEMA and OMB to write the regulations and policies necessary to implement Congressman Richard Baker's important provision in the FEMA reform legislation passed at the end of 2006 that amends the Stafford Act to enable the federal government to build permanent housing in the wake of large-scale disasters. Congressman Baker, a longtime member of the Transportation & Infrastructure Committee, has been a real leader in the effort to change the Stafford Act to allow for the construction of permanent

homes in the wake of catastrophic disasters, and the legislation he worked to enact last year will result in a remarkable improvement in the government's response to future housing crises. Second, Congress should dedicate part of the funds from the proposed GSE Affordable Housing program to the appropriate agencies in Louisiana and Mississippi to build additional homes. Third, as Governor Blanco and members of Louisiana's congressional delegation have advocated, Congress could appropriate additional funds to a federal agency for the purpose of creating additional units. Finally, the State of Louisiana could use proceeds from the sale of the homes we build to create a revolving fund that could be used to generate additional permanent homes.

Conclusion

In conclusion, to respond to future disaster situations, the federal government should have among its available solutions the ability to deploy temp-to-perm housing that enables displaced citizens to return quickly to their communities and that prevents the prolonged purgatory of life in temporary group sites. The Cypress Cottage Partners model is that solution.

Cypress Cottage Partners

Alternative Housing Pilot Program

Opportunities for Louisianians and for Louisiana

- Through the Alternative Housing Pilot Program (AHPP), hundreds of Louisiana families who were displaced by Hurricanes Katrina and Rita will have the opportunity to transition from FEMA temporary housing into permanent, dignified, and affordable homes.
- Louisiana has an opportunity to deliver to the nation and the world the future model for sustainable community recovery from disaster situations.

"Temp-to-Perm": A New Response For A New Challenge

- To respond to non-traditional disasters like Hurricanes Katrina and Rita, solutions beyond the traditional disaster housing options permitted under the Stafford Act must be considered.
- According to the Department of Homeland Security, the total life cycle costs (18 months) for travel trailers and manufactured homes are approximately $60,000 and $90,000 respectively.
- At the end of their use, temporary homes must be removed, and the families that occupied them are forced to find new housing.
- A new temporary-to-permanent, or "temp-to-perm", model will generate dramatic life cycle cost savings compared to travel trailers and manufactured homes.

Cypress Cottage Partners

Life Cycle Comparison

Travel Trailers

Acquisition of Unit
Land Acquisition
Transportation
Installation
Operations & Maintenance
Decommission Trailer
Remediate Land

Short Life Cycle
18 Month Solution
Depreciating Asset

Occupants Displaced At End of Usage

Size: 256 sq. ft.

At least $60,000

Manufactured Homes

Acquisition of Unit
Land Acquisition
Transportation
Installation
Operations & Maintenance
Decommission Trailer
Remediate Land

Short Life Cycle
18 Month Solution
Depreciating Asset

Occupants Displaced At End of Usage

Size: 840 sq. ft.

At least $90,000

"Temp-to-Perm" Homes

Acquisition of Materials
Land Acquisition
Transportation
Construction
Operations & Maintenance

Long Life Cycle
Permanent Solution
Appreciating Asset

Occupants Remain

Size Range: 612 - 1056 sq. ft.

Cost TBD

Cypress Cottage Partners

Background

- In June of 2006, Congress appropriated $400 million to FEMA to execute the Alternative Housing Pilot Program (AHPP) to identify better solutions for disaster recovery housing.
- FEMA awarded Cypress Cottage Partners' proposal $74.5 million to build permanent homes in four Louisiana communities.

Cypress Cottage Partners

- Cypress Realty Partners: program management
- Andres Duany / Duany Plater-Zyberk Company: urban planning and design of Carpet Cottages and Courtyard Cottages
- Marianne Cusato / Cusato Cottages: design of Katrina Cottages
- The Shaw Group: engineering and construction
- Lowe's Home Improvement: home materials provider
- Worthington Industries: steel framing provider

Innovative Home Designs

- Marianne Cusato's Katrina Cottage design showcased at the 2006 International Builders Show set the new standard for single-family disaster recovery housing.
- Andres Duany's multifamily Carpet Cottages and Courtyard Cottages are single-story homes well-suited to a variety of special uses.
- CCP's home are designed in vernacular Louisiana architectural styles and employ advanced construction materials and methods designed to meet the International Building Code.

Sites

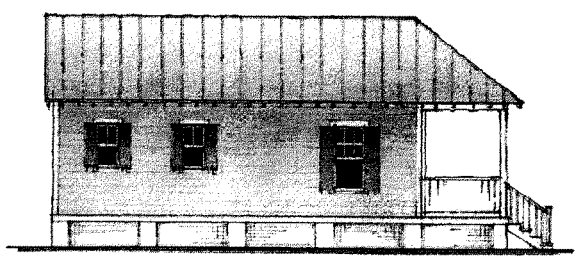
- The "Louisiana Speaks" charrettes, sponsored by the Louisiana Recovery Authority and conducted by internationally respected urban planner Andres Duany, advocated building smarter, stronger, and safer homes in areas identified as ideal for new housing.

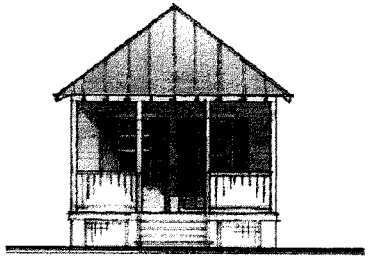
- Three of CCP's proposed communities are in areas identified as ideal for new housing through the "Louisiana Speaks" charrettes: Lake Charles, Jackson Barracks, and Abbeville.

- One of CCP's proposed communities is in the Treme Neighborhood of New Orleans and will be undertaken in partnership with Providence Community Housing, an arm of Catholic Charities.

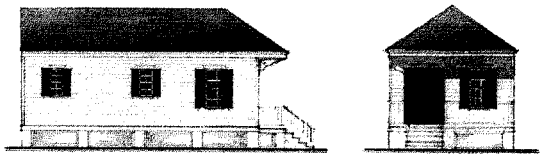
Temp-to-Perm Communities

- CCP will build temp-to-perm communities that become sustainable neighborhoods.
- CCP will employ New Urbanist planning informed by Traditional Neighborhood Development that promotes real community interaction and walkability.
- CCP will work to ensure that residents in neighborhoods it builds are able to access education, health care, transportation, and other social services.

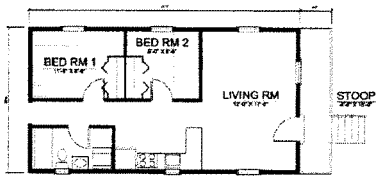




Elevation Option A



Alternate Elevations

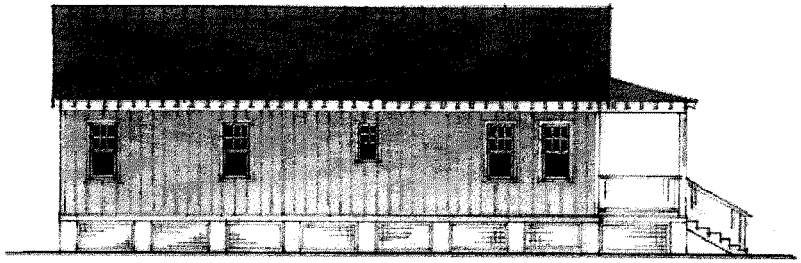


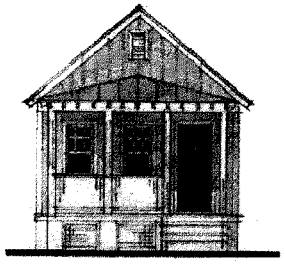
6 1 2 Sq. Ft. Unit

2 bed / 1 bath

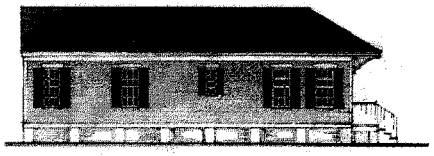
Designer: Duany Plater-Zyberk & Co.

Cypress Cottage Partners





Elevation Option A



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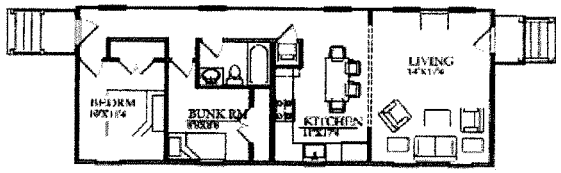
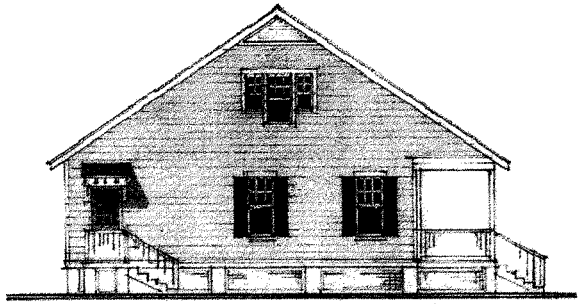


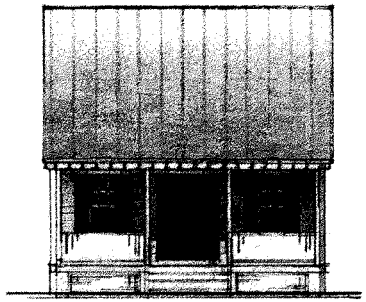
8 7 4 Sq. Ft. Unit

2 bed / 1 bath

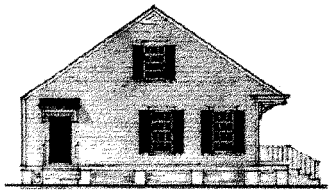
Designer: Eric Moser

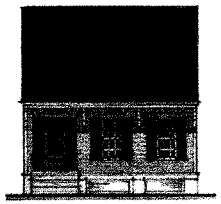
Cypress Cottage Partners





Elevation Option A





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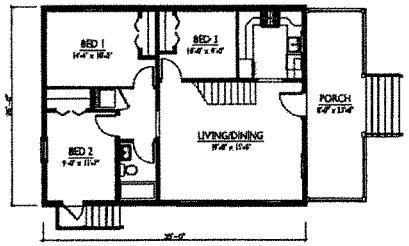
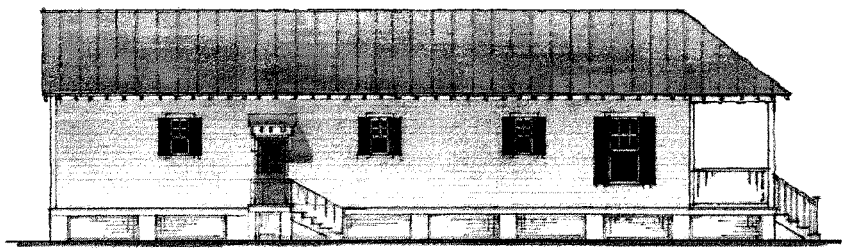


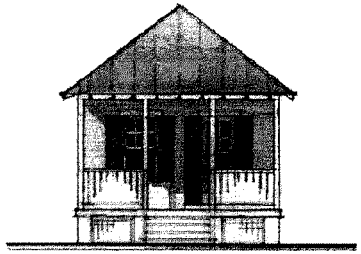
9 1 0 Sq. Ft. Unit

3 bed / 1 bath

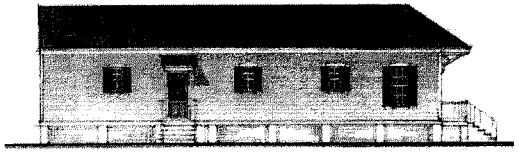
Designer: Marianne Cusato

Cypress Cottage Partners





Elevation Option A



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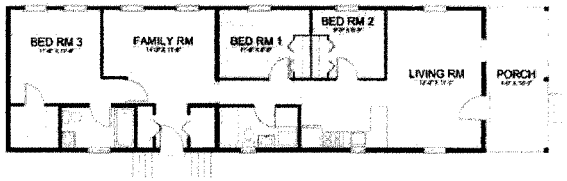
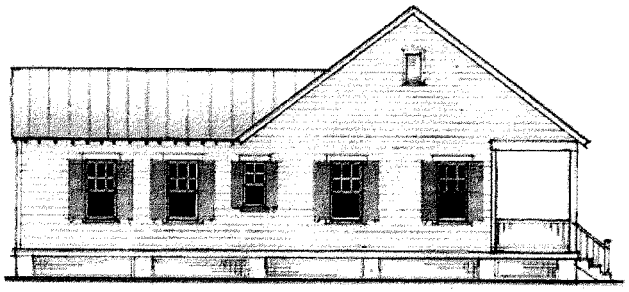


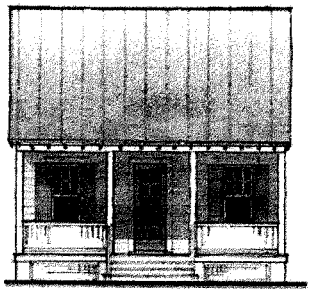
1 0 0 8 Sq. Ft. Unit

3 bed / 2 bath

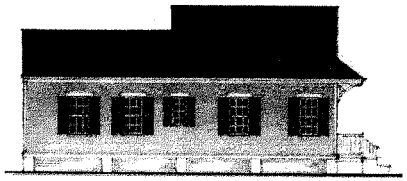
Designer: Duany Plater-Zyberk & Co.

Cypress Cottage Partners





Elevation Option A



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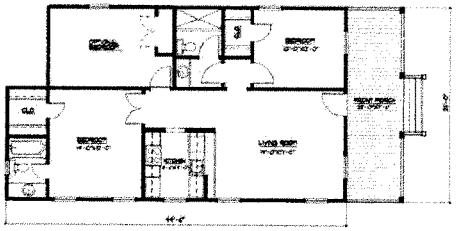


1 0 5 6 Sq. Ft. Unit

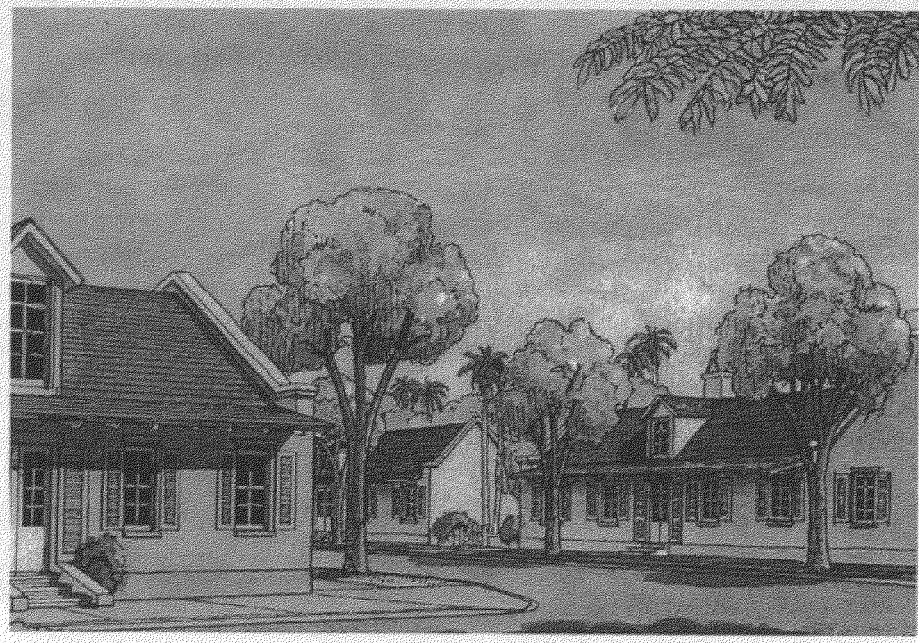
3 bed / 2 bath

Designer: W.A. Lawrence

Cypress Cottage Partners

Carpet Cottages

One Story Buildings With 35 Units Per Net Acre



Cypress Cottage Partners

DUANY PLATER-ZYBERK & COMPANY

PROTECTED BY UNITED STATES PATENT NO. US 6,574,931 B2

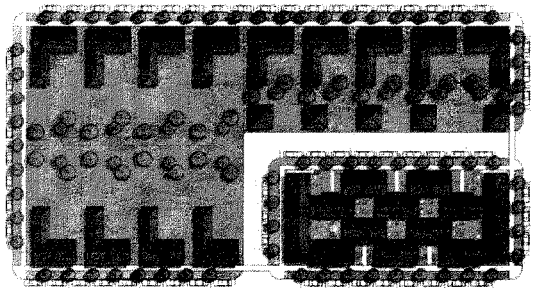
Carpet Cottages

Cypress Cottage Partners

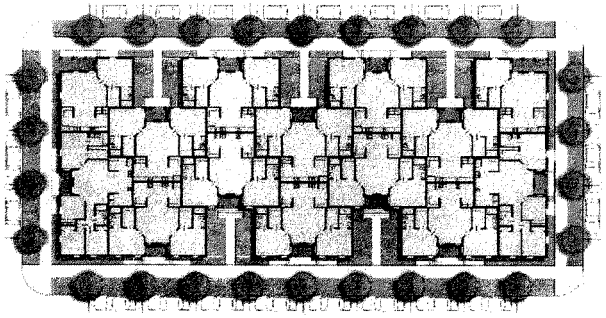
DUANY PLATER-ZYBERK & COMPANY

PROTECTED BY UNITED STATES PATENT NO. US 6,574,931 B2

Carpet Cottages



ONE BUILDING WITH FOURTEEN UNITS
INSERTED INTO A TYPICAL CITY BLOCK
ON FIVE 50-FOOT LOTS



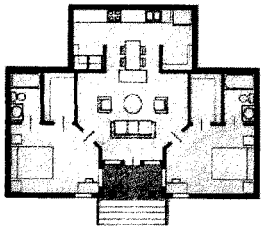
TYPICAL BLOCK DETAIL
TYPICAL BUILDING: 14 UNITS, 207 FT X 87 FT
22 PARKING SPACES ON STREET

Cypress Cottage Partners

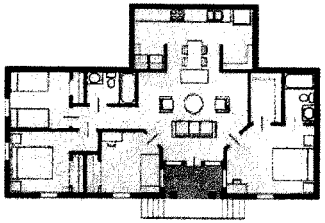
DUANY PLATER-ZYBERK & COMPANY

PROTECTED BY UNITED STATES PATENT NO. US 6,574,931 B2

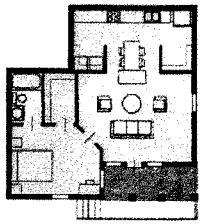
Carpet Cottages



2 BEDROOM UNIT
890 SQUARE FEET
10 UNITS PER BUILDING



4 BEDROOM UNIT
1082 SQUARE FEET
2 UNITS PER BUILDING



1 BEDROOM UNIT
682 SQUARE FEET
2 UNITS PER BUILDING

Cypress Cottage Partners

DUANY PLATER-ZYBERK & COMPANY

PROTECTED BY UNITED STATES PATENT NO. US 6,574,931 B2

Testimony of Michael A. Molino, CAE
President, RVDA – The National RV Dealers Association
before the
House Subcommittee on Economic Development, Public Buildings, and Emergency Management

March 20, 2007

Madam Chair, and members of the committee, thank you for inviting me to testify today. I am here to tell you about the impact that government sales of RV travel trailers no longer needed for emergency housing could have on RV dealers and the general public.

RVDA is the national association of RV dealers and represents more than 2,700 small businesses that sell travel trailers and motorhomes. According the most recent U.S. Census, 58 percent of RV dealers have 8 or fewer employees.

RVDA and its members understand that FEMA has a difficult task. Providing shelter after a natural disaster can be grim, but it is also a noble and necessary responsibility for government and industry.

In the aftermath of Hurricane Katrina, FEMA contacted hundreds of our RV dealer members for travel trailers to use in the disaster areas. In the late summer and fall of 2005, America's RV dealers responded. RV dealers began delivering travel trailers to FEMA just days after the hurricane. FEMA contracting agents required quick turnaround times. Dealers often stretched their employees to the limit to meet the deadlines.

RV dealers across the county, who are primarily in the business of providing vehicles for vacation travel, found themselves in the unfamiliar position of government supplier in a crisis situation.

Dealers also supplied RVs to emergency responders, utility companies, relief workers, insurance companies, and other organizations that needed to be on the ground throughout the Gulf Coast.

RV dealers, like so many Americans, also conducted food drives and offered jobs to those displaced by the hurricanes. Now, in the aftermath of this unprecedented use of RV travel trailers during a national emergency, RV dealers respectfully request that our government take into consideration the impact that large scale sales of surplus RV travel trailers will have on dealers, their employees, and public safety.

Media reports and our own contacts at FEMA tell us the agency, through GSA, is preparing to auction as many as 46,000 travel trailers to the general public. To put this in perspective, last year the industry retailed 154,693 new travel trailers. The release of 46,000 trailers would approximate 30 percent of 2006 new unit sales for all U.S. RV dealers.

When you drill down to the local level, the impact is even more dramatic. For example, on March 16th, 2007, the GSA auction Web site listed 61 trailers for sale in Purvis, Mississippi. The sale was scheduled for March 19th, 2007. Purvis is in Lamar County.

In 2006, a total of 79 new travel trailers were sold in the entire county. That means, in one day, the government will try to sell 77 percent of all the travel trailers registered in that county in 2006. As you can imagine, the public auction of so many vehicles at one time can ruin that local market for months to come.

The practice of selling directly to consumers also raises significant public safety implications. These vehicles appear simple but are really rather complicated with electrical, plumbing, and propane gas systems that power sophisticated heating and cooling units, fire safety equipment, and gas leak detectors. Consumers could face many problems unless the vehicles are thoroughly checked out, serviced, repaired, and reconditioned by qualified technicians.

In recent months, we know FEMA has issued its own guidelines and worked with public safety agencies to help educate disaster victims on how to use propane and other systems properly. Is there a plan to educate consumers buying these units at GSA auctions?

We understand that FEMA and GSA must seek the best possible return for taxpayers. We understand that the government conducts liquidation auctions where it sells items in large quantities. Selling these trailers in lots, instead of individually, seems to make better sense for all concerned.

Requiring sales in lots would make it more likely that the vehicles get back into the stream of commerce through a licensed dealer who is capable of ensuring the safety and serviceability of the unit.

The issue of unfair government competition with small business obviously concerns all of us. However, safety is also an issue. By selling these vehicles through dealers, FEMA and GSA would be providing the public with a greater assurance of safety and reliability.

RVDA – the National RV Dealers Association – is in a unique position to help solve the government's problem of too many travel trailers, while minimizing the disruption of a $15 billion industry that provides Americans a great way to vacation and travel.

We can help to immediately inform dealers about when surplus trailers will be available, where the trailers are stored, and other important information. More dealers may want to bid on the trailers, but the current auction process is not well-known among dealers and is difficult to understand.

By opening the lines of communications with RV dealers, FEMA and GSA can get more of these trailers into dealerships, where they can be serviced and sold in a way that is in everyone's best interest.

In conclusion, America's RV dealers are looking for solutions that meet the needs of the government, the RV industry, and the public. Thank you for holding this important

hearing. We look forward to working with Congress, FEMA, and our RV industry partners on this issue now and in the future.

Statement of

R. David Paulison

Director

Federal Emergency Management Agency

Department of Homeland Security

Before the

Committee on Transportation and Infrastructure

Subcommittee on Economic Development,
Public Buildings and Emergency Management

U.S. House of Representatives

Washington, DC

March 20, 2007

Good morning Chairwoman Norton, and members of the Committee.

I welcome the opportunity to appear before this committee to discuss the Federal Emergency Management Agency's (FEMA) authorities and resources related to post-disaster housing. I also look forward to addressing and, for the record, clearing up the misconceptions that surround both the relocation of residents from the Emergency Housing site in Hammond, Louisiana and FEMA's response to the recent tornados in Arkansas.

Madame Chairwoman, before I address the primary purpose of this hearing today, I would like to speak to an event of concern to you – and to other members of the Committee. That issue, Madame Chairwoman, is the closure of FEMA's Bonner/Albin Trailer Park in Hammond, Louisiana, and the rapid relocation of its 54 families to other FEMA trailer sites during a very short period of time.

FEMA takes most seriously its responsibilities to the well being of individuals, especially those to whom we are providing housing assistance following a disaster. Embracing these responsibilities, FEMA's leadership for the Gulf Coast Recovery Organization determined that the situation at that trailer park was detrimental to the health and well-being of its residents – many with children and some with fragile health.

In the past five months, the electricity has been shut off across the entire park - or within sections of the park - on at least three occasions due to lack of utility payment by the owner and operator. The unpredictable availability of electricity was extremely unsettling to the residents, particularly to the two who required oxygen support. Even more disturbing, the park has had a recurring incidence of a leaky sewage system, with many reports of standing, fetid water accompanied by, as described by residents, an unbearable stench. This is a situation that FEMA brought to the attention of the State Department of Health and Hospitals, who were likewise concerned with its implications for the health of the site's residents.

On multiple occasions, FEMA engaged in specific discussions with the trailer park's owner to seek resolution of these problems. Nevertheless, despite indications that corrective action would be taken, the problems persisted. As a result, FEMA had no reasonable expectation that the threat to the health and safety of the park's residents would improve, and took the only appropriate course of action available.

The situation was considered so intolerable that the residents were relocated to other nearby trailer sites. Contrary to media reports, all residents were provided an opportunity to identify a preferred location, and the vast majority were very grateful to be relocating. FEMA provided on-site oversight of the moving process, and residents were provided assistance to help them in the move. No one was evicted, and no one was forced to look for alternative housing.

While the decision to relocate was the right one, I regret that the residents were not given more notice that FEMA intended to move forward with and complete the relocation so quickly, in less than 48-hours for most of the site occupants. Our fast action to resolve this unsatisfactory sitaution proved to be unsettling to a number of residents. FEMA's intentions were good, and the action was initiated out of genuine concern and compassion for the health and welfare of the

residents. However, the level of communication, consideration and consultation should have been better. We want FEMA to be characterized by its concern and compassion for the disaster victims it is charged to serve – and recognize that improving our communications will help us meet that goal.

You will not see this incident repeated. Rather, you will see a FEMA that is not only concerned with addressing the needs of its housing residents but that is also ready to demonstrate and communicate that concern in its actions on the ground every day.

Madame Chairwoman, with your permission, I would like to begin to address FEMA's response to the recent tornados in Arkansas and the disaster declaration process.

You have heard "New" FEMA described as an organization that aspires to become the nation's preeminent emergency management and preparedness agency. Drawing on the lessons learned from the Hurricane Katrina experience, we want to be a more agile and responsive partner with the States by leaning further forward to deliver assistance more effectively.

When an incident occurs, either man-made or natural; rather than stand-by and wait for the State to be overwhelmed before offering assistance, we want to quickly establish contact with the State Office of Emergency Management, deploy FEMA personnel, and position ourselves to rapidly meet the emerging needs of the State.

New FEMA will press forward when disasters strike, in partnership with the State, to assess the damage on the ground and to jointly determine what gaps may need to be addressed by Federal capabilities. While FEMA is going to lean forward, it must do so within the bounds of the law and guidelines which exist with regard to Presidential disaster declarations.

One of the ways we demonstrate progress on our journey to achieve my vision for New FEMA is through the Declaration process. Declaration recommendations and decisions, except in unusually severe circumstances, must be preceded by joint State/Federal Preliminary Damage Assessments, which are designed to qualitatively determine the impact and magnitude of damage, and the resulting unmet needs of individuals, businesses, the public sector, and communities as a whole. These Preliminary Damage Assessments are led by the state, conducted jointly with FEMA, and typically include representatives from the local government, American Red Cross, and the Small Business Administration. In this high level and brief description, please recognize that this is a well practiced process that results in data and information that is descriptive, agreed upon by all parties, and the basis upon which the Governor will base his/her request and FEMA will form its review and recommendation.

The Basis of a Governor's request is that an incident has occurred – or threatens to occur – that is of a magnitude *beyond the effective response capability of the state and affected local communities*. This is an important point of distinction because it points to the need to establish reasonable expectations for assistance between that provided by the state and local government and that provided by the federal government for any given incident.

The Declaration process reflects an expectation of some level of state and local community capability to meet the response and recovery requirements that accompany an incident. Whether in the form of direct funding, commodities of food and water, the provision of shelter, assurance of security, and other actions to meet the needs of the citizenry and local jurisdictions, there is a need to identify – and an expectation of a reasonable level of state and local capability to respond to the event. While such capabilities rationally vary by state and by the severity of a given incident, the Federal government nevertheless expects any State to exhaust all reasonable resources to address the needs of their affected citizenry.

That said, when an event is of a magnitude or severity that exceeds the State and local government's ability to respond, the Stafford Act, authorizes the Federal government, through FEMA, to provide emergency supplemental assistance to State and local governments to support, but not supplant, the State's role of alleviating the suffering and damage that results from emergency or disaster events.

The Governor must identify the scope of *supplemental* federal assistance – it can be individual assistance, public assistance, Hazard Mitigation, or all three. I accentuate the word supplemental because we need to consider the assistance not only of the State and local government, but also of the individual in the form of insurance; non-Stafford Act assistance from other Federal agencies; or the aid available from a wide array of largely local disaster relief organizations. The availability and engagement of each of these forms of assistance will affect the determination of the level of supplemental federal assistance.

The Governor's request is submitted to the FEMA Region, where the Regional Director and his/her staff analyze the PDA information, summarize their findings and determinations, and offer a recommendation.

When considering a governor's request for a disaster declaration, the President is required to comply with the authorizing provisions of the Stafford Act, as well as its implementing regulations. The Stafford Act restricts the use of arithmetical formulas or a sliding scale based on income or population as the basis for determining the need for Federal supplemental aid. As a result, FEMA uses a number of factors to determine the severity, magnitude, and impact of a disaster event. The Code of Federal Regulations, Chapter 44, Part 206, specifically details the criteria and factors that may be considered.

The very nature of disasters—their unique circumstances, the unexpected timing, and varied impacts—means that each event is – and must be - considered on its own merits. However, let me emphasize that no single factor is considered in isolation when developing a recommendation to the President.

When this process leads to a Presidential Declaration, we work with the State to implement the provisions of the Stafford Act in the geographic areas that are determined eligible for assistance, and to provide the types of assistance that are approved. When this process leads to a denial of a declaration, or a restriction in the geographic areas or forms of assistance, the process provides the Governor with an opportunity to appeal. Such an appeal must be submitted within 30 days, and addressed to the President via the Regional Director. The appeal, which should include

additional justification not provided in the original request, is processed in much the same manner as I have described for the initial request.

If the President declares a disaster, under the Stafford Act, FEMA is authorized to provide assistance to individuals and governments in support of both immediate sheltering and housing efforts as well as intermediate repair and recovery needs.

Under Section 403 of the Stafford Act, FEMA is authorized to provide immediate emergency sheltering to households. This assistance is typically provided in the form of congregate shelters through State and local governments, as well as our partner agencies in the non-profit sector, such as the American Red Cross and the National Voluntary Organizations Active in Disasters (NVOAD). While in general, FEMA does not directly provide sheltering operations, we do provide material and financial support for these operations through the provision of commodities such as food, water, ice, blankets, cots, and generators, and the provision of financial reimbursement for eligible costs associated with these operations. During large-scale disasters FEMA may provide assistance for individual households for temporary sheltering operations using hotels and motels through issuance of authorization codes to disaster victims, although this is the exception, not the rule.

Under Section 408 of the Stafford Act, FEMA is authorized to provide housing assistance via our Individuals and Households Program, which includes: rental assistance, home repair assistance, home replacement assistance, and direct housing. It is important to note that FEMA's temporary housing assistance programs and authorities were not designed to provide long-term housing solutions, but rather to provide eligible victims with temporary accommodations while they work with their insurance company, State and local governments, non-profit organizations, and other federal agencies to find a permanent housing solution as part of their individual road to recovery. Under the Stafford Act and FEMA regulations, temporary housing assistance is limited to a period of 18-months, but can be extended if needed.

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. After an individual registers with FEMA for assistance, FEMA will conduct a home-inspection to verify disaster related damages. At that point, an individual or household can receive temporary housing assistance from FEMA.

This housing assistance assures that people whose homes are damaged by disaster have a safe place to live. These programs are designed to provide funds for expenses that are not covered by insurance. They are available only to homeowners and renters who are United States citizens, non-citizen nationals, or qualified aliens affected by the disaster.

FEMA can provide temporary housing for homeowners and renters to receive funds to rent a different place to live or a temporary housing unit when rental properties are not available. FEMA can provide temporary housing units in the form of mobile home or travel trailers. Most often they are placed on privately owned real property close to a disaster victim's home so the individual can remain close to their home while it is being repaired. However, in some

circumstances, these can be located in group trailer sites or in commercial sites. FEMA can also provide repair assistance to homeowners who have damage to their homes from the disaster that is not covered by insurance. The goal is to help homeowners return the damaged home to a safe and sanitary living condition.

The declaration process I have described was applied in its full measure following an incident in which severe storms and tornadoes moved through Desha County, Arkansas on Saturday afternoon, February 24th. Soon after the storm passed through, causing severe damage and destruction, FEMA Region VI's Deputy Director Gary Jones reached out to the Arkansas Office of Emergency Management, and dispatched a FEMA representative to the State Emergency Operations Center. Additionally, at the request of the State, FEMA also dispatched two members, one with expertise in Individual Assistance and the other with expertise in Public Assistance, who joined with the State and Small Business Administration representatives the following day, February 25, to conduct Preliminary Damage Assessments. Working together, and meeting with the Mayor of Dumas, they completed the Preliminary Damage Assessments in a single day.

On February 27th, three days following the storm, the Governor submitted his request for a Presidential Declaration of an Emergency for the State of Arkansas. Specifically, Governor Beebe requested the Declaration apply to Desha County for FEMA's Individuals and Households Program (including temporary housing), Direct Federal Assistance and Small Business Administration disaster loans.

The Governor's request was reviewed by Region VI and forwarded to FEMA Headquaters on March 1st, where the request was reviewed extensively. The Governor's request was denied on March 8th, nine days after its submission, when it was determined that the damage was not of such severity and magnitude as to be beyond the capabilities of the State and local governments. The Governor was also advised of his opportunity to appeal that decision within 30 days of the date of the letter of denial.

In FEMA's review of the information contained in the Governor's request and in the Preliminary Damage Assessment, it was our determination and recommendation, based on experience and consistent with our expectations for State response efficacy, that the impacts of this event were well within the capability of the State to manage.

- There were 37 houses destroyed, and 25 houses with major damage; an insurance coverage rate of 68 percent, and low income rate of 31 percent.
- Led by Governor Beebe, Mr. David Maxwell, the Director of the Arkansas Department of Emergency Management, and others, the State launched a very extensive, effective and expertly directed response and recovery effort that included:
    - crews from Arkansas Game & Fish, Arkansas Forestry and Arkansas Highway and Transportation Department to assist with debris removal
    - 100 personnel from the Arkansas National Guard to provide security
    - the Department of Emergency Management taking applications for temporary housing, and their Individual Family & Grant Programs in which eligible applicants would receive up to $3,982 to help with medical bills, repairs or replacement of their residence, vehicle or personal property.

- And, there was direct and financial assistance from the American Red Cross to more that 330 clients; the Salvation Army provided meals and set up a food distribution network; the Church World Service provided baby kits, health kits and school kits; and the Adventist Community Services provided blankets, pillows and personal care items.

In its totality, the State and local governments, and a broad collection of non-governmental organizations drew from their resources and capabilities to effectively respond the needs of the citizens of Desha County. Based on this extensive effort, the decision to deny the Governor's Request for a Presidential Declaration of an emergency was a correct one.

Even though FEMA determined that the impact of this event was well within the scope of the State's response capabilities, we nevertheless sought to find a way to creatively and legally meet the State's request for temporary housing units that we have stored at our facility in Hope, Arkansas. On the one hand, the Stafford Act prevents FEMA from giving housing units to the State absent a Presidential declaration. Yet, on the other hand, FEMA maintains an operational inventory of nearly 23,000 housing units, and has an additional disposable inventory of 42,000 units. The challenge that we took on was to find a way to make some of these units available to the State of Arkansas.

Through a series of discussions within FEMA and with our partners at the General Services Administration, we found that while we could not give these housing units to Arkansas, we could identify units as excess to our needs and the General Services Administration could expedite the process by which these units could be reviewed for Federal use and surplus units identified that could then be made available to Arkansas though the public benefit conveyance process. We also found that absent a Presidential declaration, we could not use Stafford funds to transport the trailers or install them within the State. In parallel discussions with Mr. David Maxwell, he indicated that the State would accept responsibility to transport the housing units the 160 miles from our storage facility in Hope to the disaster site in Dumas.

Without question, FEMA has an abundance of operational and disposable inventory of mobile homes and travel trailers, and we are getting more every day as eligible disaster victims from previously declared disasters return to self-sufficiency and requirements for the units decline. We are working with GSA to dispose of many of the excess units through existing legal authorities. Given our current inventory of travel trailers and mobile homes, we will continue to utilize GSA as we always have to maintain our inventory at a level in alignment with our strategic needs.

Madame Chairwoman, what I have described for you is both the process by which FEMA implements the Stafford Act to determine the eligibility for a Presidential declaration of emergency or major disaster, and FEMA and the State as actors in that process. It is a partnership where each actor has specific responsibilities and where there are certain expectations. Our challenge is to engage in that process openly, perhaps more quickly, and with a shared focus on best meeting the needs of disaster victims who place their faith and confidence in government – whether Federal, State or local, to act in their interests.

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 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 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 disasters, who show not only courage and resilience, but also incredible patience and remarkable good will. They are the reason we are here today.

Thank you for the opportunity to explain FEMA's current authorities and resources related to post-disaster housing and I look forward to any questions you may have.

THE HONORABLE MIKE ROSS
CONGRESSMAN FROM ARKANSAS' 4TH CONGRESSIONAL DISTRICT

TESTIMONY BEFORE THE
HOUSE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

ON

POST KATRINA TEMPORARY HOUSING: DILEMMAS & SOLUTIONS
THE UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 20, 2007

- Thank you Chairwoman Norton and members of the committee for holding today's hearing on post Katrina temporary housing problems. I am grateful for the opportunity to discuss these issues before the subcommittee today and I am eager to work together to find solutions to the temporary housing problem that currently exists.

- Let me begin by explaining my recent experience with a temporary housing crisis in my district due to severe weather and tornadoes that recently struck Arkansas. On February 24, 2007, severe storms and tornados ripped through the town of Dumas and Desha County, Arkansas. This small Delta community has a population of about 5,000 people and the median household income is $26,628. When the tornado hit, it completely destroyed 37 homes and 25 businesses, injured over 30 people, and left this community without power for five days and 800 people without jobs indefinitely. In total, it was estimated that up to 150 homes were deemed uninhabitable. This kind of massive damage to a poor delta community is incredible and extremely difficult to recover from. Yet, FEMA spokesman John Philbin stated that, "The damages or need for federal assistance is not readily apparent."

- On February 27th – 3 days after the storms hit -- the Governor of Arkansas requested an emergency declaration from FEMA. Later that day, I led a conference call with FEMA Director Paulison and expressed my support for the Governor's request as well as requested that FEMA transfer some of the 8,420 new, fully furnished and never used manufactured homes located three hours away at a FEMA staging facility in Hope, Arkansas to the families in need. These homes were originally purchased for Hurricane Katrina victims, but never made it to them either. Instead, they have been sitting idly by at a FEMA staging facility in Hope, Arkansas since 2005.
- **Finally,** twelve days after the tornados destroyed parts of my district and nine days after the Governor's request, we finally received a response from FEMA. FEMA said no. They denied the state's request for an emergency declaration and as a result, the state, county, and city are now responsible for 100 percent of the storm cleanup expenses, and were not allowed to receive **even one** of the new, never used mobile homes FEMA has stored in Hope.

- But after 13 days of waiting, working, and prodding to the point of our story becoming national news, FEMA finally offered to give the state of Arkansas 30 used and/or refurbished mobile homes and travel trailers from the staging facility in Hope, but only if the state would pay to transport

them and set them up for victims who remained homeless for 2 weeks. The people of Dumas were grateful to receive them.

- In fact, I'd like to share part of an email I recently received:

Dear Congressman Ross: I am a tornado survivor in Dumas. While my husband and I have the means to take care of our own housing, I am fully aware that there are some who cannot. I am a school teacher to many of the Hispanic families who received trailers this weekend. You have no idea how much this has made an impact on these students. They came into school this morning with bright smiles on their faces, saying, "I got a new house!"

- This email shows why we do what we do in Washington to make a difference in the lives of those we represent and it confirms how important our role is in this debate. But I am frustrated with the massive bureaucracy involved in simply helping people in an emergency situation. It is astounding to me that for 13 days hard working families in my district had no where to live and yet, 160 miles away, 8,420 new, fully furnished never used mobile homes sat untouched.

- Last year, I introduced two bills to give FEMA the authority to provide relief to the victims of Hurricane Katrina and Rita and so many others in need of temporary housing caused by natural disasters. In March of last year, I introduced H. R. 4874, which would allow FEMA to distribute some of these manufactured homes to victims that are located in flood plains and in September, I introduced H.R. 6128, which would provide for the distribution of the excess manufactured housing units located at the Hope Airport to people who are in need of affordable housing.

- However, the Republican leadership would not give us one hearing or vote on these bills. Now, I want to use this hearing as an opportunity to find a way to help the people who are still suffering and improve this process for the next town that is forced to deal with a natural disaster that might not be recommended by FEMA for a Presidential "federal disaster declaration." Ultimately, with the help of Chairwoman Norton, Chairman Oberstar, and Chairman Thompson of the Homeland Security Committee, I hope to enact legislation to empower FEMA or some other federal agency to distribute these surplus homes in a timely manner to the people who so desperately need them in the direct aftermath of a natural disaster, whether declared a federal disaster or not.

- As my constituents drive down U.S. Highway 278 from Hope to Nashville, they still see 8,420 new mobile homes sitting there untouched and never used when storm victims remain homeless. To them, these homes are a symbol of why our citizens have lost faith in FEMA and feel that our government is failing them. I want to allow, once and for all, these 8,420 mobile homes to be used for communities in need like Dumas when a natural disaster hits them.

- I believe that we owe it to the people of Desha County, the victims of Hurricane Katrina, and so many other communities who are devastated by natural disasters to change the system and I am optimistic that this hearing is a step in the right direction.

ALTERNATIVES TO THE FEMA TRAILER PARKS: LESSONS FROM SOCIAL SCIENCE RESEARCH

Statement before the
Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings and Emergency Management
United States House of Representatives

March 20, 2007

Margery Austin Turner
The Urban Institute

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More than 18 months after the devastation of Hurricanes Katrina and Rita, too many low-income families remain in FEMA trailer parks. The numbers seem to change day by day, but recent reports indicate that thousands of displaced renters live in over 115 group trailer sites constructed, managed, or funded by FEMA (Garratt 2007). I visited one of these sites almost a year ago and saw hundreds of tiny trailers lined up in efficient rows in a huge, fenced-in field, miles from schools, jobs, grocery stores, playgrounds, or doctors offices. Despite the best efforts of the management staff, it epitomized everything that housing policy can do wrong for families.

Dangers of Poverty Concentration

Social science research teaches us that clustering large numbers of vulnerable families in isolated, underserved communities is a recipe for disaster. Historically, many federally subsidized rental housing projects have made the same mistake, clustering poor families—especially minorities—in distressed inner-city neighborhoods. In these neighborhoods, jobs are scarce, schools are often ineffective, crime and violence are common, and young people see few opportunities for success (Schill and Wachter 1995; Turner and Rawlings 2005).

A growing body of research evidence indicates that living in these high-poverty communities undermines the long-term life chances of families and children—cutting off access to mainstream social and economic opportunities (Ellen and Turner 1997). Low-income families that live in distressed, high-poverty neighborhoods face especially daunting challenges as they attempt to leave welfare, find jobs, earn adequate livings, and raise their children. For example, children who grow up in distressed neighborhoods and attend high-poverty, poor-performing schools are less likely to succeed academically, complete high school, or attend college. Young people who are surrounded by unemployment, drug use, and crime—and whose peers encourage these activities—are more likely to become caught up in dangerous or criminal activities. And adults who live in neighborhoods that are isolated from job opportunities (by

distance or due to poor public transportation) are less likely to work steadily. Young children—especially those shaken by the trauma and displacement of the storms—are particularly vulnerable to the damage of living in a high-poverty, distressed environment (Golden 2006).

Experience from communities across the country provides a growing body of evidence that low-income families are likely to enjoy better health and long-term life chances if they have the opportunity to live in safe and healthy communities that offer access to jobs and are served by well-performing public schools (Briggs and Turner 2006). And when affordable housing is more widely dispersed, well-designed, and effectively managed, it can be an asset to the communities in which it is located. In fact, rigorous statistical analyses indicate that neither housing vouchers nor subsidized housing developments undermine property values in the surrounding neighborhoods as long as they are properly sited and well-managed (Galster, Tatian, and Smith 1999; Galster, Santiago, and Tatian 2001; Galster, Tatian, and Pettit 2004).

Need for Permanent Affordable Housing

Public policies should focus on providing meaningful, permanent housing choices in decent neighborhoods for the low-income families currently living in trailers. Like communities across the United States, Louisiana already faced serious affordable housing problems before Hurricanes Katrina and Rita struck. Although the pre-storm problems were substantial, the destruction and displacement caused by Hurricanes Katrina and Rita have left the greater New Orleans region (and other communities across Louisiana) with a severe housing shortage.

Across the greater New Orleans region, nearly 228,000 homes and apartments were flooded, including 39 percent of all owner-occupied units and 56 percent of all rental units (Brookings 2005). The lack of housing—especially moderately priced rental housing—prevents families from returning, exacerbates hardship and distress, and stands in the way of a full and equitable recovery. The latest reliable estimates indicate that less than half the population of

New Orleans Parish had returned as of mid-2006 and anticipate that the city's population will still be below 60 percent of pre-storm levels by 2008 (Brookings 2006). Lower-income households are less likely to have returned than more affluent households.

Low- and moderate-income households who want to return to Louisiana face daunting challenges, especially if they were private-market renters before the storm. New rental housing production is proceeding slowly. In 2006, New Orleans issued just 500 new single-family and multi-family unit building permits (Richardson and Rhea 2007). At the same time, the demand for rental housing has been at least temporarily expanded to include middle- and upper-income homeowners repairing damage to their homes and construction workers assisting in the recovery. As a consequence, rents for the units that are available have risen dramatically. Specifically, rental prices have reportedly climbed 40 to 70 percent over pre-Katrina levels (Bernardi 2007). Thus, low- and moderate-income renters who could afford housing in New Orleans before the storm may not be able to find anything they can realistically afford today. The shortage of affordable rental housing options is likely to be especially severe for families and individuals with special needs, including the elderly and very large families. And programs currently in place are inadequate to address the challenges facing low- and moderate-income households today and in the years ahead.

Expanding Affordable Housing Opportunities in Nonpoor Neighborhoods

Models and tools are available that integrate affordable housing into healthy, mixed-income neighborhoods. All of these models can and should be pursued as the communities in and around New Orleans and throughout the Gulf Coast are rebuilt.

Housing vouchers (funded under the federal Housing Choice Voucher Program) can provide an important part of the solution. They offer a critical tool for supplementing what low-income families can afford to pay for housing (Mills et al. 2006). Rebuilding the stock of moderately priced rental housing is essential to the long-term success of the voucher approach.

However, even in the short-term, an expanded voucher program would enable families currently living in the trailer sites to return reasonably close to home or to relocate in nonpoor communities throughout the Gulf Coast. The federal government should be making more vouchers available to current and former residents of New Orleans, including replacing the special disaster vouchers that are currently being provided to former residents of subsidized housing with conventional vouchers, providing additional vouchers to replace public housing and other federally subsidized units that are not being reopened or rebuilt, and allocating new vouchers based on needs among displaced households as well as current residents.

But vouchers alone are not sufficient; many families will need hands-on help finding homes or apartments where they can use their vouchers. In addition to the basic problems of rental housing availability and affordability, serious instances of discrimination further limit housing options for lower-income households, most of whom are African American. A study conducted by the National Fair Housing Alliance, involving apartment complexes in 17 cities and five states across the Gulf Coast, found that black apartment seekers were frequently denied information about apartment availability, rent, and discounts that was provided to comparable whites (CivilRights.org 2005). Moreover, for families with several young children, with health problems, with disabled family members, or without cars or driver's licenses, searching for housing is particularly difficult (Cunningham, Popkin, and Burt 2005).

Through small-scale demonstrations in communities across the country, we have learned in recent years a lot about how to help families make the most of housing vouchers. When families receive hands-on assistance with their housing search—along with basic support and counseling to help them find jobs, arrange for child care, and obtain medical attention—a housing voucher can open up opportunities for stability, security, and economic advancement (Goering, Stebbins, and Siewert 1995; Turner and Williams 1998; Tegeler, Cunningham, and Turner 2005). Recent research shows that moving to less poor neighborhoods brings safety,

improved mental health, better schools, and the potential for a brighter future (Briggs and Turner 2006). Even families facing serious life challenges can make such moves with help (Cunningham, Popkin, and Burt 2005).

In addition to vouchers, federal policy must focus on making more affordable rental housing available in Gulf Coast communities as quickly as possible. New construction will take time, so it is critically important to bring the existing stock of rental housing back into use. This could be accomplished by offering grants and low-interest loans to small-property owners who will reopen their buildings and keep rents reasonably affordable, and by purchasing single-family homes whose owners do not want to return and transferring them to nonprofit or for-profit managers that will make them available for rent. Louisiana's Road Home Program includes a Small Rental Property Program, targeted primarily to owners of small rental properties (fewer than five units), who otherwise would likely have little incentive to rebuild. Expanding this program in scale (by allocating more funding for it), extending it to owners of properties with up to 20 units, and accelerating its implementation could help bring more rental housing back onto the market relatively quickly.

As rebuilding proceeds, it is vital that the most vulnerable populations not be overlooked. Many elderly and disabled people were displaced from homes and apartments where they were living independently, and may have been disconnected from their support networks. In addition, some low-income families face multiple challenges, including physical and mental illness; low levels of education and limited workforce experience; drug or alcohol dependency; and members with criminal histories. These families and individuals need more than just a housing unit to achieve a reasonable level of security and stability; they also need supportive services—delivered to their homes or in conjunction with their housing assistance.

Although it is often targeted to single elderly people and disabled adults, permanent supportive housing is increasingly recognized as an effective option for troubled families, and

one that can help prevent homelessness (Cunningham, Popkin, and Burt 2005). Supportive housing offers stable housing with subsidized rent levels in a structured environment that can include substance abuse and mental health services, child care and parenting assistance, adult education and job training, and budgeting and financial education. In order to be successful, supportive housing has to be very well-managed and provide high-quality services.

Providing Essential Services to the Remaining Trailer Sites

As long as some families remain in trailer communities, they need on-site services to counteract the damaging effects of isolation and distress. Key services include health and mental health care (because many hurricane evacuees are suffering from chronic health problems); job training and job search assistance (to help adults return to work and eventual self-sufficiency); and high-quality child care and after-school activities (to ensure that children and youth are properly supervised and can recover from the trauma of the storms and their aftermath). Although delivering high-quality services on-site may make the trailer sites seem more "acceptable" and could potentially prolong their existence, withholding these services leaves vulnerable families isolated and at risk.

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Clustering large numbers of low-income families in isolated trailer sites was a grave mistake. Trailers should have been the option of last resort, rather than the primary response to the housing crisis caused by Hurricanes Katrina and Rita. We know how to do better. Now the federal government should be drawing upon the housing policy experience of the past decade to create opportunities for families to leave the trailer sites and obtain permanent, affordable housing in opportunity-rich communities.

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Ms. Pamela Williams
Hammond, La
Katrina Evacuee

"Post Katrina Temporary Housing: Dilemmas and Solutions"
Statement
March 20, 2007

KATRINA

- Evacuated in a school bus with 250. Ms. Williams was the driver
- Went to a shelter in Washington Parish, Franklin, La. and then later on to Tangipahoa Parish, Hammond, La.
- Lived in shelter for 3 months, and then moved into a trailer in late October
- Has worked for Plaquemines Parish government throughout the aftermath of Katrina

YORKSHIRE TRAILER HOME

- Lived there since October 2005
- Lived there with two teenagers and two children under the age of 2
- Conditions at the Yorkshire
    - Landlord required tenants to put down grass peat down and water the lawn
    - Close knit group, 48 families
    - FEMA maintained a shuttle for the Trailer Park, the shuttle went to the doctor, the pharmacy, grocery stores.
- There was a significant portion of the people were elderly and disabled.
- Most people that worked drove to work.
- No public transportation available in the city

- Some raw sewage in the ditches, especially after a long rain. The back of the park often flooded. Residents would complain about sewage and the landlord would tell residents to complain FEMA.
- The first power outage was nine hours. The second power outage in terms of time was less. The third outage was the shortest.
- Found out expected to move by FEMA on Friday 3 p.m. and required to move by Sunday evening. FEMA provided movers.
- All the residents were scattered throughout the area.
- Ms. Williams was moved five minutes away.
- Was moved from a 3 bedroom mobile home to a travel trailer that had one bedroom and a bunk bed. Everything was significantly smaller. Was given a second travel trailer for storage. FEMA put some things in storage close to Ms. Williams permanent home.
- The move for Ms. Williams was actually closer to the schools of children and FEMA managed to keep the family together. Ms. Williams four families managed to stay together which included her two daughters, your brother, sister-in-law.
- Some people were not so lucky and they were unable to stay in the immediate area Hammond. Children had to move to schools. Ms. Williams was pleased with the outcome of the move.
- It has also been difficult for some trailer park residents to receive mail.

WHAT IT WILL TAKE TO GET BACK TO PORT SULPHUR

- You want how you can get the help you need to get back to your permanent residence.
- You own the land and would like some assistance in rebuilding.
- Previously, I owned a five bedroom home.
- I would like to transition from temporary housing to permanent housing and am looking forward to working with FEMA to return to my life.

○