STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES END

(111–37)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

May 22, 2009

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

49–956 PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

JAMES L. OBERSTAR, Minnesota, *Chairman*

NICK J. RAHALL, II, West Virginia, *Vice Chair*
PETER A. DEFAZIO, Oregon
JERRY F. COSTELLO, Illinois
ELEANOR HOLMES NORTON, District of Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
BOB FILNER, California
EDDIE BERNICE JOHNSON, Texas
GENE TAYLOR, Mississippi
ELIJAH E. CUMMINGS, Maryland
ELLEN O. TAUSCHER, California
LEONARD L. BOSWELL, Iowa
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
RUSS CARNAHAN, Missouri
GRACE F. NAPOLITANO, California
DANIEL LIPINSKI, Illinois
MAZIE K. HIRONO, Hawaii
JASON ALTMIRE, Pennsylvania
TIMOTHY J. WALZ, Minnesota
HEATH SHULER, North Carolina
MICHAEL A. ARCURI, New York
HARRY E. MITCHELL, Arizona
CHRISTOPHER P. CARNEY, Pennsylvania
JOHN J. HALL, New York
STEVE KAGEN, Wisconsin
STEVE COHEN, Tennessee
LAURA A. RICHARDSON, California
ALBIO SIRES, New Jersey
DONNA F. EDWARDS, Maryland
SOLOMON P. ORTIZ, Texas
PHIL HARE, Illinois
JOHN A. BOCCIERI, Ohio
MARK H. SCHAUER, Michigan
BETSY MARKEY, Colorado
PARKER GRIFFITH, Alabama
MICHAEL E. MCMAHON, New York
THOMAS S. P. PERRIELLO, Virginia
DINA TITUS, Nevada
HARRY TEAGUE, New Mexico

JOHN L. MICA, Florida
DON YOUNG, Alaska
THOMAS E. PETRI, Wisconsin
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, JR., Tennessee
VERNON J. EHLERS, Michigan
FRANK A. LOBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California
HENRY E. BROWN, JR., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
SHELLEY MOORE CAPITO, West Virginia
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
CHARLES W. DENT, Pennsylvania
CONNIE MACK, Florida
LYNN A WESTMORELAND, Georgia
JEAN SCHMIDT, Ohio
CANDICE S. MILLER, Michigan
MARY FALLIN, Oklahoma
VERN BUCHANAN, Florida
ROBERT E. LATTA, Ohio
BRETT GUTHRIE, Kentucky
ANH "JOSEPH" CAO, Louisiana
AARON SCHOCK, Illinois
PETE OLSON, Texas

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

ELEANOR HOLMES NORTON, District of Columbia, *Chair*

BETSY MARKEY, Colorado
MICHAEL H. MICHAUD, Maine
HEATH SHULER, North Carolina
PARKER GRIFFITH, Alabama
RUSS CARNAHAN, Missouri
TIMOTHY J. WALZ, Minnesota
MICHAEL A. ARCURI, New York
CHRISTOPHER P. CARNEY, Pennsylvania, *Vice Chair*
DONNA F. EDWARDS, Maryland
THOMAS S. P. PERRIELLO, Virginia
JAMES L. OBERSTAR, Minnesota *(Ex Officio)*

MARIO DIAZ-BALART, Florida
TIMOTHY V. JOHNSON, Illinois
SAM GRAVES, Missouri
SHELLEY MOORE CAPITO, West Virginia
MARY FALLIN, Oklahoma
BRETT GUTHRIE, Kentucky
ANH "JOSEPH" CAO, Louisiana
PETE OLSON, Texas

CONTENTS

Page

Summary of Subject Matter vi

TESTIMONY

Garratt, David, Acting Deputy Administrator, Federal Emergency Management Agency 6
Jenkins, III, Rt. Rev. Charles E., Tenth Bishop of the Episcopal Diocese of Louisiana 6
Rainwater, Paul, Executive Director, Louisiana Recover Authority 6
Tombar, III, Fred, Senior Advisor to the Secretary for Disaster and Recover Programs, Department of Housing and Urban Development 6

PREPARED STATEMENTS SUBMITTED BY MEMBERS OF CONGRESS

Carnahan, Hon. Russ, of Pennsylvania 50
Norton, Hon. Eleanor Holmes, of the District of Columbia 51

PREPARED STATEMENTS SUBMITTED BY WITNESSES

Garratt, David 54
Jenkins, III, Rt. Rev. Charles E. 114
Rainwater, Paul 126
Tombar, III, Fred 131

SUBMISSIONS FOR THE RECORD

Garratt, David, Acting Deputy Administrator, Federal Emergency Management Agency: .....
Responses to questions from the Subcommittee 67
Responses to questions from Rep. Norton, a Representative in Congress from the District of Columbia 105
Tombar, III, Fred, Senior Advisor to the Secretary for Disaster and Recover Programs, Department of Housing and Urban Development: .....
Response to question from Rep. Norton, a Representative in Congress from the District of Columbia 134
Responses to questions from the Subcommittee 135

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

James L. Oberstar
Chairman

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

Washington, DC 20515

John L. Mica
Ranking Republican Member

James W. Coon II, Republican Chief of Staff

May 20, 2009

SUMMARY OF SUBJECT MATTER

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

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

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

PURPOSE OF THE HEARING

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

BACKGROUND

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

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

Public Assistance Program and the Individual Assistance Program. The Public Assistance Program, authorized primarily by sections 403, 406, and 407 of the Stafford Act[1], reimburses state and local emergency response costs and provides grants to state and local governments as well as certain private non-profits to rebuild facilities. The Public Assistance Program does not provide direct services to citizens for the most part.

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

Section 404 of the Stafford Act[8] authorizes the Hazard Mitigation Grant Program (HMGP). HMGP is an important part of the recovery effort. HMGP provides grants to state and local governments to build better after a disaster in ways that are cost effective and reduce the risk of future damage, hardship, and loss from all hazards. FEMA also provides grants under HMGP to assist families in reducing the risk to their homes from future disasters, through such steps as elevating the home or purchasing the home to remove it from the floodplain.

Status of FEMA's Post-Katrina Housing Program

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

---

[1] 42 U.SC. 5170b, 5172 and 5173
[2] 42 U.S.C. 5174
[3] 42 U.S.C. 5177
[4] 42 U.S.C. 5179
[5] 42 U.S.C. 5182
[6] 42 U.S.C. 5183
[7] 42 U.S.C. 5201(b)
[8] 42.U.S.C. 5170c
[9] Section 408(c)(1)(B)(ii) of the Stafford Act, 42 U.S.C. 5174(c)(1)(B)(ii)
[10] In February 2007 the Hurricane Katrina housing program was extended until August 31, 2007; in September 2007 the program was extended until March 1, 2009; and in March 2009 the program was extended until May 1, 2009.

Direct Assistance

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

Financial Assistance

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

Disaster Housing Assistance Program

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

The DHAP program began on December 1, 2007, and served 36,816 families. The program was scheduled to end on March 1, 2009. However, Congress appropriated $85 million for a transition program for those families that were in DHAP as of March 1, 2009.[11] According to HUD, this transition program will run for six months, with the last eligible rental payments made for the month of August 2009. Initially, 24,343 families were assisted through this transitional program. HUD estimates that approximately 18,000 families remain in the program as of May 2009.

The Road Home Program

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

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

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

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

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

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

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

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

- **H.R. 6658, the "Disaster Response, Recovery, and Mitigation Enhancement Act of 2008"**: This legislation amends the Stafford Act to improve the assistance the Federal Government provides to states, local governments, and communities after major disasters and emergencies. On July 31, 2008, the Committee ordered H.R. 6658 reported to the House.

- **H.R. 6109, the "Pre-Disaster Mitigation Act of 2008"**: This legislation reauthorized FEMA's Pre-Disaster Mitigation program and makes improvements, including codification of the competitive aspects of the program. On June 23, 2008, the House passed H.R. 6109 under suspension of the rules by voice vote.

- **H.R. 3247, the "Hurricane Katrina and Rita Recovery Facilitation Act of 2007"**: This legislation provides additional Federal relief targeted to the recovery from Hurricanes Katrina and Rita in Louisiana and Mississippi. On October 29, 2007, the House passed H.R. 3247 under suspension of the rules by voice vote.

- **H.R. 3224, the "Dam Rehabilitation and Repair Act of 2007"**: This legislation establishes a program to provide grant assistance to states for use in rehabilitating publicly-

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

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

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

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

WITNESSES

Mr. David Garratt
Acting Deputy Administrator
Federal Emergency Management Agency

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

Mr. Paul Rainwater
Executive Director
Louisiana Recovery Authority

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

STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES END

Friday, May 22, 2009

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

The Subcommittee met, pursuant to call, at 10:05 a.m., in Room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chair of the Subcommittee] presiding.

Ms. NORTON. We want to welcome today's witnesses.

Congress had scheduled to be in session but recessed early because it finished its business yesterday. But we thought this hearing was of great importance and that we should not postpone it. We recognize that it poses some inconvenience to the Ranking Member, who will have to leave early. As a Federal official, it has to do with a subject not unrelated to the subject before us, FEMA and hurricanes and what to do about them before and after, but we are going to proceed because of disturbing reports that need to be cleared up by this Committee and need to be cleared up in short order.

So we will address today the Federal Emergency Management Agency and Department of Housing and Urban Development, how these two agencies will resolve still-outstanding issues that the Federal Government faces in providing housing to families whose homes were destroyed or damaged by Hurricane Katrina.

The hurricane made landfall August 29th, 2005, and proved to be the costliest natural disaster in American history. The storm had massive physical impact on the land, affecting 90,000 square miles, an area the size of Great Britain. Under the authority granted to the President in the Stafford Act, the President declared a major disaster in the States of Louisiana and Mississippion the date the storm made landfall.

Approximately 143,000 families were housed in FEMA-provided travel trailers and mobile homes as a result of Hurricane Katrina. Since this peak, most families were transitioned to more permanent housing. As of May 14th, 2009, approximately 4,052 temporary housing units continue to be in use in Louisiana. FEMA has also provided $7.8 billion in financial assistance to about 2.4 million households through FEMA's Individuals and Households Program. FEMA's housing program formally ended on May 1st, 2009.

The housing program for Hurricane Katrina was unusually long and involved, as far more individuals needed housing assistance be-

cause of the unusually catastrophic nature of the disaster. To address ongoing housing needs of individuals who could not return to their homes in the Gulf Coast, FEMA used its authority under Section 408 of the Stafford Act and the Disaster Relief Fund and delegated authority to HUD to implement the Disaster Housing Assistance Program, or DHAP.

DHAP is a pilot program to provide temporary long-term housing and related services for families that continue to need housing as a result of Hurricane Katrina. Unlike FEMA's rental assistance program, which provides payments directly to residents who pay landlords, DHAP worked through public housing agencies, providing rental payments directly to landlords.

The DHAP program began on December 1st, 2007, and served 36,816 families. The program was scheduled to end on March 1st, 2009. However, Congress appropriated $85 million to transition program families in DHAP, extending the last eligible payments to August 2009. Initially, 24,343 families were assisted through this transitional program. HUD estimates that approximately 18,000 families remain in the program as of May 2009.

The situation we now face was both predicted and predictable. It has been clear from the recent FEMA hearings that those left in disaster housing will be the most vulnerable members of society, who may have had prior difficulties that have been exacerbated by the disaster. While these programs have formally ended, we still have families without a long-term housing solution.

In order to facilitate an orderly transition, I wrote to the then-Administrator of FEMA last July, requesting that the March 1st, 2009, deadline be extended and announced immediately. While FEMA did extend the program three times, in each instance the extensions were announced at the last minute, causing unnecessary stress and hardship.

My fear last summer was that this would be repeated as the March 1st, 2009, deadline created by the Bush administration approached and that this date would essentially push this program to the new administration to scramble to address this issue. That is exactly what has happened. The Obama administration was compelled to announce the March 2009 extension.

Even with this deadline, it appears that many of the most vulnerable citizens still in disaster housing have not had enough time to find permanent solutions to their housing needs, or if they have—and have not found those needs, then we need to know why. Is it them and their refusal to accept the available housing? We can't always have the housing we want. Or is it the failure of the government? And this Committee is open, because we want to resolve this issue, not point fingers one way or the other.

The testimony we will receive today paints a conflicting picture. The testimony of our Federal witnesses and our State witnesses describe a much improved situation on the ground in the Gulf from what we have seen in the past. However, other testimony and recent disturbing media reports, including some front-page articles, indicate that there are families without a long-term housing solution facing eviction from disaster housing. In today's hearing we hope to ascertain whether these are isolated cases that are sympto-

matic of broader issues still outstanding after the issue or what the cause is.

The Subcommittee does not want to be understood, however, to say that FEMA should provide housing assistance indefinitely. The statute does not allow HUD to do that. It is also unacceptable, however, to turn people out of their disaster housing with nowhere to go.

Ultimately, it is also required—and this is important—that residents accept available housing, even if it is not in the location they desire. Many Americans are, as I speak, living in hotels, without jobs, where they do not desire. Only rich people can live where they desire. So it is important that residents accept the available housing, even if they prefer the temporary housing or other housing.

We have to resolve this issue. We cannot allow people to be put out in the street, but we will not allow people to stay where they are simply because they prefer it that way.

FEMA and HUD have developed new and innovative housing programs to address the unprecedented disaster housing needs. However, these programs did provide housing solutions for the vast majority of families left without housing by Hurricane Katrina. The Subcommittee looks forward to hearing the testimony of today's witnesses, addressing once and for all—let's hope this is the last time—how we can resolve the ongoing housing needs of those families who are still experiencing the consequences of this devastating disaster.

I am pleased now to ask our Ranking Member, Mr. Diaz-Balart, if he has any opening remarks.

Mr. DIAZ-BALART. Thank you, Madam Chair.

Once again, I commend you and thank you for this hearing. And we agree. We agree on not only the basics but I think even on most of the details.

I may be a little repetitive, but I think it bears repeating basically what you have just said. Again, as you just said, Madam Chair, this program for families displaced by Katrina and Rita ended the 1st of May. And those who remain in temporary housing are expected to either vacate their trailers or hotel rooms by the end of this month. Now, as you mentioned, it was 143,000 individuals after Katrina and Rita who were provided temporary housing. And, again, now we are almost 4 years later and there are still over 5,000 remaining.

And, obviously, the Stafford Act, as you also stated, authorizes FEMA temporary housing programs up to 18 months of housing, which can be extended, as has been done by the President, obviously, under special circumstances. Now, in this case, the housing program was extended for more than 2 years beyond the 18-month limit.

So, obviously, it is an important issue, and how FEMA decided and decides when housing responsibilities end is an appropriate issue to address. And that is why again, Madam Chair, I want to thank you for this hearing.

We are currently facing an ugly decision: either extending the temporary program indefinitely, I guess, or discontinuing the program for 5,000 people. And, obviously, neither one of those options is attractive.

Forty-four months now, families and individuals have lived in travel trailers or hotel rooms, obviously never intended for long-term use. But even after all this time, there seems to be no other solution that has been developed. And, you know, there has not been a real, viable solution developed and implemented by the State and local governments to address the long-term affordable housing needs for low-income residents.

And, in fact, it was discovered during a staff trip to New Orleans last fall, some low-income housing units with minimal damage were slated to be torn down. Rental rates were three to four times what they were pre-Katrina. And people who were unemployed, obviously, were priced out of available housing markets.

And then here we are, months later, on the verge of ending the temporary housing program with, again, no viable, no attractive, no real, viable option for these low-income individuals and families.

On top of that, we have still no national recovery strategy, as mandated by the Post-Katrina Emergency Management Reform Act of 2006. It seems that, instead of improving, we may have actually been going backwards. Again, that is at least a perception that I think some of us have.

Now, when FEMA was moved into the Department of Homeland Security, its focus obviously shifted, unfortunately, and its capabilities were diminished. And we understand why that shift happened, because terrorism is something that has to be dealt with, but, again, we also, I think, see the consequences. And, as witnesses testified at the Full Committee hearing just last week, some recovery issues seem to have been neglected in that shift. So, as a result, long-term recovering housing strategies were put, frankly, on the back burner. And today we are still picking up the pieces and trying to figure out what to do.

The Post-Katrina Act required the development of a number of strategies, including a national housing disaster strategy and a national recovery strategy. The national housing disaster strategy was only finalized in January of this year, and the national recovery strategy has yet to be done.

In addition, FEMA's recovery role requires that it be able to plan and coordinate effectively with other Federal agencies, as well as with State and local officials. Obviously, without that, it cannot function adequately. Working with agencies like HUD proactively in the planning process, as opposed to reactively after a major disaster strikes, is crucial, obviously, to an effective recovery effort.

Now, in the case of Katrina, at a February hearing before this Subcommittee, I noted that no real strategy was developed to address the long-term housing issues in Louisiana. That hearing took place just as FEMA's direct housing assistance program and the HUD's disaster housing assistance program had just had been extended. And, as I said, here we are now in May with the same dilemma that we were facing in February. So, again, there lies the problem.

Earlier this month, the Chair held a field hearing in southern Florida to examine preparedness for the 2009 hurricane season. In my remarks at that hearing, I described the scenario of Hurricane Ono, a hurricane model used for catastrophic planning in Florida.

And Hurricane Ono is not a weird theoretical thing; it is actually modeled and based on the 1926 Great Miami Hurricane.

If such a disaster occurred, the consequences would be devastating. It would require the evacuation of 3 million people. Again, this is according to the simulations. Most of south Florida would be under one to four feet of water for weeks. Homes of 70 percent of the population would be destroyed, and millions would be without electricity. And these are only a few of the nightmares that would happen.

And there is nothing that says that such a hurricane could not happen this season, next season, or the next season. Again, it has already happened. We cannot think that Hurricane Katrina is a once-in-a-generation or once-in-a-lifetime disaster, unfortunately. So we obviously must ensure adequate time and resources are focused on recovery following a disaster.

And housing is a huge part of that. Without long-term housing strategies, families that are displaced will find it very difficult to return to their communities. And the communities will not be able to rebuild and begin anew.

So, while we look at the continued housing issues in Louisiana and Mississippi today, we should also look forward as to how we can prepare for the next big disaster that we all know—we hope it won't come, but we know that one day it probably will.

Again, if Hurricane Ono hits south Florida today, how long will that recovery take? And we know how long past recoveries have taken. Will the same long-term housing issues resurface, or are there other improvements that have been made? Obviously, it is essential that we prepare for the future but don't forget the lessons learned from past storms like Katrina and others.

Again, I look forward to your testimony. I thank you all for your service, and I thank you all for being here today.

Madam Chair, could I just—it is related, but it is kind of a little bit off-subject, but I just want to throw a question out there real quick.

Ms. NORTON. By all means.

The Ranking Member has to catch a plane, has nevertheless come to the hearing.

And you are free to ask questions.

Mr. DIAZ-BALART. Thank you, Madam Chair.

And I don't expect the answer right now. But I was actually on the phone with a constituent this week, and she reminded me of the issue with pets, the evacuation of pets. And, obviously Congress passed that Pets Evacuation and Transportation Standards Act, which authorized assistance for the provisions of rescue, care, and shelter for individuals and their pets or service animals. The law required FEMA to insure that State emergency preparedness operation plans take into account the needs of individuals with household pets and service animals prior to, during, and following a major disaster emergency.

If you could, when you get a chance, get back to my office as to where that is, you know, what are the plans, just where are we, what is the status of that. Because, actually, she reminded me of it, and I thought it was a really good issue. And, as she said herself, there may have been instances, probably were, of people who

just refused to evacuate because they had a pet. And that is what the law was meant to deal with.

Anyway, if you could just, when you get a chance—not now, I know you are not going to be prepared to answer that right now, but if you can get me that information, I would greatly appreciate that.

Thank you for your indulgence, Madam Chair.

And thank you, and I look forward to the hearing.

Ms. NORTON. We have called all of you on the same panel. Normally we have Federal officials and then State officials, but what we are trying to do in this hearing is to resolve this issue once and for all. And therefore nobody is going to be able to say something after somebody is gone. We are all going to be able to hear what each has said so that we can finally say we believe the hearing has brought us to the point where everybody has an understanding of his responsibilities.

TESTIMONY OF DAVID GARRATT, ACTING DEPUTY ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY; FRED TOMBAR, III, SENIOR ADVISOR TO THE SECRETARY FOR DISASTER AND RECOVER PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; PAUL RAINWATER, EXECUTIVE DIRECTOR, LOUISIANA RECOVER AUTHORITY; AND THE RT. REV. CHARLES E. JENKINS, III, TENTH BISHOP OF THE EPISCOPAL DIOCESE OF LOUISIANA

Ms. NORTON. So let us begin with Mr. David Garratt, who is the acting deputy administrator of FEMA.

Mr. GARRATT. Thank you. Good morning, Chair Norton and Ranking Member Diaz-Balart.

It is pleasure to see you again, I am privileged to appear before you today on behalf of the Department of Homeland Security and the Federal Emergency Management Agency.

As always, we appreciate your interest in and continued support of emergency management, specifically disaster housing, and in the efforts of the men and women who support that undertaking at every level of government and within the private and volunteer sectors.

The engagement of congress in this challenging issue highlights the complexities that face States, local governments, voluntary agencies and the Federal family as we collectively look at providing disaster housing in a way that meets the temporary and immediate emergency disaster housing needs of individuals affected by disasters as well as encourages and supports their transition to self-sufficiency.

Despite many challenges, FEMA and our partners, notably the Department of Housing and Urban Development have supported and facilitated the successful transition of more than 97 percent of those affected by hurricanes Katrina and Rita to long-term and permanent housing.

While FEMA-supported temporary disaster housing programs have ended in the Gulf Coast States, FEMA is continuing to work with its Federal, State and local partners to ensure a smooth transition into more permanent housing solutions.

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

By law, eligible disaster survivors may receive temporary housing assistance for a period of 18 months from the date of the disaster declaration, unless that is extended. Because of the extraordinarily catastrophic impacts of hurricanes Katrina and Rita, the period of assistance was extended more than 2 additional years. In September 2007, housing assistance for hurricanes Katrina and Rita disaster operations in the States of Louisiana, Mississippi and Alabama was extended, establishing a final end date of March 1, 2009.

In February 2009, Secretary Napolitano announced that families would be given an additional 2 months to finalize their long-term housing plans. This extension also served to give the States additional time to establish a refined transition support capacity.

Since the temporary housing unit program began nearly 4 years ago, FEMA has never stopped working with occupants to transition them out of the program and into more permanent and suitable homes. As of the programs end-date of May 1, FEMA has been providing temporary housing for more than 44 months, 26 months beyond the statutory limit.

Despite the end of this unprecedented period of assistance, FEMA will continue to make every effort to encourage and assist individuals and families to find long-term housing to fulfill their needs. Over the course of our assistance program, FEMA has regularly and routinely made direct in-person contact with occupants to follow up on their recovery plans, locate and offer them rental resources that address their individual housing needs, and make social service referrals to local, State and voluntary organizations.

Additionally FEMA has coordinated with their housing contractors on timelines for repairs, referred occupants to local, State and voluntary organizations that are able to provide assistance with building materials, volunteers to help them rebuild, et cetera; located and offered affordable rental resources when it was determined that the rebuilding would take longer than expected; and offered every household the minimum of three affordable rental resources that met the household's individual housing needs.

In addition, many occupants have expressed an interest in purchasing their FEMA-provided temporary housing units. Today 1,162 individuals and households have completed or are pending final completion of the sale of their unit. In 2007, FEMA partnered with the U.S. Department of Housing and Urban Development to create and pilot the Disaster Housing Assistance Program, a grant program that provides grant subsidies for non HUD-assisted families displaced by hurricanes Katrina and Rita. HUD utilizes its existing network of local public housing agencies to administer this program.

In the nearly 4 years since Hurricane Katrina, FEMA has worked to address the continuing housing challenges arising out of

the 2005 hurricane season while also responding to the needs of many disaster survivors in communities affected by more recent disasters. FEMA continues to institutionalize best practices and expand our disaster housing capabilities. Nevertheless the disaster housing environment will always be physically and socially demanding and never more so than under catastrophic circumstances.

So FEMA will continue to work with Katrina and Rita-affected States to support case management efforts; and, as we look to the future, continue to collaborate with Congress and our Federal, State and local partners to aggressively explore new and innovative forms of housing; refine and improve delivery systems; expand and unify planning activities; and cooperatively engage with States to improve their own disaster housing capabilities.

Thank you. I look forward to your questions.

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

Mr. Fred Tombar the senior advisor to the Secretary for Disaster Recovery Program at HUD.

Mr. TOMBAR. Good morning Chair Norton, Ranking Member Diaz-Balart, I am Frederick Tombar, senior advisor to Secretary Shaun Donovan at the U.S. Department of Housing and Urban Development. Thank you for inviting me to testify today.

On behalf of the Secretary Donovan, I want to first express HUD's commitment to seeing the Gulf Coast fully recover. That commitment began with our plan to ensure that participants of the Disaster Housing Assistance Program, or DHAP, were able to make a smooth transition off of the program into more permanent housing.

We worked with Congress and FEMA to provide additional assistance to families through August 31st of this year. Also, on March 5th, the Secretary joined Secretary Napolitano on a trip to the Gulf Coast to see the recovery firsthand. President Obama and Secretary Donovan are absolutely committed to helping the Gulf Coast fully recover.

HUD continues to work closely with FEMA, State and local governments and public housing agencies to assist impacted families who were impacted by hurricanes Katrina and Rita. This includes family that resided or currently reside in FEMA's temporary housing unit program, or THUs.

Madam Chair, as you mentioned, FEMA offered each family at least three rental housing resources that met their individual housing needs and were within the fair market rent rate established by HUD for the area. FEMA also offered each THU family a referral to DHAP, which provided rental assistance and case management services to over 30,000 displaced families. Every family that resided in a FEMA THU was offered this assistance, but some chose not to participate and currently reman in FEMA THUs. The program ended officially May 1st, 2009, but as of May 14th, approximately 4,000 families still reside in THU units in Louisiana and Mississippi.

FEMA THU families who agreed to participate in DHAP are eligible for transitional rental payments under the DHAP Katrina Transitional Closeout Plan. As part of this program, nearly $7 million was allocated to support the Louisiana Recovery Authority with DHAP closeout case management for Louisiana participants.

HUD and FEMA are providing this additional assistance to families to give them more time to transition out of the DHAP.

Although current THU families that turned down DHAP are no longer eligible for assistance, HUD has worked with States who identified alternative resources to aid families. The two primary sources of funding that can be used to support these families that are currently in THUs, are HUD's Home Investment Partnership program, or HOME, and the Community Development Block Grant Program, CDBG.

Mississippi and Louisiana both received annual HOME allocations to increase the affordable housing stock in their States, and each State has significant amounts of unexpended home funds. Nearly half or 43 percent of these funds have not been committed by the States to a HOME activity or a unit of local government and may be available for HOME-funded tenant-based rental assistance programs.

Assuming that a State allocated $10 million of HOME funds to TBRA and provided an average annual per-family subsidy of $4,500, it could fund HOME TBRA for over 2,200 families. Using these same assumptions, assisting 5,000 families per year would cost $22.5 million.

The Gulf Coast States also receive CDBG disaster funding for long-term rebuilding and recovery. Mississippi and Louisiana both currently have a significant amount of CDBG disaster funding remaining that has been awarded but not disbursed.

Beyond CDBG and HOME, HUD has also awarded or is in the process of awarding additional voucher funding to the Gulf Coast States. In the Consolidated Security Disaster Assistance and Continuing Appropriations Act of 2009, HUD received an additional $50 million for project-based vouchers. These funds will increase the affordable housing stock within the region by more than 6,500 units.

Under separate funding, HUD awarded $23 million in project-based vouchers to the Louisiana Recovery Authority. This funding is anticipated to provide approximately 2,500 vouchers in Louisiana.

Thank you for the opportunity to discuss resources that can be used to provide housing to FEMA THU families in Louisiana and Mississippi.

I am now happy to take any questions you have and again want to thank Chair Norton and the Members of this Committee for the opportunity to speak to you today.

Ms. NORTON. Thank you very much Mr. Tombar.

Mr. Paul Rainwater, executive director of Louisiana Recovery Authority.

Mr. RAINWATER. Thank you, Madam Chair and Ranking Member Diaz-Balart, for all your support in the Gulf Coast. And thank you for allowing me to come here to talk to you about the critical matter of transitioning those currently in temporary disaster housing in Louisiana.

Although we are making great progression in Louisiana, we have to remember that some of that progress was slowed by Hurricanes Gustav and Ike, and the credit crunch has caused some challenges in our rebuilding of housing.

At the height of post-Katrina and Rita FEMA trailer program in Louisiana, we had more than 76,000 active trailer leases. Through homeowners rebuilding their houses using Road Home money, we have disbursed $8 billion to 124,000 Road Home applicants, and other funds, the Disaster Housing Assistance Program and rental units being restored and other recovery efforts, this number has been whittled down to fewer than 3,000 residents.

Working together with FEMA and HUD and many nonprofits across the state, we are reaching out to those remaining in trailer residences to ensure that they are not made homeless at the end of the month. Already we have housed 25 residents who had to vacate their FEMA-subsidized hotel rooms at the beginning of May through our existing rapid rehousing program funded through Community Block Grants.

Additionally our staff each day speaks to trailer residents to determine their needs and also meets with FEMA to review files and cases on an individual basis to find solutions that will prevent these citizens from becoming homeless.

Our staff has been assured many times by FEMA staff in Louisiana that FEMA will work with trailer residents on a case-by-case basis to ensure that families are not adversely affected by these trailer deadlines. We are sharing information with those—we have about 426 folks that are in trailers that are Road Home applicants and also applying for hazard mitigation money to help them complete their homes. FEMA and our staff share this information on a daily basis.

We have seen great commitment from the new acting head of the Transition Recovery Office in Louisiana, Tony Russell, and we thank FEMA and the Department of Homeland Security for sending him to us. He understands why this housing issue is so critical and has tried to approach this transition with a compassion for disaster victims, and his hard work has not gone unnoticed in Louisiana.

Some of these residents can be assisted through other programs. Some may be able to keep their trailers temporarily while they finish home repairs, and others may benefit from FEMA's donations and sales programs that will allow them to keep their temporary housing units.

Beginning this month, the Louisiana Recovery Authority and the Louisiana Department of Social Services has secured up to $2 million in Social Services Block Grant Money to provide case management for this population.

We do know that may of those who remain in trailers are homeowners who have difficulty completing their home repairs. Data from early March showed that the majority of those in trailers who were Road Home applicants, about 1,800, had received some level of funding from the program. However, many cases for many reasons there are gaps in their financing, and it is preventing them from moving forward quickly. To address this, we have two pilot housing rebuilding programs that we will soon send to HUD for approval.

In addition, there are a variety of Community Block Grant and HOME-funded rebuilding programs that have been pushed down to nonprofits and to municipalities underway in Louisiana, particu-

larly in New Orleans, and the State's $73 million Permanent Supportive Voucher Program will start next month.

We also must transition 14,831 individuals receiving aid from a the Disaster Housing Assistance Program administered through HUD. Earlier this year, HUD Secretary Shaun Donovan granted a 6-month extension of DHAP. We cannot thank him enough for this action, which has been critical to assuring that we prevent mass homelessness in Louisiana. Additionally HUD is allowing the State up to $8 million for case management of this population. In only 3 weeks, more than 9,000 clients have been signed up. So far about 3,450 residents had their request to be converted from Disaster Housing Assistance Program vouchers to more Permanent Housing Voucher Process.

The State has also completed much repair work, which I have outlined in my submitted testimony. We also aim to have more than 5,000 new rental units online by the end of this year, which will help greatly with creating affordable housing, particularly in New Orleans.

I want to thank the Subcommittee for allowing me to come here today. We have much work to do, but we are making much progress. Thank you.

Mr. DIAZ-BALART. [presiding.] Thank you so much for your testimony.

Our last witness is Rev. Charles Jenkins, III. Thank you for being here, sir, we appreciate your time and look forward to your testimony.

Rev. JENKINS. Thank you. My name is Charles Jenkins. I am Bishop of the Episcopal Diocese of Louisiana. I reside in the Second Congressional District in New Orleans. And I want you to know that my sanctuary slippers are on the ground, in the mud, and covered with mold. And I am here to provide the contrast I think to the three previous speakers.

I have been FEMA registered. I received help from FEMA. I have been food step eligible. I am Road Home qualified. I have been homeless. I have been called a refugee in my own country.

However, it was the former resident of 1600 Pennsylvania Avenue who helped me understand my identity. He was frustrated, and in a televised speech said, ″those people down there need to understand.″

The next day, an African American minister said, ″Bishop, have you ever been called 'one of those people' before?″

I shook my head no.

He said, welcome to the club.

So I am glad to be one of those people down there.

Two days ago, I went to the home of Ernest Hammond on Annette Street in the Seventh Ward of New Orleans. One of our volunteer team there, composed of volunteers, Presbyterians, Methodists, Catholics and Episcopalians from Pennsylvania, New Jersey and New Hampshire, were cleaning out his home. We had been told of Mr. Hammond and his dilemma prior to the New York Times article May 8th. Our case managers are visiting with him.

The smell of the rot and dirt and the mold pushed at me as I went into his house. I thought I would never smell that again. Surely, I thought, we are beyond that.

Now this man is not one of that slice of society that will always be dependent on others. He is 71-years-old. He drove a truck for 31 years until the company went out of business. He was a renter in this place for 11 years, saved his dollars, and then bought it. He did not receive any FEMA or Road Home money because it is a triplex.

His yard is planted in vegetables. He has sweet sugar cane or soft sugar cane, as we call it there, and citrus. He will gladly show you the hole in the roof he cut to get out of his attic and the axe he used to cut it. He will show you the cans that he collects daily to sell. And by the way, this is a smart man, he is playing the future market on crushed cans, which is now down to about 30 cents a pound. He sells only what he needs to supplement his $250-a-month Social Security check. He hopes that the price of cans will go back up to 85 cents. We wonder how the recession hurts the poor.

He bought his house from his landlord using all of his savings. A few weeks ago, a FEMA representative stopped by to say that, at the end of the month, his trailer would be taken away. This proud, hardworking man today leaned against the wall and weeps huge tears. He said he has had no help until the Episcopal Church came to him. He has nowhere to go when his trailer is taken. What is the value of that trailer? Who needs it, except him? There are two trailers on that lot, and I hesitate to say this in front of FEMA, but as soon as the last family moved out, another one moved in. Don't leave them vacant down there.

A date for the ending of trailers in DHAP is set to satisfy whom? Not us. It really doesn't matter what date you set because we cannot meet it.

Chair Norton, it is not a matter of a refusal to meet it, but a deadline of next week or next year is for us a humanitarian crisis, not because we refuse but because we are unable. I ask that you take away the yardstick, the charts, the requirements. I haven't quoted any figures this morning of these agencies and that you build a human needs-based program. When the needs are met, then end the program. We have people in Calcasieu Parish from Rita that are still living in tent cities. They haven't even gotten the trailers yet.

I plead with you to move beyond the Catch-22 design that always catches the poor in a frightening vise of what one lady, Mrs. B, whose husband is a Vietnam Veteran, has cancer, and she has to unplug his breathing machine to run the appliances to cook dinner. They would love to get out of that trailer. The bed is too small; he has bedsores. Let me move ahead.

The problem is one of effective case management. I am still running a very effective case management program in New Orleans with three people. We have helped 672 families since the KAT program folded. They tell us, ″you are not only doing a good job, Bishop, but treating us as human beings.″ The much anticipated disaster case management pilot never happened in Louisiana.

In conclusion, it seems to us arbitrary. It seems to us threatening. It frightens us with these seemingly arbitrary decisions to please someone else, to end these programs. And they are not going to motivate us, ma'am. We are doing the best we can.

I will have taken on Mr. and Mrs. B, and I have taken on Mr. Hammond. They will in time be all right. Certainly some of us are that demographic slice who will never be able to live without public support. But most of us are not of the chronically unable to cope. That is a total mischaracterization. Men like Earnest Hammond are heroes. He is coping.

There was a lady with a sign standing outside the Moriel Convention Center when we were evacuated there. Her sign said, ″I am an American, too.″ The National Guard trucks rolled by her and kept going. We are Americans, too, don't roll by us again, thank you.

Ms. NORTON. [Presiding.] Yes, you are Americans, and there is no such thing as abandoning people to the streets, but we have got three agencies here, all of whom claim to be working hard to locate these residents, and we don't seem to have a problem-solving approach for the last remaining residents.

When you have been able to accommodate thousands upon thousands, it is unfathomable that we would be having this trouble. And so let me first ask the Ranking Member if, before he leaves, he has any questions beyond that which he has already asked.

Mr. DIAZ-BALART. Thank you, Madam Chair. I have a list of questions, but unfortunately, as you have stated, I have to leave because the Secretary of DHS Napolitano is going to be in south Florida. I am actually going to go meet her there.

Thank you for your indulgence, but unfortunately, as you said before, I will have to part. I think my questions will have to wait until next time, but thank you for this hearing and thank everybody for their testimony.

Ms. NORTON. Thank you Mr. Diaz-Balart.

Mr. Tombar on page 1 of your testimony, you say that FEMA has offered each family residing in—what is a THU? Temporary Housing Unit. And these three rental resources that met their individual needs, then you name the kinds of needs and they seem—they certainly seem reasonable to me—number of bedrooms, accessibility, considerations, units within a reasonable commuting distance. All of these resources were within the fair-market rate established by HUD. Yet you say that residents have refused to locate in any of these three units at their disposal?

Mr. TOMBAR. Yes, ma'am.

Ms. NORTON. Now, you will then have to explain to this Subcommittee how that is possible, because we cannot believe that people believe they are entitled to whatever housing is available in the United States. People who have been living as long as these people have been living in the worst of circumstances would not easily say, ″no, eenie meenie minie mo, you go back and find some more; I am not leaving.″

You have got to explain why that is happening. Who is working with these residents? How many such residents are there in Louisiana and in Mississippi who are given housing that meets the requirements you just named, but despite having three sources, have turned them down? I want to know how many such people there are and what you have do to ascertain how that could possibly happen.

Mr. TOMBAR. Madam Chair, my colleague Mr. Garratt has the details and wants to answer. If I could, before he does, just to let you know that I am a native of New Orleans, and the folks that we are talking about, many of them are my family members, my friends, my former neighbors. And so I know anecdotally and from my own experience about people who have been offered and have refused these resources.

Ms. NORTON. Now, so from your own experience Mr. Tombar, why, from your own experience, have people turned down three offers? We will go to Mr. Garratt in a minute. Since you are now testifying as an expert witness, tell me why your own friends and relatives would have turned down houses.

Mr. TOMBAR. There is something very attractive about being near home, and these trailers that people have been living in are on their lots, at their home.

Ms. NORTON. On their own lots?

Mr. TOMBAR. Yes, ma'am. That they are working on, the homes that they are working to repair. And these families that I am speaking of, that I know of personally who have refused, have refused because they want to stay——

Ms. NORTON. Now, are these homes that are likely in fact in time to be repaired as they are now in the process of being repaired? Mr. Rainwater.

Mr. RAINWATER. Madam Chair, of the 3,000 trailer residents we have in Louisiana, about 1,800 of those were Road Home applicants; 1,400 of those have closed on a Road Home grant. And what we are finding is that, in some cases, people will be able to complete their repairs. And FEMA is working closely with us on that to time line that out.

In some cases, we are having folks who are having gap financing issues, and so we are starting to take some of the Community Block Grant Program money we have and put it aside for a pilot reconstruction program so that, because the way the Road Home was approved by HUD, we have to be careful that we don't cause the duplication of benefit. And so we get about——

Ms. NORTON. So there is a group—now remember, this hearing we are regarding is a problem-solver.

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. There is a group that, leave aside the gap group, that is a big group in the United States today, by the way.

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. There is a group that could finish the rebuilding of their home. Now, just let me ask all of you here, let's deal with that group first, is there any reason why those people who are going to have their own home now, who are rebuilding their own home should not be left in their trailers until such time as that occurrence?

Mr. RAINWATER. Madam Chair, we are sharing that information. FEMA is sharing the trailer information with us, and we are sharing Road Home information with them. We have two spreadsheets, for Road Home applicants and when they got their grant, and then FEMA is telling us——

Ms. NORTON. Because the people didn't exactly receive their grants in a timely fashion, let's put that on the record.

Mr. RAINWATER. Yes, ma'am.

And I will tell you that we closed 31,000 grants last year, which were the toughest grants because of title issues, succession issues and those sorts of challenges; the challenges of the contractor in 2007 had done some of the easiest grants in the beginning. And so we did about 30 outreach sessions last year, not outreach, working sessions, took the whole staff out, went out in low-income and poor communities and just worked with folks to get their grants closed. So we have about 1,200 folks left to close. We identified those in a FEMA trailer and those who are going to get HOME grants.

Ms. NORTON. So there we have, Mr. Tombar, a group of people who wouldn't even have the problem, I can understand your problem.

And by the way the notion of being close, millions of Americans who have to travel to get to Washington, D.C., every day because the only housing they can afford is 2 hours away from here. So we understand. We are not saying that this is for everybody's convenience. But we can't believe that people who live in these homes are simply looking for the best and the most convenient.

Now here we have a group of people, let's see if we can get agreement to the following proposition: With respect to extensions, let us, at least for those people who are going to aid in the national recovery by rebuilding their own homes, would it not make sense for an extension to be granted with respect to those people, just as a commonsense way, rather than put them out of their homes, stop them from—because they have to then use what income they have simply to find a place to live. Wouldn't it be in the national interest and in the interest of the State to at least partition off those people for an extension pending some reasonable time for completion of their rebuilding of their own homes? Is there agreement on that?

Rev. JENKINS. Yes, yes.

Mr. GARRATT. Madam Chair, it is an attractive proposition, but in fact, what we are looking at here are, as we calculate it, in Louisiana, 367 families who could complete repairs on their home in 5 months or less.

Ms. NORTON. 360 families.

Mr. GARRATT. 367; another 258 could complete repairs on their homes in 11 months or less; and 509 families whose repairs would take at least a year to complete, and then another 711 who are not rebuilding at all.

Ms. NORTON. All right.

Mr. GARRATT. Now, these figures do not indicate that there is active repairs going on. What they reflect is that, were active repairs to commence or to continue on these homes in an active way, in other words, daily work on these homes, that the home could be repaired in 5 months.

Ms. NORTON. Now this is good, this is good, this is going—go ahead.

Mr. GARRATT. One point I want to make, it doesn't 6reflect that active rebuilding is necessarily going on in every case. In some cases, they have been 5 months away from rebuilding their home for a year and a half. It is not quite as simple as just——

Ms. NORTON. This is an important point. Can we also say for the record that the most serious recession since the Great Depression

is going on? If anybody is able to pick up a hammer and do anything today when we just finished a stimulus package just short of a trillion dollars because even the biggest developers didn't have anything into the ground, I just want us to note that for the record.

But what you have said, Mr. Garratt, is very important. And I am not here indicating that there is a solution, and this is a solution. I am simply trying to disaggregate the problem to see how much of a problem we have.

Now with respect to the rebuilders, it does seem to me that they are operating in the national interest and in the interest of the State. These are homeowners.

Mr. Garrett's figures, I believe, are important figures because they show an analysis of what is on the table with respect to the rebuilders. At the moment, I have to stress that the work isn't ongoing, since the only work I know is going into stuff we have given people through the Federal Government since we are the only people who can write checks in the world and not have it count against our checking account.

My question really goes to whether or not Mr. Rainwater in particular or for that matter HUD, Mr. Rainwater, there has been considerable criticism. You hear Mr. Garratt talk about the different stages of rebuilding here. We have to note that our program that we were so proud of, Katrina cottages, where we were generous in funding, has not so far as I know, and here is a State, produced a single unit. I don't know why I should hold these people to the standard of renovating their unit when a whole, big State with nothing but billions of dollars flowing in hasn't been able to produce one Katrina cottage.

Are we holding these people to a standard we are not ourselves meeting? And would you explain here for the record why there is not even one cottage? I realize these people would not be in Katrina cottages, but I am trying to look at some objective measure by which to look at, they are getting put out of their trailer, and the State having not produced not one housing units from the very promising Katrina cottage program.

Mr. RAINWATER. Yes, Madam Chair. A couple of things. One is, we have asked for extensions to FEMA and to HUD——

Ms. NORTON. And just like these people are asking for extensions in order to do their work.

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. So far, you all are on the same page, but they have a whole lot less resources when they come to Katrina and say give us some more time.

Mr. RAINWATER. Yes, ma'am. My point of that is not to point fingers. My point is to say that one of the things that happened to us last year was Gustav and Ike. I have been involved in the four, Katrina, Rita, Ike and Gustav——

Ms. NORTON. That happened to everybody, Mr. Rainwater. It set back those people Mr. Garratt told us may have finished in 5 months. It set back people who, being faced with a recession, have been set back perhaps some considerable time.

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. The question for those people, it seems to me, Mr. Garratt, and I am coming back to this, might well be, if those peo-

ple have the resources to ultimately build, have you looked to see whether they could possibly rebuild with the government help that is due them and the rest; one question would be if these people have the resources with the associated help to build at all. And if they do within 5 months, 11 months, 1 year, that is something that FEMA and for that matter this Subcommittee might well have to take into consideration. We are talking about people who are homeowners, perhaps have a job because they are there or probably would be someplace else; people who, with assistance, some assistance, whatever they are due, would in fact be able to rebuild?

Mr. GARRATT. Once again, it runs the gamut, Madam Chair, there are some among that group actively engaged in this and have the resources to do that. As I indicated in my testimony, we have also been working with them to help them identify contractors and to work with voluntary agencies and others who can provide building materials and help for those who cannot do it themselves, but the bottom line is it runs the gamut.

We have got a wide range of engagement on the part of the homeowners and how fast, how aggressively they are pursuing rebuilding.

Ms. NORTON. Are these people receiving some assistance?

Mr. RAINWATER. Yes, Madam Chair. On the tactical level, on the ground, I don't sit in Baton Rouge, I go out and talk to nonprofits, talked to Road Home applicants. My staff and FEMA's staff walk trailers together and talk to applicants, and then they bring the information back to us, and we talk about where they are at. And that is where some of these pilot reconstruction programs have come from, are from meetings with Road Home applicants and nonprofits about, how do we help them with the gap issue?

The other piece of this is that the FEMA folks on the ground, the Transition Recovery Office, have told us that they will work with applicants, if someone is 5 months out or 6 or 7 months out from getting their construction complete; they will work with us.

The other piece that we are trying to do is——

Ms. NORTON. They will work with you, of course, working with you may mean they can't be put out of their trailer.

Mr. RAINWATER. Yes, ma'am, that is right, so they can complete their reconstruction. There is a pretty massive effort.

Ms. NORTON. Does that mean, Mr. Garratt, that FEMA would regard it as reasonable with respect to those people that Mr. Rainwater has identified to allow them to remain in their trailers until they can proceed and have their construction done?

Mr. GARRATT. If that was the only consideration at play here, Madam Chair, perhaps, but it is not the only consideration at play here.

The title of this hearing is, "Still Post-Katrina: How FEMA Decides When Housing Responsibilities End." What i would like to do is just address that as part of a comprehensive answer to this question.

We provide temporary housing units as a last resort. We provide temporary housing units, these forms of manufactured housing, because there are no organic rental resources available to support the population that needs this assistance. So we roll these in; we set them up, and we provide those to fulfill that gap. We continue to

provide those until the rental capacity reaches the point it could now support a population, and we can move them out of what are largely, in the case of travel trailers, an inadequate long-term living environment. We have been up here to testify before about the inadequacies of living in a travel trailer; that it is no place for families to live long term. In fact, we have policies in place now that only allow us to use those for 6 months in new disasters. We have families who have been living in these things for approaching 4 years at this point.

Ms. NORTON. I have to stop you there for one second. If these families were to move out of these trailers, I am trying to get with this group of families here between you and Mr. Rainwater; what would happen to those trailers?

Mr. GARRATT. They would be scrapped, ma'am.

Ms. NORTON. That is right. So let's get that on the record. These trailers would be scrapped, so that there would be no return to the government. Are the trailers costing you anything?

Mr. GARRATT. Yes, ma'am. We pay operations and maintenance for these trailers.

Ms. NORTON. So tell me what you pay.

Mr. Garratt. I can tell you what we pay, yes, ma'am. We can get these figures——

Ms. NORTON. I am talking about—I don't need the total amount. If there is an individual trailer unit, what is it for the maintenance of the trailer unit that you pay? Do you pay the heat or the light or the utilities or what?

Mr. GARRATT. No, ma'am. In most cases for trailers that are on private property, they pay the utilities for that.

Ms. NORTON. So what is that it you pay? I am trying to find out the outlay of the government as opposed to the outlay of the government, for example, if these people are thrust onto the rental market. Let's do a cost/benefit analysis here.

Mr. GARRATT. We pay a maintenance contractor. We have maintenance and deactivation contracts. Those contractors——

Ms. NORTON. Do you pay essentially the lease of what is going to be destroyed?

Mr. GARRATT. Well, we purchase those units and again we——

Ms. NORTON. They are purchased now. You own them.

Mr. GARRATT. We do.

Ms. NORTON. So I am trying to find out what you pay. You have already bought them. You are going to destroy them. They are serving a good purpose at this point. I am not even talking about all the people in the trailers. I am talking about the people who fit these various months from reconstruction from their home. What is the value to the government in putting them—would they, in fact—if they were put onto the rental market, would there be homes, rental housing for these families if they vacated the trailers? Mr. Tombar, do you want to answer that one?

Mr. TOMBAR. Yes, ma'am. Yes, in fact, the Governor of Mississippi was recently here meeting with the Secretary of HUD and put the vacancy rate in the southern part of Mississippi at upwards of 25 percent.

Ms. NORTON. For market rate for people of the income level, we are describing here.

Mr. TOMBAR. Yes.

Ms. NORTON. That is what the Governor of Mississippi said.

Mr. TOMBAR. He said that he has a vacancy rate of nearly 25——

Ms. NORTON. For people, for example, who need Section 8 housing, sir. Does he have that kind of vacancy rate for them?

Mr. TOMBAR. We have, as I testified——

Ms. NORTON. I have got a vacancy rate here too for people who can pay $6,000 a month. What kind of talk is that, vacancy rate? We are talking about the most vulnerable families——

Mr. TOMBAR. You asked the question—I am sorry, ma'am.

Ms. NORTON. We are talking about the most vulnerable families or people who will need housing assistance from you, sir, from you, sir, almost all of them, if they are to be moved.

Mr. TOMBAR. I was speaking about what units are available and then there are resources that are available to go with these units——

Ms. NORTON. Mr. Tombar, would you submit within 2 weeks, 14 days, based on your own testimony, to this Committee the rental units in the State of Mississippi and in the State of Louisiana by income that—by contemplating income, whatever is the technical term? Never come before this Committee with some notion of a rental rate that includes everybody from the richest people to the poorest. You didn't even say it was the fair market rate of what level. That is to give us no information. So that is all right, sir. You don't have the information at your fingertips.

I want to know what is the vacancy rate in the State of Mississippi by county, within 14 days, and by income level. That information alone is useful to the Committee. We are not going to require the government to do what is impossible, but we are not going to accept massive nonsense figures like that.

Mr. TOMBAR. Ma'am, if I could——

Ms. NORTON. It is very interesting that there is nobody from Mississippi here, and I said to the staff there should have been. But your answer—this whole hearing is about Louisiana and you quoted me a rate for Mississippi. Now quote me the rate for New Orleans. Quote me the rate for Louisiana.

Mr. TOMBAR. I will. And if I could, that was the first part of my answer. The second part of my answer is that there are resources available to subsidize rent for families that cannot afford it, as I testified to in my testimony.

Ms. NORTON. Okay. Now, this is important. Wait a minute. Section 8 housing, we had phone calls to my office telling me that—this is an example of a family who—it came from someone in the District of Columbia that found housing for her own disabled—for some disabled relatives. When she found the housing, FEMA agreed that it must have been within the rate that FEMA would allow people. Now she is being told that FEMA will no longer pay because she is going to be past the deadline. And, by the way, she has been told to get out of the housing on a date soon to come, not August, but get out of the date now. So these people are receiving these notices now. So she has been told to get out of the housing or pay. Then she went to HUD and they said—I think this was in the Baton Rouge area, and they said we don't have any Section 8 housing available.

This is a disabled person. What would be available to that person whose relative has been rendering self help in the first place and paid the rent until the relative qualified, since she has been told there is no Section 8 housing and she is disabled, what should my office tell this relative that your testimony is here today.

Mr. TOMBAR. Yes, ma'am. For—I assume that she is near East Baton Rouge Parish. And I have numbers here. For East Baton Rouge Parish we have made available 459 vouchers for families and prioritize—that housing authority has prioritized elderly and disabled families. To date, only of those 459, there are approximately 300 families that have availed themselves of those vouchers so——

Ms. NORTON. Explain that to me. So you say most of them have come forward, 300 out of——

Mr. TOMBAR. Out of 459, 300 have been—families have been invited in to make themselves available of those vouchers.

Ms. NORTON. Oh, excuse me. I thought you meant 300 had, in fact, accepted the vouchers.

Mr. TOMBAR. That number actually is 206.

Ms. NORTON. So is this about half of them? So your testimony to me is that there is Section 8 housing, voucher housing, available in the Baton Rouge area.

Mr. TOMBAR. In the Baton Rouge area, in the New Orleans area, in places throughout southern Louisiana, there are resources available for families. Each of these housing authorities, we have been working them since immediately after the storm, ma'am, to get them to prioritize, providing resources to families that were displaced by Hurricanes Katrina and Rita. We have provided—this Congress has provided $85 million to convert families that were previously on DHAP program to the Permanent Housing Choice Voucher program. With that, we have prioritized families who are elderly and disabled, like the woman that you mentioned. So there are resources available in those States—in those communities for those families. In fact, you asked specifically about New Orleans. In New Orleans, there is a list of landlords who have come into our local housing authority there saying that they are willing to make their units available to eligible families, that runs now over a thousand landlords along a thousand units long that has been sitting there without new——

Ms. NORTON. Mr. Rainwater, I hear this testimony from HUD. They have got a glut of housing here, if we can only get somebody to take it is essentially what he is saying. Can you make this Subcommittee understand what the issue here is? See, I am dealing with the trailers differently. I gave Mr. Tombar a question regarding somebody who is renting. I have to assume, and I must say I find this puzzling, if this person is in housing that was approved by HUD with Mr. Garratt, I would assume that that is the kind of housing that would qualify for Section 8, because otherwise I don't think HUD—if FEMA would have put this person in such a high-rent place that he couldn't be converted to Section 8 if that time came.

Mr. GARRATT. Actually, Madam Chair, that is not necessarily accurate.

Ms. NORTON. They could have been in a high-rent place where you were subsidizing?

Mr. GARRATT. Well, we didn't pick the apartments for individuals through our program. We provide funding to applicants and applicants choose where they live. Now, we can identify available forms of housing and we do that for these applicants, but they choose where they live as opposed to under HUD's program, HUD will help place them in a HUD approved property.

Ms. NORTON. Now I want to speak with Mr. Rainwater and then with Reverend Jenkins.

Now, Mr. Rainwater, is it your experience, as a State official, that there is Section 8 housing just waiting for people to come forward and accept it?

Mr. RAINWATER. Madam Chair, one of the challenges I think that—there is no doubt, as I have said earlier, we have made great progress whether it is small rental or—we closed on six large apartment complexes or actually did grand openings in March of this year. Many of those are mixed-income communities. So capacity is coming back online and in many cases or in some cases what you have, and I have gone out and spoken with folks, and you mentioned it earlier people don't want to commute or they don't want to be away from their neighborhood. And that is——

Ms. NORTON. Just a moment. Mr. Jenkins, I come to the—there is some truth in that. There is no question about it. You find that, in fact, more settled people are—by the way, it is interesting that there were statistics that came out of Louisiana that said that people were all the populations in the country over the migrations, the great migration, for example, of black people to the north, people in Louisiana were the least likely to leave. They liked where they were. So I can understand it having visited New Orleans. And of course people in New Orleans have seen huge catastrophes, just not quite one this big. So what Mr. Rainwater has said, that there are people that just can't imagine being away from their home community, would, in fact, be the case.

Now, I have to ask you whether you find that and I also have to ask you about case management, whether or not there is an - people are working adequately with residents to understand the limits of the Federal Government, the limits of the State Government, and the limited choices we all have to make in this life.

Rev. JENKINS. Thank you. I find that New Orleans is one of the places in this country that still gives people a sense of identity. Where there is a great American exodus happened, many people stay in New Orleans. Many of the houses we discovered——

Ms. NORTON. And indeed you have had a very rapid return of population.

Rev. JENKINS. We have.

Ms. NORTON. More than anyone thought. What is the population of New Orleans now, please? And I will let you go in a minute.

Mr. RAINWATER. It is right at about a little over 300,000. What is interesting though, ma'am, is the region is back up over a million.

Ms. NORTON. What was the region before?

Mr. RAINWATER. It was about 1.3 million. It is up a little over a million. In New Orleans before the storm was around 340,000, and it is up around 310, thereabouts, ma'am.

Rev. JENKINS. The demographic we find that is most—the population that is returning to New Orleans now last month was 1,800 and some odd African American people, many of whom are coming back from Texas, and just, I think, a couple hundred Anglo and other returning. People are returning home. You get a sense of identity of who you are in New Orleans.

I worked with Jerome Smith of Tamborine & Fan. Fifty-one percent of youth of New Orleans are still gone, and we are tracking them and trying to work with them where they are. I personally—and I know that all my testimony is anecdotal and I apologize for that. But I disagree with the effectiveness of FEMA's understanding of case management. What I hear on the streets and what I see on the streets is that when contact is made, we are given a list of telephone numbers. I believe that that list at——

Ms. NORTON. Telephone numbers of whom, sir?

Rev. JENKINS. People like these thousand empty apartments, people who are going to have resources for us, people who are going to help. You can call those numbers and no one answers.

Ms. NORTON. Just a moment.

Mr. Garratt, would you like to respond to that, the notion that people are given telephone numbers rather than case management?

Mr. GARRATT. Madam Chair, actually much of case management involves, as a matter of practice, referral. Case managers identify needs and then they refer the individual to services and people who specialize in dealing with those needs.

Ms. NORTON. Mr. Garratt, I do agree with that and I think that for the average American, that would surely be the case. This hearing concerns disabled people, elderly people, people who are least likely—they want to stay where they are because they have no idea what happened to them or what will happen to them. So if case management for a disabled person or an elderly person amounts to here is what Mr. Tombar has to offer, my question to you would be do you provide some transportation for that person so that they can go look at these resources?

Mr. GARRATT. Providing transportation is not something that is normally a part of the case management.

Ms. NORTON. Well, my Lord, let me assume some of these people are blind, some of these people have no transportation and live in that trailer or that unit because they have no way to get out. How would they—most of these people are on assistance, government assistance of some kind. How would you suggest that those people go about dealing with the referral to three units that Mr. Tombar has to offer?

Mr. GARRATT. In most communities across the United States, there are social service organizations and voluntary agencies who will provide that kind of support.

Ms. NORTON. All right. Let us now go to Mr. Rainwater. The State interest in getting these residents to one of these available units—this is the first time I ever heard of Section 8 housing being available in the city. So I am quite excited about it. We don't have any available here. Your interest as a State would be very high as

well. What does the State or the city offer? Let me ask you first, is it your responsibility or whose responsibility—Mr. Tombar said I have got the units, Mr. Garratt says I have got the referrals. What do you say, Mr. Rainwater?

Mr. RAINWATER. Madam Chair, last year when I took this job in 2008, we started working on a strategy to create some sort of safety net. We also started working on extensions, as you know, and you know how the extensions work is they come up every 6 months.

Ms. NORTON. The extensions of what?

Mr. RAINWATER. Extensions of the FEMA trailer program and the Disaster Housing Assistance program. When Secretary Donovan——

Ms. NORTON. Mr. Rainwater, let me stop you there because the extension notion could become like cocaine.

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. And here you are talking to someone here who is very sympathetic to the residents because they are human beings who have been subjected to the worst of disasters. But it sounds to me as though you all need to be put into withdrawal.

Mr. RAINWATER. Yes, ma'am. And I was going to get to that point. I mean what I wanted to do was walk you through sort of the steps of what we were looking at to move folks out of disaster housing, and that is it is really time and money. It was a matter of getting our small rental program——

Ms. NORTON. With a minute, Mr. Rainwater. I want to insist on an answer to my question. You see, we are trying to solve something here. I have got the units, I have got the referrals, and I don't have any way for some 80-year-old woman or some blind man to get to a referral. My question to you is what does the State or what does the city have to do in this—are you part of it and——

Mr. RAINWATER. Yes.

Ms. NORTON. I am going to first insist upon an answer to my question. Are you providing a service once these two agencies have done their part?

Mr. RAINWATER. Yes, ma'am, there are a number of nonprofits that we work with throughout the city, throughout the region. It is not the best case management program, and there is no doubt it has gaps. There is no doubt about that. But we do have—we have case managers working directly with FEMA. We have contracted with the Housing Authority of New Orleans to help us work through those issues. And we also work with groups like Unity of New Orleans, who went out and pick up folks who are disabled or the group that you are talking about and I have seen those cases and we have actually been on the ground with the nonprofits as they go and talk to people. But it is not—it is—what we are trying to do, it is not as comprehensive as it could be because we never got there——

Ms. NORTON. Mr. Rainwater, I was very impressed by your testimony last time you appeared here because you were the sole problem solver in the bunch, and I must say you are not rising to that level of problem solving here. Mr. Jenkins, for example, in his testimony complains about FEMA's inability to share information, and here is a nonprofit.

Mr. RAINWATER. Madam Chair, we are—one of the things that we did——

Ms. NORTON. Client information he is talking about. Client information with State and local governments so that additional service can be provided. You know, with the kind of approach you took, which was to get the actors, the relevant actors, together, it seems to me that that kind of situation could be solved as long as these two gentlemen are meeting their obligations.

Mr. RAINWATER. And that is what we are doing, Madam Chair. I mean that is exactly what I have been trying to say is what we have been doing for the last year and a half are working with nonprofits, working with FEMA on the ground, the guys on the ground working with——

Ms. NORTON. Reverend Jenkins is on the ground and he is here to complain. What is it about working on the ground, be specific, that you have found inadequate, Reverend Jenkins?

Rev. JENKINS. Thank you, yes. I have found the example of supposed case management that is being used by the State and by FEMA to be inadequate for people who cannot help themselves. Obviously, I was able to help them myself. I think the main thing is a failure in case management. I would also point out——

Ms. NORTON. Now, if there were case management, what would it consist of Reverend Jenkins?

Rev. JENKINS. In our situation where we run a privately funded case management operation, because people of faith and goodwill are continuing to write checks as well even through the recession, it means for us, first of all, that we take seriously and respect the dignity of every human being. We see them not as a means to an end that is profit nor——

Ms. NORTON. No, sir. I want to know what it consists of. Your own values are above reproach. I want to know what your case management relationship to the State or the city consist of.

Rev. JENKINS. To the State or city, we have little relationship to the State or city.

Ms. NORTON. This is important. Why? Since you are willing to help people and you are doing it on your own dime?

Rev. JENKINS. Yes, ma'am.

Ms. NORTON. What is the difficulty then of dealing with the State or the city?

Rev. JENKINS. In some ways, Madam Chair, I felt that ethically I could not participate in the case management system that was being designed in that it did not provide the kind of opportunity and freedom for New Orleanians to maintain their homes in our city nor did it provide for the dignity of all. I was in Renaissance Village north of Baton Rouge in the town of Baker when a representative told this hugely primarily African American group you can live anywhere in the United States you want, except you can't go home.

Ms. NORTON. Well, going home might have meant the Ninth Ward so——

Mr. JENKINS. Right. I am building the Ninth Ward.

Ms. NORTON. Well, maybe you can't go home there today. We are trying to get people to something that can be home pending the rebuilding of New Orleans. And I can understand the position you

have taken. I think I have got to go back to Mr. Rainwater because even if you are doing—you, Reverend Jenkins, are doing work, and I must say it is extraordinary work to do that on private resources, the State of Louisiana and the city of New Orleans and the parishes have a responsibility for casework, so does for that matter FEMA, quite apart from any private resources so the first place I would turn to for the casework would be to the State and to the city and the parish. Are there caseworkers assigned to these last remaining most vulnerable residents?

Mr. RAINWATER. Yes, ma'am, there are. And I will just—I understand Reverend Jenkins' perspective. Many nonprofits chose not to work with us on case management because we were not able to provide—because of the way that dollars come down, because of, you, just the—in some cases it is a little rigid. Nonprofits chose not to work with us, and I can understand that. And I have tried as hard as we possibly can to make these dollars as flexible as possible to provide case management the way they would like but in some cases we just couldn't do it.

Ms. NORTON. Couldn't do what, sir?

Mr. RAINWATER. Well, for example, in some cases nonprofits felt like, you know, they didn't want to just have a referral service, and we have been able to manage some transportation and other things working through the network of different providers whether it is at the city or whether it is at a nonprofit. But what many of the nonprofits wanted to do was not only have the case management but also have the dollars to provide to the resident to help them to, you know, buy furniture, to do other things. We didn't have those dollars to do that because of the way some of the congressional appropriations language was written. So that has been part of the challenge.

Ms. NORTON. So we would go back, then, to the case managers from the State of Louisiana and the parishes involved——

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. —who would understand the rules. Are you testifying here today that each resident who needs a case manager has one?

Mr. RAINWATER. I can't say that every resident has a particular—there are—depending on—each resident gets a phone call and each trailer who has a resident in it is getting a visit from a State employee and a FEMA employee. Their needs are talked about there, and then they come back, and what we try to do is marry up——

Ms. NORTON. Do you provide transportation to one of these three units that Mr. Tombar has made available?

Mr. RAINWATER. Using the city's transportation system and the nonprofits out there——

Ms. NORTON. The nonprofits may not be working with you. It is the city's responsibility if there wasn't a single nonprofit in the whole state——

Mr. RAINWATER. The city of New Orleans is working with us, ma'am. And we have meetings. It is the kind of meetings we talked about at the last hearing. We are having meetings where we talk about what the needs are and then we try to marry up those needs with——

Ms. NORTON. Mr. Rainwater, let me ask you this: It sounds to me as though, quite apart from the valuable work that Mr. Jenkins is doing, that we need a crisis group for these last most vulnerable residents, that we need closer interaction between FEMA, HUD, the State, and I would dare say the parishes that are also involved.

Would—let me ask the three of you if you would be willing to develop a task force devoted exclusively to finding a way, an appropriate way—I am not here saying what it is. You notice that I am not saying that they should be in housing, that they should not be there or—but an appropriate way to find solutions for the last remaining victims of Katrina. I am only asking for a grouping who would be devoted solely to this task so that Mr. Rainwater would not testify, as he has here, that we of course called the local housing authority. I am not talking about that. I am talking about somebody from the housing authority that the State would say you must give us for this task force, someone on the ground from HUD, on the ground from FEMA who would work on the best way to find solutions without any notion of what those solutions should be.

Mr. RAINWATER. Yes, ma'am.

Mr. TOMBAR. Yes, ma'am.

Mr. GARRATT. Not only yes, ma'am, but I believe we have already established in Louisiana a Joint Housing Task Force, with the State and HUD's participation, that has been up and running for a couple of months now focused on exactly that.

Ms. NORTON. Who are the members of this group that are focused solely on this? What are their——

Mr. RAINWATER. Yes, ma'am. It is a number of—my organizations are the Recovery Authority, Department of Social Services, FEMA, HUD representatives——

Ms. NORTON. Are there people assigned from those agencies whose job is to work on these—all those agencies is telling me nothing. They have a statutory responsibility. I am asking for a kind of task force.

Mr. RAINWATER. Yes, ma'am. And that is what—we got into a data-sharing agreement with FEMA and HUD at the beginning of this year that allowed us to look at each other's information—not just look at information but decide how we were going to try to solve problems. And that is, you know, moving dollars to a project management, to nonprofits like the lower Ninth Ward, where they can help folks finish rebuilding their homes. I mean, those are the kinds of things that we are trying to come to solutions with. Again, it is complicated. But, yes, ma'am, and we will go back——

Ms. NORTON. Would you within 14 days submit to this Subcommittee the name of the person on the task force—I am calling it that. You can call it anything you want to—assigned to working together with the agencies involved and the units involved or any others that you think necessary to accomplish the task, names that we want, names, who are working specifically on finding solutions. I understand that you may have a group of whom you have to tell us there are no solutions we can find. We just need to know that. But we don't need to know by agency. We need to know by person who is assigned to this task.

Mr. RAINWATER. Yes, ma'am.

Mr. GARRATT. Absolutely.

Ms. NORTON. And I need to you to know there is a presumption, the government exercises a presumption against extensions. We don't like the fact that extensions come at the last moment. We think that causes, as I said in my opening remarks, terrible stress. But that doesn't mean that we think the answer here is an extension. At the same time, we are not going to see people put out on the street, and at the same time, we are not going to allow people to say I demand to be in Orleans parish and I am not going. If they are not going, then they can't ask the government of the United States to pay for them where they are. But at the moment, we can't figure out one from the other because the information is too vague and we are too close to the August deadline and people are already being put out and the press all over the country is running stories about how people are being put out of trailers and other housing, not being subsidized, without adequate housing being provided.

And the reason this hearing is being held is we don't have the answer back on who is right. You would think we would have much better answers if we knew very specifically not that one agency is calling the other agency to try to get somebody to help out and getting some hardworking civil servant to do the best that they can, but there is a concentrated group that understands we are acting in, we are acting in, we are dealing with the people who would be least likely to go out and take a telephone number and find Section 8 housing or the like.

I never did get an answer because I am trying to solve a problem rather than simply put answers on the record. But I must get an answer better than the answer that, well, we have had more than one, Mr. Rainwater, after all, more than one hurricane. I can understand how you would be set back on the Katrina cottages by the additional hurricane. What I can't understand is the failure to produce one single cottage. That is what you have got to make me understand.

Mr. RAINWATER. Yes, ma'am. I went to work for the Governor of January of 2008. To that point nothing had been done from an administrative perspective as it relates to Katrina cottages.

Ms. NORTON. What was the reason for that?

Mr. RAINWATER. I don't know, ma'am. I just know that Governor Jindal asked me to take it over and get it moving.

Ms. NORTON. How much money is out there waiting——

Mr. RAINWATER. It is $74 million, although that number is a lot less now because we have actually spent money and we actually have construction going up in four different sites in Louisiana: Lake Charles, Baton Rouge and New Orleans.

Ms. NORTON. For Katrina cottages?

Mr. RAINWATER. Yes.

Ms. NORTON. When is the earliest we can expect the Katrina cottages to be up?

Mr. RAINWATER. We expect construction in New Orleans in August and in September. We have got sites that we plan to—about a hundred will be up in New Orleans about August/September time frame, working with the New Orleans Redevelopment Authority. In December the 15th at HANO, we expect another hundred to be up. And in Baton Rouge, Louisiana, about 42 should be up or be complete by July 31. And in Lake Charles, Louisiana, we expect an-

other 70 or so in August of this year. So we worked through a lot of the challenges and we—you can see construction happening. We also got permission from FEMA to build 200 system-built Katrina cottages so what we did——

Ms. NORTON. That was a—this is very good information to put on the record. Would that take care of all the Katrina homes that——

Mr. RAINWATER. Yes, ma'am. By the end of September-November timeframe, barring weather, we plan to have 500 cottages up. So we are working with the nonprofits, four different nonprofit agencies that, you know, have developed the eligibility criteria that would take care of Katrina and Rita evacuees. So yes, ma'am, we are making progress on that. We have worked through a lot of issues there and FEMA has worked very closely with us as has the city of New Orleans and the city of Baton Rouge and Lake Charles.

Ms. NORTON. Now, the progress you made, and I do know, Mr. Rainwater, that you were called to this task that was not moving at all and we knew from your prior testimony that you have made things happen. The reason that we are concerned here is because we need you to make something happen just as quickly with respect to these residents. For example, there is a program, $869 million State program, that was also federally funded. It targeted more than 18,000 damaged rental unites. It had resulted in fewer than 1,200 repairs by late March, so far as we have been able to understand. Now, these would be the units most, I suppose, in demand although Mr. Tombar says he has got units to burn out there.

But in any case what is the reason for the slow progress in the one kind of unit that you would think would be most in demand, these rental units, with all that Federal money out there, 18,000 targeted, 1,200 repaired by late March?

Mr. RAINWATER. Yes, ma'am, there are two programs we are running. One is a small rental program that targets what we call mom and pop renters. Those are folks that—retired school teachers. I have met with a lot of these folks that—a refinery employee who had a lot of overtime one year and bought a duplex to be part of the American Dream and own property. So after the storm, obviously they lost their home. They lost their rental unit. The State set up a rental program in 2007 before I was there that basically gave someone a letter of commitment that they took to the bank. When I got there in January of 2008, we said I would give it 6 months to work. It didn't show much progress and so we started doing some tweaks to the program. We have actually gotten about 1,400 units produced today.

Ms. NORTON. 1,400——

Mr. RAINWATER. Yes, ma'am. Actually 1,439. We expect to close or produce another 3,000 by the end of this year. We have slowly changed the production and the makeup of the program. What we are going to start doing is advancing cash to folks, and that is basically—I have to tell you, Madam Chair, I have to take some responsibility for that because I should have just thrown the program out when I got there in February because it was too slow moving. So we are going to start advances starting this June, and we are doing a massive outreach program to these mom and pop renters

to work with them because in some cases they are not necessarily professional, you know, managers——

Ms. NORTON. Where are they now?

Mr. RAINWATER. Mostly—New Orleans had a large majority.

Ms. NORTON. Where are they living?

Mr. RAINWATER. Many are back in their homes. And that was part of the challenge, that they used their own home money obviously and their insurance money to rebuild their home, not necessarily their rental unit. And in some cases we have folks living on one side of a duplex——

Ms. NORTON. Let me understand this. These people, you call them arm and pop?

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. Meaning what, please?

Mr. RAINWATER. Just folks that live in the community that bought——

Ms. NORTON. That had homes.

Mr. RAINWATER. Yes, ma'am, they had homes. Right. They had duplexes and triplexes and fourplexes in New Orleans.

Ms. NORTON. They wouldn't be going into the rental units, then, would they?

Mr. RAINWATER. Excuse me, ma'am.

Ms. NORTON. They wouldn't be going into the rental units?

Mr. RAINWATER. No, ma'am. Most of them are homeowners. Some folks lived on one side and rented out other sides. And so—where they fixed up one side of the unit and then wanted to rent out the other side of the unit. So we are working with the folks very closely.

Ms. NORTON. I see.

Mr. RAINWATER. The other program is the Low Income Housing Tax Program. And we call it the piggyback program where we take low-income housing tax credits and go-zone and take Community Development Block Grant money and lay it on top of that. We had about 57 projects awarded originally, but right now we have 19 under construction and that will create about 3,181 units. One of our challenges obviously is the credit crunch that we are having.

So what we are trying to do is move—working very closely with HUD and the Louisiana Housing Finance Agency, we continue to move dollars around and tax credits around to make projects work. So we are making progress. We believe that by the end of this year, there will be around—if you take the small rental and you take the low-income housing tax credit program, we think there will be about 7,000 units that will be available. Many of those will be affordable units.

Ms. NORTON. Now, we have figures that show about 4,000 homeowners, a little more than that, have received rebuilding money only in the last 6 months and these people I think are in trailers. Many of them have inadequate grants and, of course, the court and credit crunch and the rest. What is the humane and reasonable government response? For these people only got it in the last 6 months in the middle of the worst recession, what should we do with those people.

Mr. RAINWATER. Madam Chair, what we have asked to work with FEMA on is to—and with HUD is to give us time to continue

to work with those applicants to help them get the dollars they need to complete their repairs.

Ms. NORTON. This is where the task force is going to be very important because we have got to break down these into the units that Mr. Garratt suggested. There are some closer than others. Perhaps there are some that won't be.

The one thing I have to ask you to take into account as we consider what to be done because if it takes a statutory change, you are going to get it. But one of the things you have got to take into account is that there is no building being going on to speak of in the United States of America except building that is subsidized by the Government of the United States. It is as if the recession put a stop when there were shovels in the ground. So we had to step up and move matters forward. There is no way in which we can fail to take that into account with respect to private parties. So I would put that on the table as an ingredient for the task force whose names you are going to provide us within 14 days.

Now let me ask about evictions. Are people being evicted from trailers as I speak? And if so, can you assure this Subcommittee that all of them have adequate housing or have been given three sources and have nonetheless refused and if they refused, regardless of their circumstances and regardless of their disability, they are simply evicted?

Mr. GARRATT. Yes, ma'am. No one has been evicted. Evictions have not, in fact, commenced. In fact, no one should expect the evictions to commence for some period of time.

Ms. NORTON. What about the August deadline? People have received notice that they ought to get out within a couple of weeks or within a timeframe, have they not?

Mr. GARRATT. That is correct, ma'am. What we have done is provided proper notification to them.

Ms. NORTON. Suppose someone is notified that you must be out by July 1st? What would you do if that person were not out by July 1st of a trailer?

Mr. GARRATT. I will walk you through the process here again. We notified them early on that the program was ending on May 1st. On June 1st is when we will officially begin making referrals of individuals or households or can begin making referrals of households who have not yet vacated those properties. But that is a lengthy process, ma'am. We don't refer them and then evictions begin the next day. In fact, there are a number of steps that have to be gone through and I would anticipate that evictions would not begin for some period of time while that process——

Ms. NORTON. Even after the August deadline for remaining in that housing?

Mr. GARRATT. It is entirely possible, ma'am. You also asked——

Ms. NORTON. A lot of this has to do with whether or not this task force gets its act together with respect to case management. Remember the Subcommittee has taken the position that if you are given three resources that meet the tests Mr. Tombar has indicated, you must take them. Even if they are not where you want to be, even if they are not in the parish you want to be you have to in fact do it. Now, we understand what we are saying. It may be that you now have to—you now have to drive. That is a terrible

thing to say to somebody, but you have got to drive and spend money on gas that you would not have had to do, but I cite to you all the people that are doing that in the ordinary course. Now, this would assume this person had a job. In other words, we are all having to cut what we spend on everything. We are not able to provide ever optimum resources. Even those of us who have been fortunate in life do not have optimum resources. So we are not going to put on the government a burden that it cannot bear.

But we are certainly not going to say to somebody that here are three resources and you have got to find your own way to them or get you cane together or your crutch or get you somebody, you who have no children in the area, get you somebody to get out there and find it. That is just as inhuman as an eviction. That is why I would be satisfied with a task force doing what it can. And if you are assuring me there will be no evictions, then I am satisfied with that answer.

Mr. GARRATT. Ma'am, I am assuring you that there will be no evictions on June 1, and assuring you that in fact the process for beginning the actual evictions is a lengthy one.

Ms. NORTON. Are you assuring me that there will be no evictions on August, whatever is the final date——

Mr. GARRATT. No, ma'am, I am not. However, I can assure you, to follow-up previous request that you had, every single one of these occupants has received a minimum of three properties at the fair market rent made available to them and in some cases as high as 90 offers. So every one of the occupants has, we can assure you, been offered a minimum of three housing resources within a reasonable commuting distance.

Ms. NORTON. We understand also the difference of the dates among you. There is the May 1st date, there is the August—the August 30th date for referrals by HUD.

Mr. TOMBAR. That is the termination of the transition of closeout plan, the program that follows the DHAP program which ended on——

Ms. NORTON. Excuse me. Would you explain termination of the what? What it means.

Mr. TOMBAR. The Disaster Housing Assistance Program that you mentioned in your opening remarks terminated for Katrina and Rita victims at the end of February. Secretary Napolitano and Secretary Donovan worked together to make sure that some 31,000 families would not be displaced and so put in for 6 months through the end of August of this year a transitional closeout plan to allow those families time to either, one, convert to the Housing Choice Voucher program for which I have testified that there are ample resources available for families that are eligible for that program and units available in many of the communities in Louisiana or to transition——

Ms. NORTON. Market rate units with subsidies provided by the government where necessary.

Mr. TOMBAR. Yes, ma'am. Or to transition to self sufficiency if, in fact, those families are not eligible for that program. So that program——

Ms. NORTON. In other words, transition to self sufficiency if ineligible. I understand that. In other words, there might be some people who are working but——

Mr. TOMBAR. Yes, ma'am.

Ms. NORTON. And therefore would not be eligible. But what would be the transition assistance in that case?

Mr. TOMBAR. In that case those families, the rent that they were paying in February of this year was—their contribution to that rent was increased by $100 each month thereafter. So the government—for example, if a family had a rent of $600 in March, we would have paid—the government would have paid $500 on that family's behalf and their contribution would have been $100 and each month the family's contribution went up $100 in the—and the government's went down by $100.

Allowing time for those families that were eligible to move into the Housing Choice Voucher program which would cover a substantial amount more of their rent by the government. The government will cover that with resources through that HCV program.

Ms. NORTON. We understand there is a hardship there, but the hardship is they have to pick up more of the cost of housing through their own income. But I understand that will mean, therefore, that the decision has been made that could happen, that we are not dealing with a family for whom that would be an intolerable hardship.

Mr. TOMBAR. Quite frankly, ma'am, part of the challenge is that you talked about the problem with extensions. Having seen extensions before, families just were not availing themselves of the resources——

Ms. NORTON. That is why I am sending two messages in this hearing. One for you, but one for the families. I want to compare themselves with other families in the United States and they will see what I mean. I hate to say it, but there are families who would love to live in a trailer rather than a Holiday Inn in one room with three or four children today because they couldn't pay their mortgage through no fault of their own. So two messages are sent. That is why I am trying to make sure the government does its part by having the appropriate case management and the agencies working even closer together than they have.

Now, Reverend Jenkins, you had——

Rev. JENKINS. Madam Chair, I respectfully disagree with some of the testimony that has gone forward and again I have to say based on anecdotal evidence. I believe that—I do not believe there are a thousand Section 8 units available in New Orleans, or if so, I can't find them, or they are not affordable, or our friends——

Ms. NORTON. By Section 8, you make them affordable if they come within a certain limit, don't you.

Mr. TOMBAR. Yes, ma'am. What I was testifying to is the fact that, as you said, unlike Washington, D.C., and most communities around the country, there is in the Housing Authority in New Orleans an ample supply of vouchers. There is an oversupply of vouchers for eligible families as well as—and this is a recent development over the past number of months—as well as landlords who have repaired their homes and repaired their rental units and have made them available to eligible families.

Ms. NORTON. Now wait a minute, Mr. Tombar. And maybe people may not be aware of this; what made this happen only in the last few months?

Mr. TOMBAR. It is the fact that, as Mr. Rainwater testified to, that their program has started in earnest and has made units available. And, quite frankly, it has been almost 4 years since the storm, and that landlords have taken advantage of the fact that they have settled with insurance companies; they have gotten their own resources and financing, taken the government subsidies that have been provided, and have used that to bring these units back into commerce.

Ms. NORTON. Mr. Jenkins, what did you have to say to that? Of course, this has only recently happened.

Rev. JENKINS. Only recently happened. And I would say that the quality of case management has to do with direct services. We work with people no matter how long it takes. We do provide transportation. And we walk with them through the process and not simply refer them to it.

Ms. NORTON. This is the testimony that is most important in this hearing, the notion of what Rev. Jenkins is saying. We are dealing with the most vulnerable—you know, if I am sitting there on an ordinance, and I was, damn, they are going to have to move me; when I am able to get out of here and work, that is one thing, but we are focusing—you have done a good job with respect to people who in fact should move themselves. What Rev. Jenkins is saying, and I recognize he deals outside of your matrix, but what he is saying out of his experience is that these people are not likely to move unless there is expert case management.

Rev. JENKINS. Yes, ma'am.

Ms. NORTON. I mean, that is the bottom line. And we are going to be looking at that, given Mr. Tombar's testimony, more than anything else; what do we do to persuade people, and then to make people understand? Carry my words from the Subcommittee, so they know that extensions ad infinitum are no longer possible. We won't let people be put out, but we believe the State has over-depended on extensions—that is because Mr. Rainwater only recently got there—and on our notions of outrage at how slow the State and FEMA were in the first place. But now we see most of the people have been dealt with. It is only the people who can't take care of themselves.

And Mr. Tombar is going to have to submit to me, Mr. Jenkins, within 14 days, by parish, where these houses are. So he has testified here. And although we have not made people stand and take oath, they are all under oath. So he is going to have to provide the backup here.

And the only discrepancy I see here is, apparently through the State's work, Mr. Rainwater's work and the work of others in the parishes, there have been people to come forward; we get to whether or not there has been adequate communication here.

Mr. Tombar said that all these people have already been given—is that it? Everybody on the list has already been given three sources. Without even going down the list, everybody already has their three sources.

Mr. TOMBAR. Yes, ma'am.

Ms. NORTON. So that does point to case management as a notion.

Now, if the three are rejected, do you go back with three more, or how does that work?

Mr. GARRATT. That is really ours to take, ma'am.

We have often gone back many times with additional ones. As I indicated previously, in some extreme cases, we have made as many as 90 different referrals to——

Ms. NORTON. What would make somebody reject 90 different referrals?

Mr. GARRATT. I would suggest it would be an interest in not moving.

Ms. NORTON. I think that would be the case often for people who are working. We are dealing with people here who are often not working. They will be away from family. That is a hardship. But I don't think—I think we are to the point where we can't look at anything except the available housing as close as possible, but there may be limits on that. And I am impressed, as Mr. Tombar says—you say in New Orleans itself?

Mr. TOMBAR. Yes, ma'am.

Ms. NORTON. That is close enough to me right there; it is a city no larger than the District of Columbia.

Rev. Jenkins.

Rev. JENKINS. Yes, ma'am. Thank you.

Many of the people whom we are talking about do not have cars. The state of public transportation in New Orleans has not been addressed. If you live in the east, in New Orleans East, the possibility of having a job in the central business district where the tourists, the hotels, et cetera, are is nigh because of the state of public transportation.

Ms. NORTON. But we ought to separate those who work.

And Rev. Jenkins, look, we are not guaranteeing that you have the same income used for the same purposes.

Rev. JENKINS. Right.

Ms. NORTON. All over the United States, people are having to pay more for transportation. They may have to pay more to get to their job because New Orleans does not have a public transportation system. What are we supposed to say to those people, for example, who will have to move from a trailer further from—they are still in New Orleans, but will have to find some other way to get to work? What is the government supposed to say to those people who have been given a place, three places, but they are not as close to their work as most people increasingly who don't have the highest income, what is the government's response supposed to be in that case?

Rev. JENKINS. I would hope the government's response to case management would be to teach people how and walk with them and help them find how to get to their jobs.

Ms. NORTON. Well, that is a reasonable answer, and it does seem to me that that is the case. You take somebody from one end of the parish who seldom has gone to the other end, and you go there and the transportation isn't as good or may even be hardly available, it does seem to me that, of the three sources that are offered, one has to work with that person as if that were a person, a human being, not just a place that you can go.

So I would ask that the task force look into the reasons for the resistance. They often have to do more than convenience; they may have to do with transportation.

Now, let me ask you this, Mr. Rainwater. In the District of Columbia, because the people who would trouble me most are the people who are disabled and don't have jobs. Indeed, let me ask Mr. Garrett, wouldn't a disproportionate number of these be people without jobs who are not going to ultimately be going to work, but they are fairly isolated because of their age or their disability?

Mr. GARRATT. Ma'am, I would be speculating. We typically don't engage in income verification sorts of things as a matter of practice with this population; we simply don't have the authority to do that. So it would be pure speculation.

Ms. NORTON. Well, Mr. Tombar, of those who have been offered, you would have more of that information on these disproportionate people who don't work every day—when I say ″disproportionately,″ without knowing any percentage.

Mr. TOMBAR. Actually, I don't have that information. But I do have the information to the previous question you asked.

Based upon the case management contractors that FEMA funds, some of the reasons that we have heard repeatedly from families about why they refuse to move into the DHAP program was the households who were concerned about paying rent after the DHAP program ended, the households did not want to relocate——

Ms. NORTON. Wait a minute. So these would be people who were able to pay rent then because you provide a subsidy, right?

Mr. TOMBAR. Well, through the DHAP program, we did in fact provide——

Ms. NORTON. No, no. I am talking, for example, I am assuming these would be some of the Section 8 people that you told——

Mr. TOMBAR. Certainly. The Congress, as I said, provided $85 million to convert those families who would be eligible for subsidies to a permanent program.

Ms. NORTON. So why would they be concerned about the rent since, if they are eligible, you will help them?

Mr. TOMBAR. Exactly. I don't know the answer to that question, but I do know the answer——

Ms. NORTON. But that is an important thing to get on the record.

And for the task force that I am now looking at, I amassuming that the case management may help people understand—you know, it is really interesting, people respond once they understood—I, stupidly, in my exercises, lifted some weights, and they gave me some things to do. He gave me something to do that is the thing that I least like to do. And I see what the problem is. If he had only told me why to do this thing, as the way I sit and walk, I think I would be doing—I had to figure out for myself, why would he give me this thing that I like to do least? I understand only because I have thought about it myself, having left the 3-week period they give you to go and somebody tells you what to do, I figured out why he wanted me to do this thing I hated to do, and now I have begun to do it.

Now, most people are reasonable. And if a caseworker who is patient, who has lived there—and most of them have—with the people who have been the most unfortunate people in society since

Katrina, if they have the kind of approach to these people, who are sitting in these homes, recalcitrant and resistant, take the time to indicate what is available, particularly if they compare them to what is happening to families all over this country today, if they tell them that the Subcommittee is not willing to recommend extensions ad infinitum, that we are in the last pace here, that we are not going to leave them stranded so they can't get from one end of Orleans Parish to the other, that there are ways to move to jobs because your task force is going to make sure that that communication is given.

Indeed, before I go further, Mr. Rainwater, the District of Columbia will provide, if there is a disabled person—using, I am sure, there must be Federal funds in this—you can call and get transportation to go even to recreational events. Is that provided in New Orleans?

Mr. RAINWATER. Yes, ma'am. We work through different nonprofits, the city, continuums of care that we have funded about $21 million for rapid rehousing, also to provide transportation for folks.

Ms. NORTON. See, if all of that is put on the table at the same time that one is talking to a person, the resistance begins to melt, particularly when they understand that once all of this is made available to you, you are not going to get another chance. But you have to have all of that in the package to make people, who have every reason to be resistant, understand that we are surrounding you with the services that will be necessary.

In the District of Columbia, if your children live in Northwest and you live in Southeast and you say, I want to visit my family once a week, a van will come and get you once a week. They know that, in the long run, that means you are not going to be going into the emergency room or into some home where it costs us $80,000 a year to maintain. They know there is much to be said in the public interest.

Mr. Rainwater suggests that those kinds of services are available. That person doesn't get their grown son or daughter to come see them more often than that anyway. So they can be assured that at least what they are accustomed to is not going to fall away altogether. I think this can be done. It would take sensitivity. It would take the agencies working together.

I am sorry. I may have interrupted, I think, you, Mr. Tombar.

Mr. TOMBAR. Yes, ma'am. Some of the other reasons that families have indicated that they did not want to move was because they prefer to stay in the rent-free, disaster-based assistance rather than HUD or State programs that would require a contribution towards their monthly rent.

Ms. NORTON. See, we can easily take care of that one. There is no free lunch. And you can quote the Committee Chair, there is no free lunch, even for those who have been hardest hit.

Mr. TOMBAR. Certainly. Others have indicated that they were concerned about getting into government-subsidized housing, even though it was explained to them that this was not "HUD housing," but rather private housing that would be subsidized with rent——

Ms. NORTON. You do have to make people who don't want to ever be said to have been wards of the State in any sense of the word understand that this is not the same thing at all. This is for people

who have done all they can, working and living in just the way we ask people to do, abiding by all the rules, but find that the cost of housing where they happen to live is beyond any reasonable means. Yes, it does have to be explained to people who don't want to be said they are on welfare.

Mr. TOMBAR. And finally, as I initially indicated, that families did not want to relocate from the THU that was on a private site where they were rebuilding their home.

Ms. NORTON. Yeah, now, those are the people that you need to work with hardest because here is where the Congress may need, if you don't do it; if we do it, it is going to be much to your not liking.

It seems to me that Mr. Garratt made a reasonable start by talking about people within certain time frames rehabilitating their homes. And let me say this for the record, it is in the national interest, as consistent with the Stafford Act, that people who are willing to rebuild their own homes with some government assistance; that is rebuilding New Orleans; that is showing that the Stafford Act and the other Federal statutes work.

We do not believe it is in the national interest to snatch away a trailer that is subsidized but not nearly what the subsidy would be if that—I don't know, but might well not be what the subsidy requires if that person would have to go off his own land, where he is living probably under conditions that he wouldn't tolerate and that we wouldn't tolerate, if we had to put that person in some other housing.

We think it is in the national interest and the public interest for that person to reserve their resources to rebuild their own house so that in fact they require less and less subsidy from the Federal Government or the State government. Are we agreed on that?

Then we also have established that the trailers are not going to be put to good use by another family, but they are going to be scrapped. That is already a loss to the government. We don't like to do things like that. We are having to do that in these cases. These are not people in the formaldehyde trailers where the people want to get out of the trailers. These are people who want to stay in them in order to get into their own homes, and we know, given ordinary conditions, how close they would be to rehabbing their own homes.

We know that the State has been slow in getting them the assistance. We know that, for example, to quote from one example, a very small house blown down by the hurricane, disabled—this is an example of the kind of person you are dealing with. A 67-year-old person, the State gave her $28,000. It wasn't enough to rebuild. I can't imagine that it would be in the public interest for her to abandon land she owns.

Would she have to use the $28,000 for a rental, Mr. Rainwater? I mean, she got $28,000, but it is only for, apparently, rebuilding. What will she do with that money?

Mr. RAINWATER. Madam Chair, in some instances, there were people that did use money for living expenses. And what we are trying to do right now, as I stated earlier, is create some——

Ms. NORTON. Is that within the rules?

Mr. RAINWATER. Not necessarily. I mean, I don't know how many times it happened, to be very honest with you. FEMA did provide assistance and HUD did provide assistance to folks as well to help them live while they were working through issues.

Ms. NORTON. But this $28,000 that she got——

Mr. RAINWATER. That is subtracted from whatever insurance she had, and then the $28,000—there is a formula that you use, and so typically it is——

Ms. NORTON. But she was supposed to use that to rebuild?

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. So I am assuming she wants to still rebuild?

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. I am going to ask you about the $2.4 billion in a minute, but we will have complaints, whenever you do imminent domain, everybody says they haven't given me enough money. Now, she is saying it isn't enough to rebuild, except I believe her these days because of what has happened and what has happened to the economy.

Why are people being given too little money to rebuild?

Mr. RAINWATER. The way the program that was set up in 2006, 2007, the Road Home Assistance Program, was developed based on a formula.

Ms. NORTON. She is 67. She is rebuilding out of a pension or out of her own resources.

Mr. RAINWATER. The cap that the State created and was approved by HUD was $150,000. It is basically a ratio of how much insurance you have got. What we have tried to do is we have created an additional compensation grant for people who were either elderly or low income to help them try to complete that.

Ms. NORTON. She may be getting some of that as well.

What happens to someone who hopes that the insurance is being put aside, the $28,000 is being put aside, she still can't rebuild? What should she do?

Mr. RAINWATER. We are in the process of creating this pilot construction program to help people. There is no doubt that what we have seen in Louisiana in some instances of an elderly person, a contractor took money or bids were too high; we work with a number of nonprofits who can go in and assist folks, who can buy materials at a wholesale rate, go in and help them finish the repair to their house. So we are trying to push those dollars as far down as we possibly can.

Ms. NORTON. So during the boom time, some of these people did try to rebuild in boom time, which just brought down the country.

Rev. JENKINS. Madam Chair, may I say something?

Ms. NORTON. Please, sir.

Rev. JENKINS. Thank you, ma'am.

I want to say that the churches and the nonprofits often step in and fill the gap. We continue to host huge numbers of volunteers who come to New Orleans, who pay for their lodging with us in New Orleans now, and whom we charge to buy the material used to fix up the 951 houses that we have gutted and that we are rebuilding. So the people who come to work are charged by us, and we are building and rebuilding houses for people who have been robbed——

Ms. NORTON. So here is a disabled 67-year-old. She got $28,000 from the State. She probably has some insurance money. Is she the kind of person that could have the rest of it done with volunteer help and the like?

Rev. JENKINS. Yes. We are doing that with volunteer help. And we are doing it on a handshake for people who have no money. For people who have money, they are paying for their supplies to rebuild. But we have yet to lose a penny on any poor person who comes into money. They pay us back as soon as they can.

Ms. NORTON. Well, Mr. Rainwater, we do still hear—and we have some of them from the District of Columbia—of people coming in doing marvelous things. What relationship do you have to these volunteer groups who, for example, the 67-year-old lady I just talked about, if the State got together with the volunteers, this lady might get this home built even in this climate?

Mr. RAINWATER. Yes, ma'am. So we started developing a program in the last quarter of last year— it is this pilot project that we just sent to HUD for approval—which would begin to move some dollars down to nonprofits, like the Reverend——

Ms. NORTON. Now, wait a minute. First of all, a lot of this is being done by volunteer work?

Rev. JENKINS. Yes, ma'am.

Ms. NORTON. I like what you are saying, but I am not understanding what it is that the nonprofits would do.

Mr. RAINWATER. Well, basically what we try to do is help them to purchase building materials, pay for some of their administrative costs——

Ms. NORTON. This is so common sense, I am almost dying here.

Mr. Tombar, these are the most motivated people in Louisiana. They have worked all their lives, got a piece of land and got a house. You are hearing that, limited though they are, the nonprofits are seeing the potential here of purchasing materials themselves because these are people with some insurance money they haven't spent. These people want their house back; they have got a piece of land.

You heard Mr. Rainwater say that they are asking for pilot funds from HUD in order to speed up this volunteer effort, most of which doesn't even come out of government funds, so that these people could in fact get the materials to begin doing what is necessary. What is the status of that approval?

When was it submitted, Mr. Rainwater?

Mr. RAINWATER. It was submitted towards the end of last month. So it is within a reasonable time frame, ma'am.

Ms. NORTON. Are you aware of that, Mr. Tombar?

Mr. TOMBAR. I was not, but I am aware of the fact that the CDBG program provides great flexibility, and this is the type of——

Ms. NORTON. Just a moment. You are saying Mr. Rainwater already can do this then?

Mr. TOMBAR. No, ma'am. He is going through the administrative process it sounds like.

Ms. NORTON. Are you asking for CDBG funds that exist, or are you asking for new pilot funds?

Mr. RAINWATER. There are two different requests. One was we had Community Development Block Grant money that we took out of one of our programs, an infrastructure program, and sent an action plan amendment to HUD, which they are very positive about.

We are also working with FEMA and some of the congressional delegation, on taking about $9 million that was for case management to take it and put it into this creative nonprofit pot.

Ms. NORTON. Mr. Tombar, we are already at work on the task force here as you can see. Could I ask that those approvals be speeded up, as a request from the Subcommittee, that those approvals be done within 30 days from today? I know that that may be less time than is normally the case, but we are up against a deadline, and we can't push the deadline without pushing ourselves and the government as well. And since you are a pilot program, we have a new administration that is open to innovation. You see what the State is willing to do. Would you be willing to press for an approval—that the approval period would be over and done with in 30 days? We are up against an August deadline.

Mr. TOMBAR. I will guarantee you that we will review, provide technical assistance, should we find any issues with the plan as submitted by the State, and work with them in the next 30 days to resolve those and give full approval.

Ms. NORTON. I thank you very much. That is very important. Please get that information to us within 30 days of where we are and whether the approvals have been done.

I think we have begun to deal with the people who Mr. Tombar says—remember, we have established that there is a place for everybody to go without being put on the street, one. Two, we have established that they have been given three sources. Three, we have found that the difficulty may be in case management so that people understand they are at the end of the road, and what services will surround them when they leave the present situation in which they find themselves.

That leaves us with, so far as I can now see, the trailer people, where Mr. Garratt has offered some important information, at least to begin to work on, and that is the people—367 within 5 months, 298 within 11 months, 50 percent at least a year of—I guess this is started rebuilding—509 would be at least a year, and 711 not rebuilding at all.

Now, these people need to be separated and broken down. Now, the people who are not rebuilding, we don't have enough information. All we have is this helpful information. Let us establish this, if there is a reasonable chance that a person will contribute to the economy of the State of Louisiana by becoming a homeowner able to pay property taxes and able to contribute thereby to the parish in which that person lives, it is within the interest of the government of the State and the parish to in fact assist that family or individual toward that end. ″Reasonable″ is an important point here.

I don't know about the 711, whether the people are not building at all, whether it is reasonable. The reason these figures are of any moment at all is because these people that I am talking about that Mr. Garratt has figures on are all in trailers. We have also estab-

lished that it is not as if the trailer is going to go to some other beneficial use.

The task force that is looking at those in rental units, those in section—I want you to stay right in here, Mr. Tombar, because some of these may in fact turn out to be people who need HUD assistance. But we have got to disaggregate these numbers to find out what we can do. We cannot fail to take account of the fact—and let me say this for the record; were it not for the New Deal vehicles left to us, unemployment insurance—FEMA was not one of them—but Social Security, Medicare and Medicaid, which are the next New Deal, the Great Society, were it not for them, where we would be is where my parents were, on bread lines. All 50 States are down. We are only beginning to see the rattlings of the bottom. You know when you have thought about it and you say, my butt is here, so I think I am at the bottom? That is the most that the analysts are willing to tell us. That is great news. That really has the public going out and actually buying something. Because the least optimistic of the analysts have said, we can't say we are at the bottom.

We are not falling as fast, we know this. The greatest lagging indicator is employment. And yet these people are within some reasonable distance—at least some of them, I don't know about the 509, and none of us know yet who are at least a year out because it could be a year and some distance. But we know that whatever else is keeping them from rebuilding, not only is it Katrina; it as an economy that they had nothing to do with making fall on its face. Because these are all homeowners, these people were taking care of themselves, the able-bodied people who were taking care of themselves are the top of the list as far as I am concerned because they are people who are used to providing for themselves.

I am going to ask the task force—because I can't tell you—I know kind of what to do with these other folks, sensitive case management, the pilot program that Mr. Tombar kindly said he will do all he can to see it speeded up. The Section 8 housing is available. This is a whole lot more hopeful than I thought this hearing might turn out to be, which is why oversight hearings are important in the first place.

It may be that FEMA, or this Committee, this Congress, will have to act with respect to these trailers because we will look like complete idiots putting people out of trailers who, but for what the State could have done, what the economy could have done, would be building their housing and then thrusting them on the housing market. I don't even know, Mr. Tombar, whether or not they would displace or eat up some of the Section 8 housing—which really shouldn't go to them, all things being considered.

If, in fact, as Mr. Garratt says, they're within X or Y months of building—it may well be these are the people who have jobs—we don't want to crowd people from one sector onto another sector. But we don't know enough about them.

Now, I am going to ask the task force—and this one will be 60 days because these people are not the people who are—well, I should make that 45 days because these people may also find themselves just—Mr. Garratt has testified there will be no evictions. Let me see what kind of time frames we are under here.

Mr. Garratt, I amsimply trying to give the task force time to see what these figures mean. That is the only fair thing to do. And I appreciate the figures you provided. You testified that there would be no evictions; is that right?

Mr. GARRATT. No, ma'am. What I testified to was that evictions would not begin for some period of time. We haven't even completed the termination and notification process, nor have we referred at this point anyone for eviction. That won't occur until, at the very earliest, the end of this month. And even then, referrals will be taking place over some period of time. And even then, there is a process, a rather lengthy process that must be followed before that can even begin.

So what I testified to was, they won't begin on June 1, and I think it is likely to be several months, some period of time, before they would actually begin.

Ms. NORTON. All right. That is good enough for me, 45 days. We would like more information, and let me tell you who we would like this from.

Mr. Garratt, these people are in your trailers. When you gave figures about how much time it would take, all things being considered, did that information come from your own evaluation, or did it come from Mr. Rainwater, or HUD?

Mr. GARRATT. I would say that that is probably information that came from both of our efforts. We are in fact operating in a joint environment in the field, so these are collaborative efforts.

Ms. NORTON. Given your testimony that you are not trying to precipitously evict people, I am not going to do anything here but speak to the need for analysis-based on the figures Mr. Rainwater, Mr. Tombar and Mr. Garratt gave about the number of months. Quite a few people were within building, given the fact—now, these people have resources. We are talking about people who have some insurance money. I am sure hope this means that people understand you shouldn't be spending insurance money. Do people understand that? Do people understand that? Or does the insurance company only give the money when they see that you are—if you say you are going to rebuild—rebuilding?

Mr. RAINWATER. No, ma'am. One of the challenges that we have had in Louisiana is there are a number of lawsuits related to the insurance companies. And so what we have been doing last year, and this year is working with residents to make sure they get their Road Home grant. We have taken ourselves mostly out of the debate between the citizen and the insurance company so that they——

Ms. NORTON. But I'm just asking, if she has got $28,000 worth of insurance, is she just given that money and told, here, go rebuild, or go do something else?

Mr. RAINWATER. No, ma'am. There are two choices. One, you can rebuild where you are at; you can rebuild in Louisiana but at a different location; or you can rebuild out of State. Each time someone gets a grant though, they sign a 3-year covenant that requires that they meet the new elevations, that they build to the new building code or they repair their house. So there are requirements.

Ms. NORTON. So it is true that we are talking about people who have some resources?

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. And when the economy recovers, it may be that it is going to be, God help us, easier to rebuild because we were working in a very elevated, escalated, really false, made out of derivatives and non-money, really, false kind of economy. Now people need, work and contractors need business, as they say in the city, they need some business. So it may turn out to be easier to build than it would have been even when recovery began and was going on because people will be up and running now, the contractors will be up and running.

In 45 days, I am going to ask the task force simply to give us information. We don't have any basis to know where these people are. The only strictures we have are ones imposed on all of us alike, and that is the economy. And I have indicated that the Subcommittee continues to be the overriding public interest in keeping these people who are—people who own homes are the most productive people in the society. So we would have an interest in helping them help themselves. They have a habit of saving. Most of them have owned homes and bought homes that required them to save. And we believe that they will be building and rebuilding the parish and rebuilding the State and becoming taxpayers.

Now, you may find differently. This is a rebuttable presumption. It is certainly rebuttable with respect to the 711 that Mr. Garratt says are not rebuilding at all. We can't tell what in the world to do there. But at some point, the government has to fish or cut bait. That may mean with the trailers as well, as harsh as that seems. The Stafford Act does not allow for government to perpetually provide trailers. That would be, even for these self-sufficient people, an enabling kind of activity and an activity that encourages dependency.

The reason we have great sympathy with these people is these have been independent people. Mother Nature took over from them and took away their independence. So we don't want to make them any further dependent than they are, but if they can't rebuild at all, ultimately they are going to need some case work or some other reality that they are going to have to come to grips with or else they are not operating in the public interest. The area is not being rebuilt. Their land is not going to contribute to the tax base of the parish or of the State. And they are going to have to help us help them.

I don't know what to do about them yet, and I don't expect you to know. So all I am asking, in 45 days—and we are going to send you this in writing—is to know what it means—Mr. Garratt's helpful figures. And he only meant them as an outline of what we know now. You may know more or your own offices may know more, but what it means for people within 5 months, 11 months, at least a year, what that means, 50 percent would take at least a year, want that broken down; send to the Committee as much information as you can. This information will be necessary because we will have to decide whether or not any extensions are called for, and if so, for whom.

We believe that the State has been enabled by the extensions, even though we have felt we needed them. We think the State has understood that we don't strand people. And just because there has

been a change in administration, do not think that the standard has changed. We do not like that the decision gets made at the last minute. We do believe that it is permissible, so long as there is adequate case work going on, to continue to tell people they have to leave now. In other words, if people are given notice—and I don't know what the usual notice is, let's say it is a month's notice, but they have all of the surrounding—we don't think it is improper to give people notice that, let us say, in the middle of June, that by the middle of July, one of the three sources that they have been given is one they have to take. And this is a service.

So we are not trying to stop you from doing what is reasonable. But we are saying that it is not permissible to do that without very sensitive case work that lets these people understand that they are being given that date for a reason. And at that point, they subject themselves to eviction. Because a State then has done all it can; it has provided you with transportation. It has provided you with a case worker you can always be in touch with. It has provided you with a way to get to your medical services. It has provided you with information, if you work every day, about how to get to your job even though it is at a part of the parish that normally is harder to get to. The government can't do the impossible.

So we are not trying to stop you from giving people notice. We are trying to let you keep doing that so that we are not left at the last minute with the need for another extension, and we are not left at the last minute with people thinking that the government has done it before, so they are going to do it again. But the shorter time limits are based on being assured that we are doing what we are supposed to do within the time limits that have been previously set.

And this Committee will feel free to have further hearings next month if we find that the only remedy you are leaving for us is to extend the deadline. That is the least, that is the least acceptable remedy to the government. Because that will mean to this Subcommittee that the government hasn't done its job, not given what Mr. Tombar has told us, not given the figures that Mr. Garratt has given. If in fact there is a need to extend it, the greatest reason will be that the combination of forces recognized here—except for Rev. Jenkins, who testified before us—have not done what is needed to move people out. And we are not willing, because the government has failed, to say that the government can keep on failing. So expect there will be another hearing next month, unless the figures you provide us indicate you are making the necessary progress.

Now, I realize that I have kept people long beyond what these hearings keep you, but you know why? Because these hearings are usually about, "I got you, Mr. Rainwater," "see, I told you, Mr. Garratt," "see, Mr. Tombar, you haven't done what I wanted you to do." I don't believe in those kind of hearings. The hearings that serve us best are hearings that help us help you solve a problem.

Mr. Rainwater, one question before you go. The figure that has blown me out of the water since I first heard it was $3.4 billion held by the State of Louisiana that could be used to rebuild Charity Hospital. Mr. Garratt or Mr. Rainwater, your forces couldn't get yourselves together. The Senator from the State then went to a nu-

clear remedy and said that there would be arbitration. Then the new Secretary for DHS said, oh, no, we are going to get it together, and we will have some remedy that is within what Senator Landrieu has offered.

So the first thing I want to ask you, sir, you testified here—it must have been 2 months ago—how much of the $3.4 billion has now been put to good use in the State of Louisiana?

Mr. RAINWATER. Madam Chair, you are referring to the Community Development Block Grant money, the Disaster Recovery Community Development Block Grant money?

Ms. NORTON. It is the public assistance program, $3.4 billion.

Mr. RAINWATER. Yes, ma'am. Let me look at my numbers real quick. Just bear with me one second.

Ms. NORTON. Sorry. This is the last question.

Mr. RAINWATER. Madam Chair, of the $3.6 billion, so far we have spent down $2.8 billion. And what we have done since our last hearing is, FEMA has sent down some decision teams that are working. And what we have done is we have broken up our groups down the State to some real action-oriented teams that are making decisions. So we have actually spent down from the $3.6, we are at about $2.8 billion now that are unspent.

Now, some of those have to do with the gaps that exist, and we continue to work through those issues. FEMA's Transitional Recovery Office, Acting Director Tony Russell, and the action people that they have sent down, are doing a very good job. And we are——

Ms. NORTON. This is good news. It is progress.

Let me ask you, you have spent down from $3.6 to $2.8, or you have obligated——

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. What are those obligations for?

Mr. RAINWATER. A multitude of projects, anything from Southern University of New Orleans to Tulane University to Delgado Technical College to fire stations and police stations. If you go out into New Orleans and St. Bernard, you will see construction occurring from those public assistance dollars.

Ms. NORTON. So what happened, Mr. Garratt and Mr. Rainwater? This is some progress, $.8 million spent. What happened? How was the logjam broken?

Mr. GARRATT. There are a couple of issues here at play. One of them, obviously, is this unobligated—or this amount of funding that was obligated to the State but was not drawn down by subgrantees. In fact, the fact that there is several billion dollars in there doesn't necessarily indicate a problem. What it may indicate and what it does indicate is the State is doing its due diligence. This is a reimbursement program, so it doesn't immediately go to the State then immediately go to a subgrantee. They do work; they submit invoices; the State validates those invoices and then reimburses them for that. So there is a process involved.

Ms. NORTON. Wait a minute. I thought much of this had to do with a dispute between FEMA and the State.

Mr. GARRATT. Not in terms of the funding that has been obligated to the State.That funding is for projects that were approved, but it is up to the applicants to actually do the work on those projects and submit the paperwork to get reimbursement.

Ms. NORTON. That is an important clarification.

Mr. RAINWATER. What you are seeing, Madam Chair, is the gap is being filled. And remember we had a dispute over what dollars were owed to State, another piece that is just recently taking place, it is very positive, in the recovery school district in New Orleans, FEMA has agreed to what we call a quick-start reconstruction program that allows the schools to lump-sum $150 million and rebuild the way they need to rebuild back to a more efficient process.

Ms. NORTON. So there is a difference between the obligation of funds that have been approved and funds where there is a dispute between the State and the city. So, it is really progress, particularly in this recessionary climate, that at least the obligations have commenced.

Now, how much in funding is still in dispute between the State of Louisiana and FEMA?

Mr. RAINWATER. That is approximately around $1 billion. And some of that relates back to the Charity Hospital dispute, which is half of that, which the dispute is over whether or not the building was damaged over 51 percent or more.

Ms. NORTON. How is that dispute being resolved, if at all?

Mr. RAINWATER. We just got through our first appeal. That appeal was denied by FEMA Region Six. We can now go to our second appeal, or there is conversation about using panel arbitration.

Ms. NORTON. All right. When we last met on this issue, it wasn't at the appeal level; it was at the primary decision area. I mean, appeals take time, and I want to know about that time in a moment, but it seems to me the issue that was most disturbing was at the initial dispute of how much. You can't appeal until one side or the other in fact takes a stand—and I guess, in this case, it would be FEMA, this is how much we are going to pay. At that point, you go to an appeal. I want to know at the ″how much we are going to pay stage″ are we?

Mr. GARRATT. $150 million.

Ms. NORTON. You see my issue; $150 million has been agreed upon. Now, that says to me—and I understand the position Mr. Garratt is in; his job is to husband the funds.

Your job, Mr. Rainwater, is to get as much of the funds as possible.

If we understand this as a structural problem, it won't be hard.

As I understand after the last hearing, a number of different ways to just crack the nut, so it could go to appeal. We had discussions with Senator Landrieu's office, we had discussions with the American Arbitration Association. There was some understanding in Senator Landrieu's office about some administrative law judges.

I had some concern about those, unless they were people who could resolve a dispute and weren't simply operating in an appeal mode. Has any of that come to your attention?

Mr. RAINWATER. Yes, Madam Chair, I have spoken with a number of Committee staff. And as I understand it, the panel arbitration piece hasn't been put together yet. There are a number of players at the State level in this project.

There is some conversation about just going to the second appeal, because it does—under the new appeals process, it does allow for an oral appeal, and we can present additional information.

Ms. NORTON. Wait a minute, help me out, because I wasn't even at the appeal. The $150 million is the amount that interests me.

Mr. RAINWATER. Yes, ma'am.

Ms. NORTON. That has come out of the initial dispute negotiations. Now, part of what could happen here is that the slow-up may be because FEMA is, in fact, continuing to negotiate with the State at all. They could hasten an appeal just by coming down with numbers, one after another, and you will have to appeal it.

So I take it at the dispute level, it is because somebody is negotiating with FEMA and that they are negotiating in good faith; is that true?

Mr. RAINWATER. Madam Chair, when we negotiated last year we went from 23 million to $150 million.

So in our particular case, our particular client is LSU, the medical center of New Orleans, which is the new hospital to be built. If you look at the two studies that were done, we still believe it was $492 million.

And so we feel like that the attorneys—and I am not an attorney—but the attorneys in our group feel like they have a case based off two studies we had done last year.

Ms. NORTON. But you see, you cracked the nut on that. I am not even—on that one, I have been less critical.

It is the initial dispute, so we can get to appeal, and still we have most of the money there. We have the money that you have obligated. That is very important, because that meant—and correct me if I am wrong—that it was not held up as an initial dispute.

That is money you have since obligated that FEMA had already signed on and that was included in the 3.6 billion and.8 billion of that has been obligated. All told, Mr. Garratt testified, is about a billion dollars still in the dispute stage—is that true—and 150 million of that has been—150 million of that has gone down since we last met.

Mr. GARRATT. I think it was actually Mr. Rainwater who testified that he thought there was about a billion dollars worth of unobligated project worksheets that were still out there.

Ms. NORTON. So if it is unobligated, that means you have already approved it?

Mr. GARRATT. Unobligated, we still have a number of projects that we are still working through.

Ms. NORTON. I want to know how much in that number—that you are still working through—there are?

Mr. RAINWATER. That would be—when we last testified, it was about, we felt like there was about a 1.4 billion gap.

Ms. NORTON. In disputed amounts?

Mr. RAINWATER. In disputed amounts, yes, ma'am.

Ms. NORTON. All I am trying to do is figure out what we are doing with that.

Mr. RAINWATER. But that number is continuing to come down based off decisions that are being——

Ms. NORTON. It is $150 million, Mr. Garratt just testified.

Mr. RAINWATER. Yes, ma'am. And so what——

Ms. NORTON. How has that come down, since that was in dispute——

Mr. RAINWATER. We went from $23 million to $150 million, which was——

Ms. NORTON. What procedures were used to do that, please?

Mr. RAINWATER. Conversation.

Ms. NORTON. Well, I don't see any evidence of any new procedures in place. You are still haggling.

Mr. RAINWATER. However, Madam Chair, I will say that at the ground level, what FEMA has done and what we have done is put these decision teams in place, and they continue to work through. The Charity Hospital piece is being treated——

Ms. NORTON. How much of it is Charity Hospital?

Mr. RAINWATER. About 492 million. That is our disputed number.

Ms. NORTON. Okay, how about the rest of it, is projects under—what is it—500 million? They are smaller projects. There is a recession going on. Get some people to work. Why can't we get decisions on those?

Mr. RAINWATER. Yes, ma'am. That is what we are working on right now. I just said we just decided $150 million for the recovery school district.

Ms. NORTON. Did the decision team help in some way, and, if so, how?

Mr. RAINWATER. Yes, ma'am. The decision team sat down and worked through the issues.

Ms. NORTON. Who is on the decision team?

Mr. RAINWATER. Tony Russell is the Changes for Recovery Office; a gentleman name Bill Vogel, and a gentleman named Charlie Axton from FEMA.

Ms. NORTON. They are all from FEMA?

Mr. RAINWATER. Yes, ma'am. And then from the State we have a gentleman named Mark Riley, who is the deputy director; and a gentleman named Mark Debosier and a gentleman named James Clark, who sit down and work through these issues.

We have a multitude of other folks underneath. But those are the folks that come together. I am brought in at particular points when there are very difficult decisions, and we work through it and make decisions together. So we are making progress on this. But it just takes time.

Ms. NORTON. Mr. Garratt, we were pleased when the new Secretary stationed these teams to be helpful.

Are those people in Louisiana who are on the ground now the three people named by Mr. Rainwater?

Mr. GARRATT. They are.

Ms. NORTON. Could I ask you to do this? Congress went on its vacation, we anticipated we would be here this morning at least, but they went on the May 30 recess for a week yesterday.

Would you make available to the staff those three people so that they can have an understanding—we would like to have confidence in that process. Because if we don't, then what we intend to do is to modify what Senator Landrieu put in place. That is already statutory law to, in fact, make decision-making occur.

We can't stand it that there is almost a $1 billion out there that could be putting people to work in Louisiana. We understand the difficulty, nor are we criticizing you for simply not giving in to the

State, nor the State for trying to get as much out of you as possible.

We are saying this. This is a classic dispute where a third party—you are using a third party from within the agency—is almost surely, as a structural matter, going to have to put their foot down or else we just go on and on and on, and each side has to haggle itself out. He is under an obligation to get as much money from you as possible, and you are under oversight from us to make sure you don't give them any more than what they deserve.

Whatever they get, they are going to complain about. This is classic third party; help us out.

And we are not willing to go forward without knowing more. So could I ask you to make available to staff these three people to make us understand how this new process is working?

Mr. GARRATT. Our staff are always available to support you and your staff, Madam.

Ms. NORTON. We would expect to see them next week before Congress comes back in session.

I want to thank all of you for, really, very helpful testimony that we have regarded as very problem-solving-oriented. We believe we have gotten someplace. We are going to put it in writing so that you will see what we believe has resulted in commitments from this testimony and so that we can all track each other to make the best things happen for the people of Louisiana.

Thank you again for your patience.

[Whereupon, at 1:07 p.m., the Subcommittee was adjourned.]

OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

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

Friday, May 22, 2009
2167 Rayburn House Office Building

Madam Chairwoman Norton and Ranking Member Diaz-Balart, thank you for holding this hearing on the status of FEMA's post-Katrina housing program.

The devastation from Hurricane Katrina continues to leave a lasting impact on not just the residents of Louisiana, but also on the rest of the nation. Since August 2005, clean-up and restoration efforts have made sizable differences in the areas hardest-hit by the storm, but many Americans continue to depend heavily on these ongoing efforts. Although FEMA's housing program traditionally spans only 18 months, clear need still exists for many Katrina victims. FEMA has extended its post-Katrina housing program 3 times thus far, but even as the program was terminated on May 1, many families continue to live in FEMA housing.

Hurricane Katrina was a particularly devastating natural disaster, and as a result, much more assistance was needed for this event than for a more typical disaster. It is our responsibility as public officials to ensure that Americans in need of aid following a large-scale natural disaster receive sufficient assistance. Displaced Katrina victims still need our help, and we must explore and employ alternative housing programs to continue to provide necessary assistance to them.

In closing, I want to thank the witnesses for joining us today. I look forward to working on this housing issue with all of you and with the Committee.

ELEANOR HOLMES NORTON
DISTRICT OF COLUMBIA

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEES:
CHAIRWOMAN
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
AVIATION
WATER RESOURCES AND ENVIRONMENT

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEES:
FEDERAL WORKFORCE, POSTAL SERVICE, AND DISTRICT OF COLUMBIA
* COVERS DISTRICT OF COLUMBIA ISSUES

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEES:
TRANSPORTATION SECURITY, AND INVESTMENT PROTECTION
EMERGENCY COMMUNICATION, PREPAREDNESS, AND RESPONSE

STATEMENT OF
CHAIR ELEANOR HOLMES NORTON
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

"STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES END"

MAY 22, 2009

Today's hearing will address how the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD) will resolve still outstanding issues the federal government faces in providing housing to families whose homes were damaged or destroyed by Hurricane Katrina.

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

Approximately 143,000 families were housed in FEMA-provided travel trailers and mobile homes as a result of Hurricane Katrina. Since this peak, most families were transitioned to more permanent housing. As of May 14, 2009, approximately 4,052 temporary housing units continue to be in use in Louisiana. FEMA has also provided $7.8 billion in financial assistance to about 2.4 million households through FEMA's Individuals and Households Program. FEMA's housing program formally ended on May 1, 2009.

NATIONAL PRESS BUILDING
529 14TH STREET, N.W., SUITE 900
WASHINGTON, D.C. 20045
(202) 783-5065
(202) 783-5211 (FAX)

2136 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-8050
(202) 225-3002 (FAX)
(202) 225-1904 (TDD)
www.house.gov/norton

PRINTED ON RECYCLED PAPER

2041 MARTIN L. KING AVENUE, S.E.
SUITE 300
WASHINGTON, D.C. 20020-5734
(202) 678-8900
(202) 678-8844 (FAX)

The housing program for Hurricane Katrina was unusually long and involved as far more individuals needed housing assistance because of the unusually catastrophic nature of the disaster. To address ongoing housing needs of individuals who could not return to their homes in the Gulf Coast, FEMA used its authority under Section 408 of the Stafford Act and the Disaster Relief Fund, and delegated authority to HUD to implement the Disaster Housing Assistance Program (DHAP). DHAP is a pilot program to provide temporary long-term housing and related services for families that continued to need housing as a result of Hurricane Katrina. Unlike FEMA's rental assistance program, which provides payments directly to residents who pay landlords, DHAP, working through public housing agencies, provides rental payments directly to landlords. The DHAP program began on December 1, 2007, and served 36,816 families.

The program was scheduled to end on March 1, 2009. However, Congress appropriated $85 million to transition program families in DHAP, extending the last eligible rental payments to August 2009. Initially, 24,343 families were assisted through this transitional program. HUD estimates that approximately 18,000 families remain in the program as of May 2009.

The situation we now face was both predictable and predicted. It has been clear from the recent FEMA hearings that those left in disaster housing would be the most vulnerable members of society, who may have had prior difficulties that have been exacerbated by the disaster. While these programs have formally ended, we still have families without a long term housing solution.

In order to facilitate an orderly transition, I wrote to the then Administrator of FEMA last July, requesting that the March 1, 2009 deadline be extended and announced immediately. While FEMA did extend the program three times, in each instance the extensions where announced at the last minute, causing unnecessary stress and hardship. My fear last summer was that this would be repeated as the March 1, 2009 deadline created by the Bush Administration and that this date would essentially push this program to the new Administration to scramble to address this issue. This is exactly what happened. The Obama Administration was forced to announce the March 2009 extension. Even with this deadline it appears that many of the most vulnerable citizens still in disaster housing have not had enough time find permanent solutions to their housing needs.

The testimony we will receive today paints a conflicting picture. The testimony of our Federal witnesses and our State witness describes a much improved situation on the ground in the Gulf from what we have seen in the past. However, other testimony and recent disturbing media reports indicate that there are families without a long term housing solution facing eviction from disaster housing. In today's hearing we hope to ascertain whether these are isolated cases that symptomatic of broader issues still outstanding after this disaster. The subcommittee does not want to be misunderstood, FEMA should not be expected to provide housing assistance indefinitely, and by statute, the agency cannot do so. It is also unacceptable to turn people out of their disaster housing with no where to go. Ultimately, it also is required that residents accept the available housing, even if they prefer the temporary housing or other housing.

FEMA and HUD have developed new and innovative housing programs to address the unprecedented disaster housing need. However, these programs did provide housing solutions for the vast majority of families left without housing by Hurricane Katrina.

The subcommittee looks forward to hearing the testimony of today's witnesses and addressing once and for all how we can resolve the ongoing housing needs of those families who are still experiencing the consequences of this devastating disaster.

Written Statement of

David Garratt

Acting Deputy Administrator
Federal Emergency Management Agency
Department of Homeland Security

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

Before the

Subcommittee on Economic Development, Public Buildings, and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC

May 22, 2009

Good morning Chairman Norton, Ranking Member Diaz-Balart, and other distinguished Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management. It is a privilege to appear before you today on behalf of the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA). As always, we appreciate your interest in, and continued support of emergency management, specifically disaster housing, and in the efforts of the men and women who support that undertaking at every level of government and within the private and volunteer sectors. The engagement of Congress in this challenging issue highlights the complexities that face states, local governments, voluntary agencies, and the Federal family as we collectively look at providing disaster housing in a way that meets the temporary and immediate emergency disaster housing needs of individuals affected by disasters, as well as encourages and supports their transition to self-sufficiency. FEMA recognizes that ending disaster housing assistance, even after nearly four years of such assistance, may pose a hardship for a number of households still residing in FEMA temporary housing units as of May 15. This temporary bridge provides much-needed stability while disaster survivors work to responsibly re-establish their lives and livelihoods. Despite the challenges confronting housing recovery, FEMA and our partners have supported and facilitated the successful transition of more than 97 percent of those affected by hurricanes Katrina and Rita to long-term and permanent housing. While FEMA supported temporary disaster housing programs are drawing to an end in the Gulf Coast states, FEMA is continuing to work with its Federal, State, and local partners to ensure a smooth transition into more permanent housing solutions.

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

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

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

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

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

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

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

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

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

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

An Unprecedented Housing Effort

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Summary

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

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

Thank you. I look forward to your questions.

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

June 16, 2009

The Honorable Eleanor Holmes Norton
Chair, Subcommittee on Economic Development,
Public Buildings and Emergency Management
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Norton:

Thank you for your letter of June 3, 2009, to the Department of Homeland Security's Federal Emergency Management Agency (FEMA) requesting an update on the establishment of a joint task force to address the continuing housing needs of Katrina survivors still living in FEMA-provided temporary housing units.

In February 2008, FEMA established the Joint Federal/State Relocation Task Force in the State of Louisiana. The mission and objectives of the Joint Task Force are to ensure the safe, compassionate, timely and consistent implementation of plans to relocate households out of FEMA temporary housing units and into alternative (interim or permanent) housing; integrate the capabilities and capacity of Federal and State agencies to facilitate an aggressive relocation of households; and identify and address concerns and barriers to the relocation progress. This Task Force continues to meet and focus on Katrina and Rita households still occupying temporary housing units.

The Task Force members include Mr. David Vargas of the U.S. Department of Housing and Urban Development; Ms. Robin Keegan, Ms. Amanda Guma and Mr. Dave Bowman from the Louisiana Recovery Authority; and, Mr. Charles Schexnaildre and Ms. Lynette Fontenot of FEMA.

I trust this information is helpful. Should you have additional questions, please have a member of your staff contact our Legislative Affairs Division at (202) 646-4500.

Sincerely,

David Garratt
Acting Deputy Administrator

Question#:	1
Topic:	status
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Please give a status report on the number of households still in FEMA trailers?

Response:

As of June 18, 2009, there are currently 2,865 households residing in temporary housing units as a result of Hurricanes Katrina or Rita.

State	Group Sites	Commercial Sites	Private Sites	TOTAL HH
Louisiana	32	240	1,820	**2,092**
Mississippi	0	76	689	**765**
Alabama	0	0	8	**8**
TOTAL HH	**32**	**316**	**2,517**	**2,865**

Question:

How many households have requested permission to buy their temporary homes or park models? How many have been sold?

Response:

A total of 1,600 households have notified FEMA that they are interested in purchasing their temporary housing unit. Of this total, there are currently 536 pending sales and 720 sales have been completed. The remaining 344 households are either ineligible or unable to purchase their units. Most of these remaining households are requesting to purchase their travel trailers which are not for sale for long-term use.

	Louisiana		**Mississippi**		**TOTAL**
	MH	**PM**	**MH**	**PM**	
Sales Pending	265	99	162	10	**536**
Sales Completed	143	88	452	37	**720**
TOTAL	**408**	**187**	**614**	**47**	**1,256**

Question:

How many families have been turned down?

Question#:	1
Topic:	status
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Response:

Currently, there are 344 households who have been identified as ineligible or unable to purchase their temporary housing unit.

Question:

Please provide information on the reasons why families have been turned down.

Response:

The following are four major reasons why families are unable to purchase their units:

- The majority are households residing in a travel trailer and unable to purchase their unit as FEMA is not selling travel trailers for a long-term housing solution.
- The household received two formaldehyde tests on the unit and both tests were not within the state-set formaldehyde threshold.
- The unit is now located in a V-Zone and the household has not been able to identify an alternate location to move the unit. V-Zones are areas along the coast which are subject to a 1-percent-annual-chance flood event with additional hazards associated with storm-induced waves. Mandatory flood insurance purchase requirements apply to these areas.
- The household states they cannot afford the additional costs to maintain the temporary housing unit such as State sales taxes and other charges.

Question#:	2
Topic:	differences
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Please explain the differences between the FEMA's housing program and the Disaster Housing Assistance Program (DHAP). What services have been provided under DHAP that were not provided under FEMA's housing program.

Response: FEMA's Individuals and Households Program (IHP) provides Housing Assistance in the form of financial help or direct services to eligible applicants including Rental or Repair Assistance, to enable the applicant to rent a place to live and/or make their home safe and livable. FEMA's disaster assistance programs are short-term programs with a statutory limitation. FEMA may provide up to $26,200 (for Katrina) to an eligible applicant, or assistance for up to18 months, unless extended by the President.

On July 26, 2007, FEMA and HUD executed an Interagency Agreement (IAA) establishing DHAP, a FEMA-HUD pilot grant program to provide rent subsidies and a case management program for identified individuals and households displaced by Hurricanes Katrina and Rita. The program is administered through HUD's existing infrastructure of Public Housing Agencies (PHAs).

Administration of the program became effective September 1, 2007, and PHAs began making rental assistance payments for the initial applicants in December 1, 2007. Payments were scheduled to end on March 1, 2009, but HUD is acting as the servicing agency for the DHAP-Katrina Transition Closeout and has allowed for the administration of transitional rental payments not to exceed 6 months, commencing on March 1, 2009 and ending August 31, 2009.

Families assisted through DHAP are undergoing a monthly Incremental Rent Transition to ease them into self-sufficiency. In addition, these families received case management from the PHAs assisting participants in identifying permanent housing solutions.

Question#:	3
Topic:	process
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Please elaborate on the decision making process inside FEMA that took place to terminate the temporary housing program? What was the interaction between FEMA and DHS?

Response: U.S. Department of Homeland Security (DHS) Secretary Napolitano extended FEMA's Temporary Housing Assistance for applicants of Hurricanes Katrina and Rita from March 1, 2009 to May 1, 2009. The additional two-month period was to assist remaining applicants with the process of moving to long-term housing solutions.

FEMA's housing assistance program is temporary by statute, regulation and design. FEMA's temporary housing assistance program provides temporary housing assistance while individuals and households work toward fulfilling their permanent housing plans. FEMA's temporary housing program for Hurricanes Katrina and Rita, which ended on May 1, 2009, reflects 26 months of rent-free assistance beyond the statutory 18-month limit of housing assistance.

To assist families with their transition to more permanent, sustainable housing solutions, FEMA worked with each family on a monthly basis to assist with their recovery, and their development of transition plans to meet their individual needs. FEMA offered each household at least three rental resources that meet the household's individual housing needs. Considerations include: the number of bedrooms, accessibility needs, rent is within Fair Market Rent (FMR) established by HUD for the area, and its location is within a reasonable commuting distance. Some households have been offered as many as 90 rental resources that were located within a reasonable commuting area.

FEMA leadership met with DHS leadership, including Secretary Napolitano, on multiple occasions to discuss the progress of helping families with moving into more permanent, sustainable housing solutions, and the various outreach efforts for the households still residing in FEMA temporary housing. Before making the decision not to further extend this temporary housing program, FEMA closely coordinated with DHS on the process and messaging regarding the end of the housing program on May 1, 2009.

Question#:	3
Topic:	process
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question#:	4
Topic:	relationship
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: What is FEMA's relationship to case managers? Since the state uses FEMA funds for case management does FEMA have any oversight on their activities? In your opinion would case management services be more effective if there was a direct relationship between FEMA and the service providers?

Response: FEMA's relationship to case managers is minimal. FEMA's primary role is support the State in establishing their case management program. FEMA provides program guidance, facilitates the exchange of client information, participates in case management training, and provides technical assistance to the service providers. This interaction is very similar to the interaction FEMA provides for the State Crisis Counseling program, which is also a grant program offered to the States in during disaster recovery.

FEMA believes case management would be LESS effective if there was a more direct relationship between FEMA and the service providers. States need the flexibility to manage case management activities in a manner appropriate to their needs and organizations, within the performance parameters established by FEMA. Disaster needs vary by geography, type of event, and culture of the population which State and VOAD agencies know and understand. They are familiar with the recovery needs of their own communities, in ways that a Federal agency may not be. This makes them most qualified to lead their case management programs, and serve as the lead point of contact for the service providers. Direct FEMA involvement would complicate, rather than simplify, the delivery of case management.

Question#:	5
Topic:	policy
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Please explain FEMA's policy on determining housing eligibility.

Response:

FEMA's policy on housing eligibility is dependent on various conditions; however, the majority of decisions follow a typical model. In the typical model, the principal criterion that drives all housing eligibility decisions under the Individuals and Households Program (IHP) is whether the applicant's primary residence has been destroyed, has been made temporarily uninhabitable, or is temporarily inaccessible.

Housing eligibility decisions are constructed around three main factors:

1) FEMA's ability to verify the applicant's identity and occupancy of the dwelling.

2) An applicant's self declaration of a housing need that can not or will not be met by another source (i.e., insurance). Applicants are given several opportunities to declare a housing need. The first opportunity is at registration. At registration, an applicant is asked if he has home damage or if he is in need of temporary housing. An affirmative statement will trigger a FEMA inspection.

3) FEMA's ability to verify that the housing need expressed by the applicant exists and has not or will not be met by another source. Based on the condition of the dwelling at inspection (e.g., whether the dwelling is or is not temporarily uninhabitable), an applicant may be given another opportunity to articulate a housing need. If the dwelling is destroyed, has been made temporarily uninhabitable, or is temporarily inaccessible, the applicant will be asked if they need to temporary relocate while repairs are made to the dwelling. An affirmative statement will trigger assistance to secure somewhere to live immediately after a disaster (i.e., rental assistance). In addition, a verification of damage may result in monies being provided to repair the owner-occupied dwelling;

In general, when an applicant's declared need(s) is verified, FEMA can provide the applicant with assistance to repair or replace structural losses and assistance for securing somewhere to live immediately after a disaster (i.e., rental assistance). The exact type (temporary housing, repair, replacement, and permanent/semi-permanent), form (financial or direct), and amount of assistance will vary based on an applicant's self-

Question#:	5
Topic:	policy
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

declaration of need, the level of damage to the dwelling, and available resources in the disaster area.

By statute and regulation, FEMA must also consider other housing factors on a case-by-case basis. These additional factors include whether the applicant has insurance for the hazard that damaged the dwelling, the household's composition, and whether a member of the household has a disability.

Question#:	6
Topic:	flexibility
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Regarding Rev. Jenkins complaints about FEMA's inability to share particular information, do you think FEMA should have more flexibility to share client info in special circumstances? Section 408 of the Stafford Act already requires FEMA to share information with States so State and local governments can provide additional services. Does FEMA need additional authority to move in this direction?

Response: FEMA currently has sufficient authority to provide Voluntary Organizations and other Non-Governmental Organizations (NGO) access to disaster information on applicants.

At this time, NGOs have two routine uses that they can use to access disaster applicant information. This includes:
Routine Use (a)(2) – This routine is used when an applicant seeks assistance from a voluntary organization charged with administering disaster relief programs, and FEMA receives a written request from that voluntary agency that includes the applicant's name, FEMA registration/application number and damaged dwelling address. The written request must explain the type of tangible assistance being offered and the type of verification required before the assistance can be provided.

Routine Use (a)(3) – This routine is used by voluntary organizations that have an established disaster assistance program to address the disaster-related unmet needs of disaster victims, are actively involved in the recovery efforts of the disaster, and either have a national membership, in good standing, with the National Voluntary Organizations Active in Disaster (NVOAD), or are participating in the disaster's Long-Term Recovery Committee. When a voluntary agency satisfies all of the criteria listed above, FEMA may release lists of individuals' names, contact information, and their FEMA inspected loss amount to the volunteer agency for the sole purpose of providing additional disaster assistance.

Soon FEMA will be re-issuing the System of Records Notice (SORN) to the aforementioned DRA based on feedback from past disaster operations revealing certain more pressing circumstances, requiring needing an immediate response. FEMA believed the proposed routine use will help address the needs of potential applicants, while preserving their privacy rights.

Question#:	6
Topic:	flexibility
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

FEMA has developed standard, clear operating procedures for NGOs to attain client information following a Presidential disaster declaration which includes Section 408, Federal Assistance to Individuals and Households Program. The NGO must coordinate with the FEMA Regional Office or local Joint Field Office (JFO), and submit a written request to FEMA for information on applicants that are eligible for assistance from FEMA's Individual and Households Program. The request will be made pursuant to the "Routine Uses" of FEMA's Privacy Act System of Records entitled FEMA/REG-2, Disaster Recovery Assistance Files (DRA).

NGOs are provided with the details required in their requests, such as the universe of applicants, the assistance that they will be providing, and the reason they need the information from FEMA (i.e., to prevent a duplication of efforts or a duplication of benefits in determining eligibility for assistance).

FEMA prepares and sends a written response to the NGO with a standardized report that includes the applicant's name, current mailing address, county, zip code and current phone number for all applicants identified in the State. The NGO is required to protect the applicant information in accordance with the Federal Privacy Act of 1974.

For those entities that do not meet the criteria of the Routine Uses, they can request the applicant provide FEMA with permission to share their personal information. FEMA has provided guidance to NGOs on how to aid an applicant in preparing consent to share their personal information.

Question#:	7
Topic:	affordable
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: What is defined as "affordable" rent in New Orleans today? Statewide affordable rent? How does FEMA define "reasonable commuting distance"?

Response: FEMA has worked with each household to identify appropriate housing solutions that meet their individual housing needs such as number of bedrooms, accessibility, within Fair Market Rent (FMR) established by the Department of Housing and Urban Development (HUD) for the area, and within a reasonable commuting distance.

As rents can vary considerably statewide, the FMR is determined on a county by county or metropolitan area basis. HUD has routinely updated the FMRs for the Gulfport-Biloxi and Pascagoula metropolitan areas in Mississippi as well as the New Orleans-Metairie-Kenner metropolitan area in Louisiana.

- Currently, the FMR for the Gulfport-Biloxi metropolitan area is as follows:

Final FY 2009 FMRs by Unit Bedrooms					
	Efficiency	**One-Bedroom**	**Two-Bedroom**	**Three-Bedroom**	**Four-Bedroom**
FMR	$682	$722	$844	$1,100	$1,130

- Currently, the FMR for the Pascagoula metropolitan area is as follows:

Final FY 2009 FMRs by Unit Bedrooms					
	Efficiency	**One-Bedroom**	**Two-Bedroom**	**Three-Bedroom**	**Four-Bedroom**
FMR	$585	$670	$804	$1,107	$1,188

Question#:	7
Topic:	affordable
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

The New Orleans-Metairie-Kenner metropolitan area is made up of the following: Jefferson Parish, Orleans Parish, Plaquemines Parish, St. Bernard Parish, St. Charles Parish, St. John the Baptist Parish and St. Tammany Parish.

- Currently, the FMRs for the New Orleans-Metairie-Kenner, Louisiana metropolitan area are, as follows:

Final FY 2009 FMRs by Unit Bedrooms					
	Efficiency	**One-Bedroom**	**Two-Bedroom**	**Three-Bedroom**	**Four-Bedroom**
FMR	$733	$811	$949	$1,219	$1,259

FEMA policy establishes a standard for "reasonable commuting distance" as fifty miles, or a distance that does not place undue hardship on an applicant and is within the normal commuting patterns of the area or distance to work, school, or agricultural activities. This is, however, a standard that may be modified to accommodate other factors such as road conditions, damaged infrastructure, public transportation, etc. The distance a person chooses to accept for a commute is up to the individual. FEMA must set a standard commuting distance that gauges what might indicate a burden to a disaster survivor in their recovery. In most instances, an applicant can find alternative housing within a 50 mile radius; however, due to the impact of a disaster, this may vary.

Question#:	8
Topic:	fair and equitable
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: How do you determine the "fair and equitable" value of a temporary home or park model so it can be sold to its current occupant?

Response: In April 2007, FEMA established guidance for selling temporary housing units provided in support of a Presidentially-declared emergency or major disaster, directly to eligible occupants. The Stafford Act authorizes FEMA to dispose of temporary housing units through sales to occupants when the applicant lacks permanent housing. FEMA will sell units at a price that is fair and equitable.

To establish a fair and equitable sales price for applicants occupying a unit, FEMA utilizes a "Temporary Housing Unit Depreciation Calculator" to identify an Adjusted Fair Market Value (AFMV) for a unit. This calculator applies to all sales in all disasters, across the country, for Park Models and Manufactured Housing (a.k.a., "mobile homes"). Starting with Fair Market Value, adjustments are made to the price for:

- Depreciation (based on # months the unit has been occupied)

- Deduction for unit de-activation costs ($2500 for Park Models, $3500 for Manufactured Housing)

- Savings to the government in the form of foregone rental costs, pad leases, and maintenance

- Additional price adjustment in the Gulf Coast: FEMA added a further price deduction of up to $1000/unit to cover costs of hazard insurance for one year in the Gulf Coast, due to the catastrophic nature of the 2005 hurricane season and the exponential insurance rate increases

- In addition, further price reductions are available based on an applicant's income and assets, allowing for a discount of up to 75% below the adjusted fair market value.

To help meet the housing needs of residents who continue to live in manufactured housing and park models as a result of hurricanes Katrina or Rita and who require additional assistance, FEMA recently announced that it will reduce the sales cost of occupied park models to $1 and manufactured housing to $5. This new guidance removes cost as a barrier to the purchase of units that are eligible for sale.

Question#:	8
Topic:	fair and equitable
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question#:	9
Topic:	options
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: What innovative sheltering options that you mention (on page 7 did) FEMA use to house emergency personnel?

Response: Sheltering for first responders was provided via four cruise ships and eleven other Maritime Administration (MARAD) vessels. This program was designed to provide housing close to the disaster sites for first responders. These vessels were in service from September 4, until February 28, 2006. In select localities as a measure of last resort, first responders were also co-located in short-term leased apartments.

Question#:	10
Topic:	phase 2
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: How has phase 2 of the Disaster Case Management plan worked? Has it been successful?

Response:

Mississippi: Mississippi Commission for Volunteer Services (MCVS) was granted up to $25,561,782 to provide Disaster Case Management Pilot Program (DCM-P) services to survivors of Hurricanes Katrina and Rita. They have received program extensions that last until August 1, 2009. To date, the State has opened 3,443 cases; 1,155 have been closed. The remaining cases are actively being worked. Of the total cases referred, 983 households refused DCM-P services and no case was opened. MCVS sub-contracted with 13 case management providers, and successfully implemented the program on June 1, 2008. Preliminary results from FEMA's independent evaluation indicate that the program is well managed and well positioned to assist the remaining population affected by Hurricanes Katrina and Rita.

Louisiana: On October 3, 2008, the Louisiana Recovery Authority (LRA) was initially approved for up to $32,526,411 to provide DCM-P services to the survivors of Hurricanes Katrina and Rita. The program was not implemented at that time due to the withdrawal of the State's lead agencies causing a change in scope for the program. FEMA received a revised State proposal in November, 2008 and subsequently approved a conditional award for $8.3 million. However, the State's lead agency withdrew from the program prior to launching. FEMA again received a revised proposal on June 4, 2009, and is in process of granting an award with a projected start date of August 3, 2009 with an end to the period of performance on March 1, 2010. FEMA continues to work with LRA to assist in the implementation of a State-managed DCM-P program.

Question#:	11
Topic:	AHPP
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Please explain the Alternative Housing Pilot Program. (page 9) What is the status of this program?

Response: In 2006, Congress appropriated $400 million for a pilot to identify, implement and evaluate alternatives to traditional FEMA disaster housing. This program was also intended to assist those with ongoing housing needs as a result of Hurricanes Katrina and Rita. In response, FEMA developed the Alternative Housing Pilot Program (AHPP) and invited the Gulf Coast states to submit innovative proposals. Five of the 29 projects submitted received awards, which were made on a competitive basis. Two projects were awarded to Mississippi and one project each was awarded to Texas, Louisiana and Alabama. An evaluation of each of the pilot programs is underway through an Interagency Agreement with HUD. The final results are expected in December of 2011.

Status Update:

Alabama / The City of Bayou La Batre:
The City developed two new housing communities and a new housing authority. The units use fiber cement materials and withstand winds of up to 145 mph.
Units Occupied / Expected: 100 / 100

Louisiana / The Louisiana Recovery Authority (LRA):
Cottages will be used on group sites and as infill development (exiting neighborhoods) in southern Louisiana. Both site-built and modular units will be utilized. Construction is currently underway in Lake Charles, Baton Rouge and portions of New Orleans.
Units Occupied / Expected: 0 / 500

Mississippi / Mississippi Emergency Management Agency (MEMA):
Mississippi Cottage and Park Model: Park Models are small, transportable units that withstand winds up to 150 mph and meet or exceed local building codes and the International Residential Code (IRC). The Cottages are larger units that meet both the IRC and the HUD code for Manufactured Housing. MEMA has completed installation of all temporary units. MEMA is currently transitioning units to permanency to the extent feasible.
Units Occupied / Expected: 1,925 / 2,830

Question#:	11
Topic:	AHPP
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

MS Eco Cottage: The Eco Cottage is a highly energy-efficient temporary disaster housing unit that can also be used as permanent housing. MEMA is currently seeking suitable sites for these units.
Units Occupied / Expected: 0 / 80

Texas / The Texas Department of Housing and Community Affairs (TDHCA):
TDHCA is piloting the use of a panelized home placed on individual homeowners' lots in East Texas and on a group site in Houston. Currently, two homes in East Texas are occupied. The proposed Houston site is undergoing an environmental review.
Units Occupied / Expected: 2 / 50.

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: FEMA, HUD and other agencies were presented with unprecedented housing needs after Hurricanes Katrina and Rita. Many of these were addressed with ad hoc housing programs. A fuller understanding of how these programs, as well as traditional FEMA housing programs, worked is warranted to assess their utility in future disasters. Please provide a list of all the housing and sheltering programs provided or funded by FEMA in response to and the recovery from Hurricanes Katrina and Rita. For each program, please include the number of households served, the services provided, the cost, the specific statutory and regulatory authority and any interagency agreement to implement these programs.

Response:

TRADITIONAL FEMA HOUSING PROGRAMS
Sheltering: Section 403 program resources provide sheltering assistance and reimbursement to State and local governments for housing evacuees. Assistance is provided as reimbursement for mass/congregate and non-traditional shelters and temporary shelter at contracted hotels.

Housing Assistance: Section 408 Temporary Housing Assistance Programs provides for immediate short-term temporary housing assistance in the aftermath of disasters. FEMA's Individuals and Households Program (IHP) provides two different types of assistance: Housing Assistance (HA) and Other Needs Assistance (ONA). Housing Assistance is used for renting a different place to live and/or repairing/replacing the damaged dwelling. ONA is used to pay for repairing/replacing personal property and/or transportation as well as assistance that can be used to pay medical, dental and funeral expenses.

The purpose of IHP HA is to help victims with their disaster-related housing needs in areas that have been declared a disaster by the President. HA includes disaster-related housing assistance for individuals and households displaced from their pre-disaster residences, and/or whose pre-disaster residences are rendered uninhabitable who are underinsured or who have no insurance to provide for their housing needs.

1. FEMA provides Temporary Housing by using two forms of assistance: Financial and Direct Assistance.

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

- Financial Assistance: Cash award in the form of a check or EFT provided to individuals or households.
    - Rental Assistance
    - Lodging Expenses Reimbursement
- Direct Assistance: HA other than cash that is provided to individuals and households.
    - Temporary Housing Units (Travel Trailers, Park Models, and Manufactured Housing)
    - Other Non-Financial Forms of Housing Assistance

2. Repair Assistance
3. Replacement Assistance
4. Permanent Housing Construction

Note: One or more types of HA may be made available to meet the disaster-related needs of individuals and households.

KATRINA/RITA HOUSING PROGRAMS
Note: One household may have received multiple types of housing assistance over the course of the disaster period.

Sheltering: Section 403 program resources provided housing assistance and reimbursement to State and local governments for housing for Katrina and Rita evacuees. Assistance was provided as reimbursement for (1) Mass/Congregate and Non-Traditional Shelters, (2) Temporary shelter at contracted hotels, (3) Cruise ships and other Maritime Vessels, and (4) Direct Rental Assistance in Host State apartments.

1. **Mass/Congregate and Non-Traditional Shelters**: Reimbursement for cost of housing incurred at a private or public facility that provides contingency congregate refuge to evacuees, but that day to day serves a non refuge function. Examples include: Schools, Stadiums, and churches (or church-sponsored residences/ facilities).
    - More than 321,000 evacuees were once in congregate shelters following Hurricanes Katrina and Rita. The mass overnight shelter population peaked at 273,000 for one night, on September 5, 2005.
    - 44 States and the District of Columbia received Emergency Declarations and have been reimbursed for nearly $850 million in sheltering expenses.
    - Statute: Section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

- Regulation: 44 CFR 206.225

2. **Temporary Shelter at Contracted Hotels:** The American Red Cross (ARC) Special Accommodations Program was transitioned to FEMA on October 25, 2005. At that time, FEMA contracted with Corporate Lodging Consultants, Inc. (CLC) to serve as a payment agent and liaison with the hotels.

   In mid-January 2006, FEMA no longer permitted Hotels to bill in advance. In addition, on February 7, 2006, FEMA required all participants to have a FEMA issued authorization code to remain in the hotel room. The code was issued only after a FEMA representative determined that the hotel resident was qualified for FEMA assistance.

   Hotel stays beyond February 13, 2006 were determined on a case-by-case basis. The use of 403 funded hotel rooms ended on September 30, 2006.
   - FEMA paid $650 million for hotel and motel rooms (4,666,750 hotel room nights) to tens of thousands of families affected by Hurricanes Katrina and Rita who were in need of short-term sheltering. The peak of 85,000 rooms occupied in one night was in October 2005.
   - Statute: Section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
   - Regulation: 44CFR206.225

3. **Cruise Ships:** Lodging was provided via four cruise ships and eleven other Maritime Administration (MARAD) vessels. This program was designed to provide housing close to the disaster sites for first responders. These vessels were in service from September 4, 2005 until February 28, 2006.
   - At its peak (in November 2005), FEMA housed 8,884 households on 4 Cruise Ships in Louisiana and Mississippi (Ecstasy, Sensation, Holiday and Scotia Prince). FEMA transitioned all families off of those ships by March 1, 2006.
   - FEMA paid a total of $186,958,446 for the use of these Cruise Ships.
   - Statute: Section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
   - Regulation: 44CFR206.225

4. **Direct Rental Assistance in Host State Apartments**: Under the provisions of Section 403 of the Stafford Act, a State or local government may sign a lease or make

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

other financial commitments on behalf of evacuees in accordance with the September 9, 2006 DSG. The authority for direct rental assistance using the 403 provision terminated on March 1, 2006.

- FEMA provided funding in 45 States totaling approximately $760 million to assist evacuees under the Section 403 Apartment Sheltering Program. Cities procured leases and were reimbursed by FEMA through the State. FEMA was not involved in any of these lease agreements.

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

State	# of Project Worksheets	Total Funding
Arkansas	305	$44,741,591
Texas	704	$564,823,061
Tennessee	40	$33,850,174
Georgia	87	$17,216,494
Oklahoma	51	$13,174,489
Florida	12	$7,845,819
West Virginia	7	$782,658
North Carolina	11	$2,122,494
Utah	25	$2,180,905
Colorado	6	$14,081,386
Michigan	34	$1,858,895
District of Columbia	21	$1,836,498
Washington	16	$3,122,177
Oregon	14	$955,720,
New Mexico	16	$1,067,175
Illinois	40	$3,250,545
Kentucky	48	$4,129,572
Missouri	24	$1,991,635
South Carolina	31	$4,140,270
South Dakota	6	$219,563
Pennsylvania	34	$4,023,923
Kansas	15	$163,069
Alabama	99	$2,806,581
Indiana	9	$2,401,625
Iowa	16	$244,048
Virginia	15	$253,746
Arizona	98	$5,366,789
Minnesota	19	$2,873,557
Nevada	15	$1,031,037
Idaho	3	$220,229
Nebraska	1	$393,813
Connecticut	4	$684,199
North Dakota	1	$23,747
California	8	$514,711

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Wisconsin	10	$932,131
Ohio	17	$2,676,325
Maryland	49	$1,565,783
Massachusetts	39	$5,855,581
Montana	1	$397,372
Rhode Island	11	$1,131,503
Maine	1	$51,276
New Jersey	5	$133,306
New Hampshire	1	$9,887
New York	34	$2,641,045
Delaware	5	$100,286
TOTAL	**2,008**	**$759,886,690**

- Statute: Section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
- Regulation: 44CFR206.225

Housing Assistance: Section 408 Temporary Housing Assistance Programs provides for immediate short-term temporary housing assistance in the aftermath of disasters. Assistance has been provided as (1) expedited assistance, including debit cards, (2) expenses for short term lodging, (3) financial rental assistance, (4) direct rental assistance (rent payments directly to landlords), and (5) factory-built housing (travel trailers and manufactured housing).

1. **Expedited Assistance**: A flat amount of $2,000 in Emergency Assistance was provided to Hurricane Katrina and Rita evacuees in the form of Electronic Funds Transfer (EFT), Treasury checks, and debit cards. EA is an accelerated method of dispersing some IHP disaster assistance to meet immediate emergency needs.
   - FEMA provided Expedited Assistance to a total of 1,154,758 households at over $2.3 billion.

State	Total Households	Approved Amount
Louisiana	760,231	$1,534,336,816
Mississippi	161,542	$323,143,796
Alabama	22,856	$45,703,489.40
Texas	210,129	$420,263,235
TOTAL	**1,154,758**	**$2,323,447,336.40**

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

- Statute: Section 408 (c)(1)(A)(i)[1], 42 U.S.C. 5174, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
- Regulation: 44 CFR 206.117 (b)(1)(i)

Note: Section 408 of the Robert T. Stafford Disaster Relief and emergency Assistance Act, (42 USC 5174), does not explicitly authorize Expedited Assistance. Expedited Assistance is defined as providing disaster housing assistance through an accelerated process.

2. **Short Term Lodging**: Financial Assistance to reimburse evacuees for their hotel/motel lodging expenses for a short period of time, generally not to exceed 30 days, from the FEMA incident commencement date until their subsequent disaster housing assistance is provided.
   - FEMA reimbursed 4,794 households for a total of about $2.5 million for their hotel/lodging expenses.

State	# of Households	Approved Amount
Louisiana	3,606	$1,968,268.75
Mississippi	627	$337,072.50
Alabama	101	$54,993.96
Texas	460	$175,780.38
TOTAL	**4,794**	**$2,536,115.59**

   - Statute: Section 408 (c)(1)(A)(i) , 42 U.S.C. 5174, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
   - Regulation: 44 CFR 206.117 (b)(1)(i)

3. **Repair Assistance**: For eligible applicants from Hurricanes Katrina and Rita, FEMA is authorized to provide up to $5,200 in home repair assistance.
   - FEMA provided over 185,000 households with repair assistance as a result of Hurricanes Katrina and Rita.

State	# of Households	Approved Amount
Louisiana	81,880	$195,100,617.39
Mississippi	59,771	$157,981,866.46
Alabama	15,133	$24,840,372.66
Texas	29,061	$59,330,853.29
TOTAL	**185,845**	**$437,253,709.80**

   - Statute: Section 408 (c)(2)

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

- Regulation: 44 CFR 206.117(b)(2)

4. **Replacement Assistance**: FEMA is authorized to provide up to $10,500 in home replacement assistance to eligible victims of Hurricanes Katrina and Rita.
   - FEMA provided over 34,000 households with replacement assistance as a result of Hurricanes Katrina and Rita.

State	# of Households	Approved Amount
Louisiana	25,829	$263,545,461.05
Mississippi	7,152	$68,194,773.25
Alabama	263	$2,139,451.77
Texas	1,343	$13,155,040.44
TOTAL	**34,587**	**$347,034,726.51**

   - Statute: Section 408 (c)(2)
   - Regulation: 44 CFR 206.117(b)(2)

5. **Financial Rental Assistance**: Financial Assistance in the form of EFT or Treasury checks to rent a different place to live.
   - FEMA provided Financial Rental Assistance to a total of 240,655 households for over $710 million.

State	# of Households	Approved Amount
Louisiana	187,797	$603,983,194
Mississippi	39,543	$84,798,896.50
Alabama	5,664	$10,592,367.90
Texas	7,651	$11,499,234.80
TOTAL	**240,655**	**$710,873,693.20**

   - Statute: Section 408 (c)(1)(A)(i) , 42 U.S.C. 5174, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
   - Regulation: 44 CFR 206.117 (b)(1)(i)

6. **Direct-Rental Assistance Program**: Direct Payments of rent to Landlords on behalf of eligible applicants. FEMA contracted with Corporate Lodging Consultants, Inc. (CLC) to serve as a payment agent and liaison with applicant's landlords.
   - FEMA provided 54,209 households with direct rental assistance payments totaling about $377 million.

State	# of Households	Approved Amount
Louisiana	49,585	$351,850,313.59
Mississippi	2,883	$15,217,809.80

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Alabama	105	$325,522.87
Texas	1,636	$10,077,091.70
TOTAL	**54,209**	**$377,470,637.96**

- Statute: Section 408 (c)(1)(B)(i), 42 U.S.C. 5174, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
- Regulation: 44 CFR 206.117 (b)(1)(ii)(A)

7. **Direct-Factory-built Housing**: Temporary housing units (travel trailers, park models and manufactured housing) were provided in the states affected by Hurricanes Katrina and Rita.
   - FEMA provided a total of 134,512 temporary housing units across the Gulf Coast.

State	Total # of Units
Alabama	2,181
Louisiana	89,894
Mississippi	37,832
Texas	4,605
TOTAL	**134,512**

   - As of May 1, 2009, the total cost of direct housing was $7.3 billion to include the purchase and lease of the units and the transportation, installation, maintenance, site costs, etc. across the Gulf Coast.

Temporary Housing Units	Louisiana	Mississippi	Alabama	Texas	Sub-Totals
Purchase and Lease	$1,627,508,662	$652,861,764	$413,966,468	$53,652,302	**$2,747,989,196**
Transportation, Installation, Maintenance, Site, Costs, etc.	$3,472,921,717	$981,162,621	$80,705,472	$102,895,421	**$4,637,685,231**
TOTAL	**$5,097,670,201**	**$1,634,024,385**	**$494,671,940**	**$156,547,723**	**$7,385,674,427**

   - Statute: Section 408 (c)(1)(B)(i), 42 U.S.C. 5174, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
   - Regulation: 44 CFR 206.117 (b)(1)(ii)(A)

8. **Disaster Housing Assistance Program (DHAP)**: On July 26, 2007, FEMA and HUD executed an Interagency Agreement establishing DHAP, a FEMA-HUD pilot grant program to provide rent subsidies and a case management program for

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

identified individuals and households displaced by Hurricanes Katrina and Rita. The program is administered through HUD's existing infrastructure of Public Housing Agencies.

- As of February 2009, 36,816 families received rental assistance at at some point during the DHAP implementation. The highest number of families served in a single month was 32,462 in October 2008. FEMA has provided HUD with over $516 million to manage this program and provide funding to landlords for applicant's rental assistance.

	Obligations
HAP: Housing Assistance Payments	$326,040,409
Admin Fees	$85,265,963
Case Management	$55,503,216
Placement Fees	$49,685,000
TOTAL	**$516,494,588**

- Legal authority for DHAP is based on the Department of Homeland Security's general grant authority under section 102(b)(2) of the Homeland Security Act, 6 U.S.C §112, and sections 408(b)(1), 426 and 306(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C § 5174 (b)(1), § 5189d and § 5149(a), respectively.

9. **Emergency Lodging Assistance (ELA) Program**: Hotel/motel accommodations provided for households with health and safety concerns until an alternative housing solution could be located within a reasonable commuting distance.
   - FEMA provided 3,880 households with ELA for over $28 million.

State	# of Households	Approved Amount
Louisiana	2,153	$17,510,427.74
Mississippi	1,261	$10,963,932.07
Alabama	10	$125,837.23
Texas	78	$157,852.78
TOTAL	**3,880**	**$28,758,049.82**

   - Statute: Section 403 (a)(3)(B), 42 U.S.C. 5170b and Section 502, 42 U.S.C. 5192, Category B, Emergency Protective Measures, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
   - Regulation: 44 CFR 206.225

Question#:	12
Topic:	programs
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question#:	13
Topic:	RRP
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: What is the status of the Rental Repair Pilot program? Is the program limited to multi-family dwellings? If so why?

Response: The Rental Repair Pilot Program authorization expired on December 13, 2008. No new projects under this authority will be conducted. The Pilot program review was completed, and a report sent to Congress in May of 2009. This Pilot Program was limited by Section 689i(a)(2)(A)(i) to multi-family dwellings.

Question#:	14
Topic:	JHSPP
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: What is the status of the Joint Housing Solutions pilot project? Please describe each of the 6 test units being tested for potential use in the national housing strategy.

Response: The Joint Housing Solutions Project has had a productive and successful year:

The Joint Housing Solutions Group (JHSG) solicited and awarded contracts to manufacturers to acquire seven Alternative Units for evaluation. Working with other entities in FEMA, the JHSG constructed an evaluation facility on the grounds at the National Emergency Training Center (NETC); units were installed, and are now undergoing evaluation by students attending class at NETC. The JHSG installed and piloted 12 Alternative Park Model Units in Hurricane Ike. Two rounds of occupant surveys of the units have been conducted.

The JHSG is about to embark on a second round solicitation to contract for additional alternative units for evaluation. Contractor support for the next generation of the Project is out for solicitation. An award should follow soon.

As stated above, the JHSG is currently evaluating units at the NETC. Characteristics of each unit within each category vary greatly. All of these units met indoor air quality (IAQ) standards and were tested before acceptance by FEMA. The JHSG conducts monthly tests of IAQ to monitor the changes over time. Additional information on unit specifications is as follows:

Hybrid Park Model

- TL Industries – 2 bedrooms, 1 bathroom, 369 sqft, 34 ft length by 12 ft width; delivered and installed on wheeled chassis; meets ANSI Code
- D&D – 2 bedrooms, 1 bathroom, 576 sqft, 44 ft length by 14 ft width; delivered and installed on wheeled chassis; HUD compliant, IRC compliant.

Hybrid Manufactured Home

- Lexington Home – 2 or 3 bedrooms, 1 bathroom, 663 sqft, 58ft length by 14 ft width; delivered and installed on wheeled chassis; HUD compliant; IRC compliant.

Question#:	14
Topic:	JHSPP
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Hybrid Modular Home

- Arkel – 2 bedrooms, 1 bathroom, 504sqft, 41 ft length by 14 ft width; assembled on site; IRC compliant.
- Heston – 2 bedrooms, 1 bathroom, 628sqft, 40 ft length by 16 ft width; assembled on site; IRC compliant, ASCE 7
- CRN – 2 bedrooms, 1 bathroom, 746sqft, 33 ft length by 26 ft width; assembled on site; IRC compliant.

Question#:	15
Topic:	spending
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: How much has FEMA spent on Katrina housing assistance?

Response:

FEMA has spent over $13 billion on housing assistance for Hurricanes Katrina and Rita.

Question:

How much has FEMA spent on sheltering assistance?

Response

FEMA has provided about $2.5 billion in sheltering assistance for Hurricanes Katrina and Rita.

Question:

How much has FEMA provided to HUD for DHAP or other programs?

Response:

FEMA has obligated over $516 million to HUD to manage the Disaster Housing Assistance Program (DHAP) and provide funding to landlords for applicant's rental assistance. Additional funding is currently being processed, for a total of $603 million.

	Obligations
HAP: Housing Assistance Payments	$326,040,409
Admin Fees	$85,265,963
Case Management	$55,503,216
Placement Fees	$49,685,000
TOTAL	**$516,494,588**

Question:

Question#:	15
Topic:	spending
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

For each of these figures how much more does FEMA expect to spend going forward?

Response:

Housing Assistance: The funding for current housing assistance is very dependent upon the ongoing housing operations and the number of households who continue to remain in FEMA housing programs. This total amount has too many variables to calculate; however, the average monthly costs for the occupied temporary housing units in Mississippi and Louisiana are below.

MISSISSIPPI
Maintenance costs: $51/month per unit
Average commercial site pad lease cost- $310/month per unit

LOUISIANA
Maintenance costs: $119/month per unit
Average commercial site pad lease cost: $608/month per unit

Disaster Housing Assistance Program: The additional length of DHAP for Transitional Rental Closeout from March 1, 2009 through August 31, 2009 has increased the overall cost of the program due to additional case management fees, and a slower than expected transition of families to HUD's alternate long term programs. As of June 18, 2009, FEMA has provided HUD a total of $603 million and does not expect to provide additional funding.

During the transitional rental closeout, HUD is performing reconciliations for all DHAP funding. In 2010, HUD will submit to FEMA any remaining program and/or administrative funding as required by the IAA.

Question#:	16
Topic:	transfer
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: We are now at a particularly fragile position in the housing program for Katrina victims. FEMA's housing program is ending and the residents remaining in FEMA housing units are being passed over to another governmental entity for future service. Please explain how this transfer will work? How will it seamless to the users? Which governmental entity will be responsible is now responsible for those still needing housing assistance?

Response: In September 2007, FEMA partnered with the Department of Housing and Urban Development (HUD) to establish the Disaster Housing Assistance Program (DHAP) to support the continued provision of rent subsidies and case management services for eligible Katrina households. DHAP rental payments are available through August 31, 2009. Throughout the conversion of families into DHAP, and throughout the transitional closeout, both agencies have remained dedicated to ensuring a seamless transition between providers, and from disaster-related assistance, to long-term, permanent assistance as required. DHAP's incremental rent transition further readied families, by accustoming them back into self-sufficiency.

FEMA recently ended its Katrina/Rita temporary housing program. FEMA coordinated closely with DHS, HUD, and our state partners for accelerated efforts and unique options to assist households still residing in temporary housing units to transition to long-term housing solutions. The Administration has taken an important step toward renewing and revitalizing Gulf Coast communities still hurting from the storm damage inflicted nearly four years ago. These solutions bring together FEMA and HUD as well as state and local partners.

These collaborative efforts to facilitate a seamless transition include:

- Benefit from expanded case management services. FEMA will fund and support States in providing case management services to match all occupants of temporary housing units with long-term housing solutions. For example, they will be able to help them determine if they are eligible for other Federally-assisted housing programs, and they can also help them find affordable properties to rent or purchase. Case managers will work with them to address potential gaps in the transition from the temporary housing unit to long-term housing.

Question#:	16
Topic:	transfer
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

- Purchase park models for $1 and manufactured housing for $5. FEMA is reducing the cost to purchase occupied park models to $1 and occupied manufactured housing to $5. Travel trailers are not eligible for sale, as they are not designed for long-term housing.

- Move into donated units. Provided a unit passes the safety inspection, including formaldehyde testing, FEMA will donate a limited number of additional park models and manufactured housing to State, local governments and non-profit organizations for households currently occupying a temporary housing unit and in need of continued housing assistance.

- Access increased funding for housing vouchers. HUD will provide $80 million in new housing vouchers to Public Housing Authorities serving Katrina and Rita impacted areas, giving priority to low-income Gulf families who were displaced by the hurricanes, including those who are leaving FEMA temporary units. Public Housing Authorities will process applications to determine if they meet the income and other eligibility requirements for this program, as well as other forms of HUD assisted housing.

These options expand the resources and alternatives available to those individuals still residing in temporary housing. In addition, the Administration plans to work with Congress to expedite and streamline disaster recovery programs that target specific local recovery needs. Updates to the programs could result in hundreds of millions of dollars in improved, flexible resources to aid Gulf Coast recovery. ed

Question#:	17
Topic:	authority
Hearing:	STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Do case managers have sufficient authority to deal with housing? Should they be given more?

Response: Disaster Case Management Providers (DCM-P) providers currently have sufficient authority to coordinate with agencies that may provide housing resources. Disaster Case Management (DCM) is a partnership between the case manager and the client in the development of a Disaster Recovery Plan. Case managers work with Federal, State and local agencies to match disaster-caused needs with available resources while adhering to the guidelines established by each agency for accessing those resources.

The process involves assessing needs based on the verified, disaster-related causes; developing a goal-oriented plan that outlines all of the steps necessary to achieve recovery; organizing and coordinating the information on available resources that match the disaster-caused needs; monitoring progress towards reaching the stated goals and; when necessary, providing advocacy for the client. Throughout the course of disaster response and recovery, available housing resources are identified and gathered and made available to disaster survivors through a variety of efforts, i.e. FEMA Helpline, DRCs , HUD, etc.

HEARING GETBACKS

"Still Post-Katrina: How FEMA Decides When Housing Responsibilities End"
House Committee on Transportation and Infrastructure,
Subcommittee of Economic Development, Public Buildings and Emergency Management
May 22, 2009
10:00 a.m.
Rayburn 2167

Below are responses to the getbacks posed by Rep. Norton at the above-referenced hearing:

- **Provide a status of the PETS Plan directed by PKEMRA – Diaz-Balart – FEMA**

  On October 6, 2006, the PETS Act was signed into law, amending Section 403 of the Stafford Act. Section 403, as amended by the PETS Act, authorizes FEMA to provide rescue, care, shelter, and essential needs for individuals with household pets and service animals, and to the household pets and animals themselves following a major disaster or emergency.

  On October 24, 2007, FEMA issued Disaster Assistance Policy 9523.19, "Eligible Costs Related to Pet Evacuations and Sheltering." The purpose of this policy is to identify the expenses related to State and local governments' emergency pet evacuation and sheltering activities that may be eligible for reimbursement following a major disaster or emergency declaration. A copy is attached for your information.

  Under ESF 11, USDA/Animal and Plant Health Inspection Service (APHIS) takes the lead in coordinating the efforts of the Federal family to provide support to State and local governments as they ensure an integrated response that provides for the safety and well-being of household pets.

  Additional support for this effort is coordinated by the Department of Homeland Security (DHS)/FEMA together with ESF 6 – Mass Care, Emergency Assistance, Housing, and Human Services; ESF 8 – Public Health; ESF 9 – Search and Rescue; and ESF 14 – Long-Term Community Recovery.

- **Provide a breakdown of self-reported applicants that expect to be done rebuilding in 6 months, 11 months, 1 year, or not rebuilding.**

Pre-Disaster Owners (Reasons for not leaving THU)

Progress Status	LA	MS	Total
Rebuilding Home Total	1,134	414	1,548
Construction Completion (5 months or less) (75% or more complete)	367 (312 in TTs)	4	371
Construction Completion (6 to 11 months) (50% or more complete)	258	51	309
1 year or more; no progress	509	359	868

HEARING GETBACKS

"Still Post-Katrina: How FEMA Decides When Housing Responsibilities End"
House Committee on Transportation and Infrastructure,
Subcommittee of Economic Development, Public Buildings and Emergency Management
May 22, 2009
10:00 a.m.
Rayburn 2167

Not rebuilding – becoming renter; moving in with Friends/family; etc.	711	480	1,191

- **Directed to establish a Task Force where it is their sole responsibility to assist population remaining in thu's and provide member names, - LRA/LA Social Services, HUD, and FEMA**

  In February 2008, FEMA established the Joint Federal/State Relocation Task Force in Louisiana. The mission and objectives of the Joint Task Force is to ensure the safe, compassionate, timely, and consistent implementation of plans to relocate households out of FEMA temporary housing units and into alternative (interim or permanent) housing, integrate the capabilities and capacity of Federal and State agencies to facilitate an aggressive relocation of households, and identify and address concerns and barriers to relocation progress. This Task Force is still meeting today focusing on Katrina and Rita households still occupying temporary housing units. Representatives include:

  LRA: Robin Keegan, Amanda Guma, Dave Bowman
  HUD: David Vargas
  FEMA: Charles Schexnaildre, Lynette Fontenot

- **What is it costing for trailers to FEMA? (Operations and Maintenance) - FEMA**

	MISSISSIPPI:	LOUISIANA:
Maintenance costs	$51/month per unit	TT $115.33/month MH/PM $124.45/month
Average pad lease cost commercial parks:	$310/month per unit	TT: $550 PM: $600 MH: $675

- **What is the monthly cost to applicants? – FEMA**

  Applicants are responsible for all utilities related to use of the unit, such as water, electricity, etc.

- **What is the value of trailers to the federal government as of today – FEMA**

HEARING GETBACKS

"Still Post-Katrina: How FEMA Decides When Housing Responsibilities End"
House Committee on Transportation and Infrastructure,
Subcommittee of Economic Development, Public Buildings and Emergency Management
May 22, 2009
10:00 a.m.
Rayburn 2167

The price of units may vary. Generally, at the time of sale to individual applicants, the value is calculated based on the type of unit, whether it was a new or used unit when the applicant moved in, and the number of months the applicant lived in the unit.

- **Coordinate a meeting between committee staff and the LA Decision Team so that they can have an understanding of the decision team efforts.**

  On Thursday, June 4, 2009, FEMA hosted a call with committee staff and members of the LA decision team. Committee staff asked that FEMA follow up with additional information on:

  - The Public Assistance Lifecycle (Funding flow chart (v.0 and subsequent) FEMA to GOHSEP to Applicants, LA versioning process, and how a PW moves from estimate to actual costs)
  - FEMA dispute resolution initiatives – (estimate of funding held up in disputes and a response to the Times Pic article which stated that 4,000 PWs are in dispute totaling over $4 billion.
  - Estimate of how much funding hasn't been obligated.

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

OCT 24 2007

MEMORANDUM FOR: FEMA Regional Administrators
Regions I - X

ATTENTION: Disaster Assistance Division Directors

FROM: Carlos J. Castillo
Assistant Administrator
Disaster Assistance Directorate

SUBJECT: Disaster Assistance Policy DAP9523.19
Eligible Costs Related to Pet Evacuations and Sheltering

The purpose of this memorandum is to announce the issuance of the attached final Disaster Assistance Policy DAP9523.19, Eligible Costs Related to Pet Evacuations and Sheltering. This policy identifies the expenses related to State and local governments' emergency pet evacuation and sheltering activities that may be eligible for reimbursement following a major disaster or emergency declaration.

If you have any questions about this policy, please contact Lu Juana Richardson, Public Assistance Division, via email at LuJuana.Richardson@dhs.gov, facsimile (202) 646-3304, or phone (202) 646-4014.

Attachment

FEMA

DAP9523.19

DISASTER ASSISTANCE POLICY

I. TITLE: **Eligible Costs Related to Pet Evacuations and Sheltering**

II. DATE: OCT 24 2007

III. PURPOSE:

The purpose of this policy is to identify the expenses related to State and local governments' emergency pet evacuation and sheltering activities that may be eligible for reimbursement following a major disaster or emergency declaration.

IV. SCOPE AND AUDIENCE:

This policy is applicable to all major disasters and emergencies declared on or after its date of issuance. It is intended to be used by FEMA personnel involved in making eligibility determinations under the Public Assistance Program.

V. AUTHORITY:

Sections 403 and 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5170b, 42 U.S.C. 5192; the Pets Evacuation and Transportation Standards Act (PETS Act) of 2006, P.L. No. 109-308, § 4, 120 Stat. 1725 (2006); and 44 CFR §§ 206.223(a), 206.225(a).

VI. BACKGROUND:

On October 6, 2006, the PETS Act was signed into law, amending Section 403 of the Stafford Act. Section 403, as amended by the PETS Act, authorizes FEMA to provide rescue, care, shelter, and essential needs for individuals with household pets and service animals, and to the household pets and animals themselves following a major disaster or emergency.

VII. POLICY:

A. Definitions:

1. Household Pet. A domesticated animal, such as a dog, cat, bird, rabbit, rodent, or turtle that is traditionally kept in the home for pleasure rather than for commercial purposes, can travel in commercial carriers, and be housed in temporary facilities. Household pets do not

include reptiles (except turtles), amphibians, fish, insects/arachnids, farm animals (including horses), and animals kept for racing purposes.

2. Service Animal[1]. Any guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability including, but not limited to, guiding individuals with impaired vision, alerting individuals with impaired hearing to intruders or sounds, providing minimal protection or rescue work, pulling a wheelchair, or fetching dropped items.

3. Congregate Household Pet Shelters. Any private or public facility that provides refuge to rescued household pets and the household pets of shelterees in response to a declared major disaster or emergency.

B. **Eligibility.** State and local governments that receive evacuees from areas declared a major disaster or an emergency may seek reimbursement for eligible pet rescue, sheltering, and evacuation-support costs.

1. State and local governments outside the designated disaster area may seek reimbursement under mutual aid protocols through the affected and supported state(s). (44 CFR § 206.223(a)(2)).

2. State and local governments are the only eligible applicants for sheltering and rescuing household pets and service animals. Contractors or private nonprofit (PNP) organizations that shelter or rescue household pets and service animals cannot be reimbursed directly as an applicant. However, contractors and PNPs can be reimbursed for sheltering and rescuing household pets and service animals through a state or local government, provided a written statement from an eligible applicant is presented in which the applicant verifies that the contractor or PNP is performing or has performed sheltering or rescuing operations on the applicant's behalf and the expenses are documented.

C. **Household Pet Rescue.** State and local governments may conduct rescue operations for household pets directly or they may contract with other providers for such services. Eligible costs include, but are not limited to, the following:

1. Overtime for regular full-time employees.

[1] Department of Justice, Americans with Disabilities Act (ADA), 42 USC 1201 et seq, implementing regulations at 28 CFR § 36.104.

2. Regular-time and overtime for contract labor (including mutual aid agreements) specifically hired to provide additional support required as a result of the disaster.

3. The use of applicant-owned or leased equipment (such as buses or other vehicles) to provide eligible pet transportation to congregate pet shelters may be reimbursed according to 44 CFR § 206.228(1)(a) (does not include operator labor). The cost of leasing equipment for this purpose may also be eligible for reimbursement.

D. **Congregate Household Pet Sheltering.** State and local governments may conduct sheltering operations for pets directly, or may contract with other sheltering providers for such services. Eligible Category B congregate pet sheltering costs may include, but are not limited to, the *reasonable* costs for:

1. Facilities.

- Minor modifications to buildings used for congregate household pet sheltering, if necessary to provide increased capacity for the accommodation of shelterees' household pets.
- Facility lease or rent.
- Increase in utility costs, such as power, water, and telephone.
- Generator lease and operation (but not purchase).
- Shelter safety and security.
- Shelter management.
- Shelter and crate/cage cleaning.

2. Supplies and Commodities. Eligible items are those needed for, and used directly on, the declared disaster, and are reasonable in both cost and need. Examples include:

- Food, water, and bowls.
- Crates/Cages.
- Pet transport carriers.
- Animal cleaning tables and supplies.
- Medication for animal decontamination and parasite control to ensure that the animal is not a health threat to humans or other animals.

3. Eligible Labor. If the regular employees of an eligible applicant perform duties in direct support of congregate pet sheltering operations, any overtime pay related to such duties is eligible for reimbursement. However, the straight-time pay of these employees is not eligible. Regular-time and overtime for contract labor, including mutual aid agreements,

specifically hired to provide additional support required as a result of the disaster or emergency is also eligible for reimbursement.

4. Equipment. The use of applicant-owned or leased equipment (such as buses, trucks, or other vehicles) to provide eligible pet evacuation or sheltering support may be reimbursed according to 44 CFR §206.228(1)(a) (does not include operator labor). The cost of leasing equipment may also be an eligible expense for reimbursement.

5. Emergency Veterinary Services. For the purposes of screening the health of household pets and service animals, and assessing and treating minor illnesses and injuries, congregate pet shelters may be staffed with emergency veterinary teams. The following costs related to the provision of emergency veterinary services in a congregate pet sheltering environment are eligible for reimbursement:

- Veterinary diagnosis, triage, treatment, and stabilization.
- Provision of first aid, including materials (bandages, etc.).
- Medicine.
- Supervision of paid and volunteer veterinary staff.
- Vaccinations administered to protect the health and safety of congregate shelter and supporting emergency workers including but not limited to tetanus and hepatitis.
- Vaccinations administered to protect the health and safety of congregate shelter pets for transmissible or contagious diseases including but not limited to bordetella/kennel cough.

6. Transportation. Transportation of evacuees' household pets and service animals to congregate shelters from pre-established pickup locations is an eligible expense when the means of transportation used is the most cost-effective available.

7. Shelter Safety and Security. Additional reimbursable safety and security services may be provided at congregate pet shelters, based upon need.

8. Cleaning and Restoration. The costs (to the Applicant) to clean, maintain, and restore a facility to pre-congregate pet shelter condition are eligible.

9. Removal and Disposal of Animal Carcasses. The costs (to the Applicant) to remove and dispose of animal carcasses in a safe and timely manner and in compliance with applicable laws and regulations are eligible.

10. Cataloging/Tracking System for Pets. The reasonable costs (to the Applicant) for tracking animals at congregate pet shelters for the purposes of reuniting them with their owners are eligible.

E. **Service animals.** Service animals will be sheltered with their owners in congregate shelters.

F. **Length of Operation.** Costs of sheltering/caring for household pets will no longer be eligible for FEMA reimbursement when the pet owner transitions out of Section 403 emergency sheltering.

VIII. ORIGINATING OFFICE: Disaster Assistance Directorate (Public Assistance Division).

IX. SUPERSESSION: This policy supersedes all previous guidance on this subject.

X. REVIEW DATE: Three years from date of publication.

Carlos J. Castillo
Assistant Administrator
Disaster Assistance Directorate

TESTIMONY OF THE RT. REV'D CHARLES E. JENKINS, D.D.
BISHOP OF THE EPISCOPAL DIOCESE OF LOUISIANA &
THE DIOCESAN OFFICE OF DISASTER RESPONSE &
CHAIR OF THE REBUILDING LIVES STATEWIDE ORGANIZING COALITION

EPISCOPAL DIOCESE OF LOUISIANA
1623 7TH ST.
NEW ORLEANS, LA 70115
504-895-6634

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
"STILL POST-KATRINA: HOW FEMA DECIDES WHEN HOUSING RESPONSIBILITIES END"

MAY 22, 2009

INTRODUCTION

Thank you, Chairwoman Norton and distinguished members of the Committee, for the opportunity to share with you my perspective on the implications of a final shutdown of the Disaster Housing Assistance Program (DHAP) and its impact on the people of our state. I also want to thank you for your continued concern and compassion for the most vulnerable of the hurricane survivors on the Gulf Coast, who have faced unnecessary obstacles and affronts to their dignity as they have struggled to return home. It is my hope that you will hear the pleas of our people for respect and understanding, and that you will agree with me that we will only be able to make appropriate decisions about 'when housing responsibilities end' once we focus on lives and communities instead of thinking in terms of programs and administrative deadlines.

My name is Bishop Charles Jenkins. I am the tenth bishop of the Episcopal Diocese of Louisiana and have served in this capacity since 1998. Our diocese comprises 54 congregations in southeast Louisiana with a communicant strength of 20,000 prior to the 2005 hurricanes.

Our Diocese began its hurricane relief and recovery work in the early days following hurricane Katrina, in response to the humanitarian crisis occasioned by the storm and levee breaches and exacerbated by injustices in the federal response. Including our relief efforts following hurricanes Gustav and Ike, we have served in East Baton Rouge, Iberville, Jefferson, Lafourche, Plaquemines, St. Bernard, St. John the Baptist, St. Tammany and Terrebonne Parishes. Today, our programs are concentrated primarily in Orleans Parish and metro New Orleans. We are also working regionally in south Louisiana through the Rebuilding Lives coalition, of which I serve as Chair, and across the Gulf Coast as members of the Equity and Inclusion Campaign.

Starting in fall 2005, and with the generous support of Episcopal Relief & Development and churches, schools, and individuals across the country, we provided immediate relief, cleaning supplies, and basic necessities to 190,000 people. As the recovery progressed, we concentrated our efforts on the primary needs of tens of thousands of storm survivors: affordable housing, case management, and—because of the impediments to attaining dignified stability for our most vulnerable neighbors – community organizing and advocacy to help address these housing and case management needs.

Thanks to our 9,200 volunteers from all over the country, we have enabled nearly 3,500 families in the New Orleans area to return home:

- Our Rebuild program has gutted almost 900 houses and rebuilt more than 50 homes owned by low-income, elderly, and disabled residents who lack the resources to complete the work on their own;
- The separately incorporated Jericho Road Episcopal Housing Initiative has built and sold 20 affordable new homes in the Central City neighborhood; and,
- Our case managers, working both under the Katrina Aid Today program and independently, have helped another 2,500 families to put their households and lives back together.

Homecoming Centers operated in partnership with St. Paul's Church and Beacon of Hope in Lakeview and Gentilly, as well as St. Luke's Church in the Treme, have provided resources to almost 55,000 neighbors, including youth. The Diocese's mobile respite unit provided pastoral care and now offers mental health services as the bi-weekly Talk It Out Van in partnership with St. Thomas Wellness Center and the St. Anna's Medical Mission.

The Diocese has also supported additional post-Katrina initiatives in our congregations and neighborhoods, including:

- Feeding ministries that have served 109,000 people;
- Primary health care through grants to the St. Thomas Community Health Center and the St. Anna's Mobile Medical Unit, which has served over 11,500 patients;
- Affordable day care at Grace Church and St. Andrew's Church;
- A Latino Apostolate at St. Anna's and Grace;
- Legal assistance; and,
- Suicide counseling and prevention, which has touched 8,830 lives to date.

Our work has not been limited to providing direct services. Recognizing the impact of federal, state, and local policies on the wellbeing of those whom we serve, we have focused on promoting citizen participation in recovery planning and policy-making by supporting community organizing as well as conducting advocacy on issues affecting recovery and return. From organizing to ensure a representative process for the 2006 Unified New Orleans Plan (UNOP), to working with residents in the Renaissance Village trailer park in Baker, LA, to the creation of the Rebuilding Lives Coalition in 2008, we have sought to amplify the voices of the most marginalized storm survivors.

With the exception of a portion of our case management program, the above activities have been exclusively privately funded, principally by grants from Episcopal Relief & Development that total more than $10 million over 3.5 years.

IMPACT OF DHAP CLOSURE

Through our case management and Rebuild programs, as well as through our community organizing, the Episcopal Diocese comes in daily contact with the most vulnerable of those affected and displaced by hurricane Katrina as well as by more recent storms. In fall 2008, outreach organizers for Rebuilding Lives conducted 1,000 surveys – traveling into homeless shelters, hotels, food pantries, and discount stores to find homeless and transient storm survivors and capture data on their predicaments. Survey respondents included pre-storm renters, homeowners, DHAP participants and those deemed ineligible for housing assistance.

As is indicated by these survey results and the stories we hear each day, very few of the people we serve will be able to sustain themselves after the DHAP program closure on August 31 of this year. Others will be unable even to make the incrementally increasing monthly rent contributions. We understand that of the approximately 17,000 families on DHAP in the state of Louisiana, almost 60% are expected to qualify to transfer to permanent housing vouchers. This is a much-needed help, and we are grateful to HUD for expanding access to these permanent vouchers. We remain concerned, however, for the approximately 7,000 remaining households who will not qualify for a voucher but who are at grave risk of becoming homeless without further assistance.

Consider the case of Ms. S., a single mother whose home in St. Bernard Parish was wiped out by Katrina. She is working on rebuilding, and has "the shell of a house" completed, but is out of funds to do the rest of the work. She received less Road Home money than expected, and is still fighting with her insurance company over the paltry settlement. She and her son were in a FEMA trailer but were moved 6 months ago due to the health problems he had developed. She also suffers from severe migraines. Any extra money they have goes to cover medical costs (the father does not pay child support). They have been living in a DHAP-supported apartment, and do not know where they will go if their home is not completed at the end of the DHAP program.

Through the Rebuilding Lives campaign, we have spoken with dozens of residents who have been informed that they will be ineligible to transition to the Housing Choice Voucher program. Many of these residents are employed but have not yet been able to accrue sufficient savings to afford to pay full rent on their own. Others lost jobs as a result of the hurricane Gustav evacuation. For many, a lack of transportation and the non-availability of job training have been barriers to obtaining or keeping work. Attached as an addendum to this testimony are excerpts from interviews with several New Orleans area residents.

THE SHORTAGE OF AFFORDABLE HOUSING

The above stories illustrate that deadlines for disaster housing programs cannot be determined in isolation from the larger context of recovery. Not only are jobs and transportation essential components of housing self-sufficiency, but so is the availability of affordable housing. This is a commodity in very short supply in south Louisiana and indeed across the storm-affected Gulf Coast.

Hurricane Katrina alone caused major or severe damage to 82,000 rental units in Louisiana, of which 52,000 were affordable. Federally-funded rental housing recovery programs were intended to replace only 23,000 of these units. Yet to date, these programs have produced a mere fraction of the intended units.

The Small Rental Property Program is one example. As of May 4, 2009, the program had produced a total of 1,237 rental units, of which 1,069 were affordable to families earning less than 80% of Area Median Income. At best, the program expects to produce 3,500 rental units by the end of the year, and 9,200 by this time next year. Yet, the DHAP program will end many months before these units become available. There has been no effort to synchronize the closeout dates of disaster housing assistance programs with the production and availability of affordable rental units.

Just as the economic downturn has touched the lives and stolen the jobs of the people whose stories are shared above, the financial crisis has stalled the state's ability to produce rental units that were to be funded through low-income housing tax credit programs. In spite of this, Louisiana's request to be able to exchange its unused (and, in the current economic climate, unusable) Go Zone tax credits for cash value under the American Recovery and Reinvestment Act was recently denied by the U.S. Treasury.

Due to high demand for existing units, the high costs of repairs and insurance, and even the high bar set by federal housing vouchers, rents remain elevated well out of reach of the average worker. Until there are more units on the market, and specifically more affordable units, 'housing self-sufficiency' will remain an unattainable goal for many families.

INADEQUACY OF REBUILDING FUNDS, AND THE LOOMING TRAILER DEADLINE

Many DHAP recipients who are homeowners are still working on rebuilding their homes and will be unable to pay both rent and a mortgage note. Like Ms. S, above, they will be faced with the prospect of resigning themselves to renting for the indefinite future—leaving their unfinished houses sitting vacant—or squatting in their own unrepaired homes while they save the money needed to rebuild.

Katrina caused major or severe damage to 122,000 homes in Louisiana, of which 38,000 were owned by low-to-moderate income owners. We are rebuilding homes with many of these low-income owners, who have depleted their available insurance proceeds or Road Home grants, or who have been the victims of contractor fraud. The homeowners with whom we work are most often elderly, disabled, or both. They therefore do not qualify for construction loans. Without assistance, they will never be able to move back in to their homes.

Many of these homeowners are among the remaining 3,427 FEMA trailer residents in Louisiana. In just one week, they will face eviction from their trailers. Although today we are discussing the end of the DHAP program, I am equally concerned about the fate of these trailer residents. In Orleans Parish, about 75% of the remaining 1,000 trailer

residents are homeowners struggling to rebuild, and 25% are renters searching for affordable housing.

Just next week, our volunteers will be gutting the home of Mr. Earnest Hammond, whose story you perhaps read in the May 8 *New York Times* article, "Ready or Not, Katrina Victims Lose Temporary Housing." Mr. Hammond has been living in a FEMA trailer and collecting cans in order to save enough money to repair his home, a triplex that was ineligible for a Road Home grant. At the rate at which he is saving, he might have had enough money in another three or four years to begin work on his home—but only if he did not also have to pay rent. We expect to be able to rebuild his home in three to four months; but until it is completed, where will Mr .Hammond live without his trailer?

Another couple with whom we are working, Mr. & Mrs. B., are struggling to survive in their trailer but are reluctant to move away from their property for fear that their supplies will be stolen. The couple's Road Home application has been repeatedly denied, so we are using donated funds to complete the work. He is a disabled Vietnam veteran who suffered a massive stroke in 2006 and now requires round-the-clock care. Mrs. B. stopped working in order to tend to his needs, and has to unplug various appliances in their FEMA trailer in order to use his medical equipment when needed. He is getting bedsores because the trailer is too small to accommodate the type of bed he should have. We are in the process of modifying their home in order to make it handicap accessible. They do not know where they will go if their trailer is repossessed at the end of the month.

We believe that trailer residents whose incomes are below 50% of AMI should be eligible for Housing Choice Vouchers, just as DHAP clients are. Moreover, in order to qualify those who ought to be eligible but currently are not, HUD should grant a waiver under the definition of income for the value of a Katrina-damaged home. By not doing so currently many families who need and deserve assistance are disqualified from voucher programs. Emergency rental assistance should also be made available to those homeowners who need additional time to complete their rebuilding projects or those renters seeking alternative housing. The May 31 deadline cannot be imposed without regard to these considerations, and I strongly urge an extension of the deadline.

LACK OF EFFECTIVE, INTENSIVE CASE MANAGEMENT

To date, there has been no effective case management provided to Katrina and Rita victims to assist with the transitions from FEMA housing to DHAP nor from these housing assistance programs to self-sufficiency. In principle, case management was provided to DHAP clients but we repeatedly hear the refrains, "I never saw a case manager…I was never able to reach a case manager … I was given a list of phone numbers to call and that was the last I heard from my case manager."

And yet, the families remaining in trailers and on DHAP are among the most vulnerable members of our community. They are elderly, disabled, often seriously ill, and are without a support system to become stably housed. It will be the quality of the case management they receive, and the humaneness of the interactions with their case managers, that will determine whether or not these individuals establish a secure

household and thrive. We recently completed an evaluation of our programs, including case management. The people we have served reported the various material ways in which their life situation had improved through case management. Yet, it was the respect and the kindness they were shown that they singled out as making the greatest difference in their recovery. It is this human and spiritual element that, coupled with intensive and effective case management, will make all of the difference.

Not only have we not seen this kind of quality case management on a scale large enough to meet the challenge before us, but case management for Katrina and Rita victims has been virtually absent from Louisiana since the end of the Katrina Aid Today (KAT) program in March 2008.

As a KAT participant, between November 2006 and March 2008 the Diocese assisted 1,285 families to re-establish a measure of stability in their lives, whether by securing housing, appliances and basic furnishings, transportation, employment, or other necessary components of a healthy life.

Anticipating the humanitarian crisis that would be precipitated by the end of KAT case management, eight months prior to the KAT deadline the Diocese began to advocate for the extension of FEMA Disaster Case Management, investing significant funds and capacity to win an extension on behalf of the entire state. At the 11th hour, an extension was granted, and FEMA supplied a small amount of funding through the Cora Brown fund in April and May 2008.

The much-anticipated Disaster Case Management Pilot (DCM-P) program, however, was never launched in Louisiana. As negotiations wore on between FEMA and the State of Louisiana, potential nonprofit partners were asked to revise their applications and budgets again and again to satisfy FEMA's latest requirements. With each passing month of bureaucratic delay the numbers of people eligible to be served under DCM-P was steadily whittled away. Whether or not this was an intentional stalling tactic, the net result was a reduction in the amount of funding for disaster case management allocated by FEMA to the state and a failure to provide appropriate case management. While Louisiana was originally eligible for $32 million in spring 2008, when the state finally received its award letter from FEMA in February 2009, the revised amount for a three-month program to assist a remaining 3,944 households was $8,372,992.

Even had DCM-P been launched, there would have been major limitations to the success of the program. The original $32 million proposed by FEMA was intended to serve households still in trailers after the closure of most of the group trailer sites. The majority of those households were in trailers because they could not access funds to repair their homes. Without accompanying direct service dollars to close this gap, DCM-P case management would have been highly ineffective. Even today, 3,528 of the remaining 3,944 households in trailers are waiting for resources to rebuild their homes. Although the Louisiana Recovery Authority recently announced the creation of a $5 million pool for rebuilding gap financing—a much-needed and much-appreciated resource—this sum

is less than a quarter of what is needed just to address the most pressing unmet rebuilding needs.

More recently, even after the recent DHAP extension, the State, FEMA, and HUD were unable to agree upon a common platform for case management for all remaining DHAP- and FEMA-supported households. FEMA's failure until quite recently even to share with the state its data and lists of the population in need is unconscionable. I am saddened to think that the kind of institutional intransigence and bureaucratic wrangling that has characterized the entire Katrina recovery continues into 2009, and hope that we will soon see new levels of cooperation and collaboration.

Although we reluctantly chose to shrink our case management program rather than pursue funding we did not think would permit us to serve our clients well—and which ultimately never materialized in Louisiana—the Diocese has continued to provide services with support from Episcopal Relief & Development and private resources. Although at its peak our program consisted of 15 staff, there are currently 4 staff members working on the program. The budget under the Diocese's 16-month Katrina Aid Today grant was just over $1 million, with the Diocese providing almost equivalent private funds to meet clients' direct needs. Currently the privately-funded Diocesan case management budget is $226,303 annually exclusive of direct service dollars raised; on this budget, the Diocese has served 672 households since the end of Katrina Aid Today. Despite a decrease in staff capacity, we have continued to serve to the best of our ability.

INELIGIBILITY

The needs of DHAP clients and trailer residents are pressing. Yet there are tens of thousands of additional families whose recovery needs are not met, and who are not receiving housing assistance. From the beginning, FEMA's methodology for determining eligibility was flawed. The decision to award one FEMA number to a single head of household did not fit the reality of many household situations in the New Orleans area, where multi-generational extended families often lived together. Following the massive evacuation across the country, these family groups were often split apart, yet only one adult was allowed to register with FEMA. Some people were denied assistance because their addresses were considered duplicates of existing addresses, even if the properties were subdivided into separate apartments (half-addresses, lettered apartments, etc.). Others were denied assistance because of a simple data-entry error on the part of a poorly trained intake worker.

More recently, even more families were deemed ineligible during the transitions from one housing program to another. For example, there were over 73,000 households receiving FEMA housing assistance prior to the three-phase transition to DHAP in 2007 and 2008. While many of these households have successfully attained stable housing, there were inevitably households incorrectly determined to be ineligible in each successive phase of the program.

It has been difficult to get FEMA to reconsider its eligibility determinations, and was difficult for nonprofits like ours to assist people with their FEMA appeals due to privacy

laws and the challenges of gaining access to FEMA representatives with decision-making authority. Yet, the fact that households in need have been determined to be FEMA-ineligible does not absolve us from the responsibility of working to help them. Indeed, it has been a special concern for this population in perpetual limbo that has motivated much of the Diocese's work.

A State of Perpetual Crisis

I have witnessed the mental strain and anxiety caused in our people by a series of looming deadlines followed by last-minute extensions, none of which are adopted in the context of a comprehensive plan for housing recovery. We fear that if the DHAP deadline is imposed as planned, prior to the production of additional affordable housing units or the creation and implementation of a reasonable housing and case management plan, we will certainly face a new and larger wave of homelessness in our communities. We also risk re-traumatizing the most disadvantaged of our citizens: persons who lost everything they owned, their livelihoods, and even members of their families.

The August 31 deadline is yet another example of arbitrary, illogical and random deadlines that have been selected without first devising a plan and timeline scenario for what it will take to achieve the restoration of housing stability. I can appreciate that FEMA understands its housing mission to be a temporary one. Yet we must ask: should deadlines be determined based solely on an agency's wish to conclude dealings in a particular state? Or according to the satisfactory attainment of a minimum level of housing stability?

The pattern to date has been as follows: deadlines are set, and *then* the process of developing a plan to meet the deadline begins. Stalemates ensue between FEMA, HUD, and the state. Programs are not launched, and people are not served. Meanwhile the clock is ticking, and progress fails to be made. So another arbitrary deadline is set.

This pattern rewards a lack of cooperation on the part of FEMA, the state, and HUD. None ultimately assume responsibility for doing what is necessary—nor for footing the bill. Meanwhile, lives hang in the balance. For those of us in the non-profit sector, attempting to partner with government to find effective solutions, and working with anxious, terrified, and vulnerable people every day, it is maddening to be locked in this kind of a circular stalemate.

Recommendations

What is needed is a new, more rational and more humane approach. The only way to resolve the predicaments of thousands of struggling storm survivors is to ensure the production of the safe and affordable housing that is needed, and to provide the systematic, comprehensive, reliable and consistent support to place them stably in this housing. Until scenario planning occurs that that fully assesses household needs and identifies a path to success, roles for each of the agencies involved, action steps, timetable, budgets, and accountability measures, it is illogical to set deadlines for evacuation of FEMA trailers and the end of DHAP assistance.

While this kind of scenario planning can certainly be completed in several months' time—indeed, the Louisiana Legislature's recent SCR 118 report offers several key analyses and recommendations—I find it implausible that any such plan would be successfully implemented prior to the August 31 DHAP deadline.

The challenges before us can only be met with:

1) Sincere motivation of all responsible parties to meet effectively the needs of all disaster-impacted families, especially those in the most difficult circumstances;
2) Acceptance that this is going to cost a certain amount of money and there is no way to avoid the expenditure;
3) Acknowledgement that funds will have to come from all three key parties: FEMA, HUD, and the state;
4) A rejection of the tactics of intransigence and delay, which only increase costs over time;
5) Demand from those with oversight authority that all parties immediately work out and present an adequate plan, with the assistance of an independent mediator if necessary;
6) Close monitoring of meetings between parties by an independent observer with legal authority; and,
7) Strict deadlines for short-term progress enforced by Congress, and accountability hearings held frequently to ensure benchmarks are met.

Case management is absolutely necessary. It must be made available to trailer residents and DHAP clients, and it should be provided to those who have been lost in the shuffle. Additionally, the barriers to the production of affordable housing units—which have been widely documented—should be addressed. Where bureaucratic red tape and unacceptable delays merit investigation, then such investigations should be launched. Where institutional parties complain that funds are nonexistent, there should be an investigation of whether all awarded and allocated funds have actually been spent, and how.

Thank you for your attention today, and I look forward to the opportunity to work together to ensure that all of our citizens struggling to return home will be able to do so in safety and in dignity.

ADDENDUM: SURVEY & INTERVIEW EXCERPTS

Tameka Domino
1024 Tennessee St.
New Orleans, LA 70117

Ms. Domino is a 26-35 year old woman with children. She works, but only recently got on the DHAP program and has not been able to save enough to afford rent on her own. She reports that she has never received any real case management, and says that she needs training in order to land a better-paying job. "Can we get some help? Does anybody care?"

Arthur B. Evans
1521 Conti Ave
New Orleans, LA 70115

Mr. Evans is a 25 year old man. He is unemployed and is trying to go back to school. He says, "I need transportation. I could find work if I had transportation. Put us to work!" Without DHAP, he will be homeless.

Phyllis Penn
1810 Gallier St.
New Orleans, LA 70117

Ms. Penn is a 46-55 yr old woman who is a single head of household. She lost her job, and says, "I can never get to a case manager. I need transportation. I need a job. I can't possibly afford my rent without DHAP."

George Weatherby
4311 MacArthur Blvd
New Orleans, LA 70131

Mr. Weatherby is a 51 year old male. "I got a job but can't afford my rent. I don't know where I will go" without DHAP.

Larry Paul Sceau
5525 Elysian Fields
New Orleans, LA 70112

Mr. Sceau is a 58 year old male. He is working, but not making enough to afford the rent. He does not have a clue what he will do if DHAP is not extended. "This was supposed to be the Land of Opportunity, where is it? We are the nuts and bolts of this city...why can't we get jobs to build the inner city? Would we be treated this way if this was Maine, Connecticut or New Hampshire?"

Treniece Lee

4053 S. Chipwood Dr
Harvey, LA 70117

Ms. Lee is a 36-45 year old woman with kids. She is working, but needs help to pay her high rent that she is being charged. She got on DHAP only in late 2008 and "now it's ending. We need help, everyone promised us help; why can't we get it?"

Dawanda Michelle Thompson
2534 St. Philip St B
New Orleans, LA 70119

Ms. Thompson is a single mother, and head of a household with kids. "I am unemployed. Transportation would help me get a job. I can't afford the rent without DHAP. I don't know what I will do if it is cut out. New Orleans doesn't need any more homeless. Give us a chance."

Jamie Brown
7815 Buffalo St.
New Orleans, LA 70128

Mr. Brown had a job but lost it because he was unable to get back quickly from the Gustav evacuation. He does not know what he will do without DHAP. "I might become homeless. Why can't we get jobs rebuilding New Orleans?"

Jason B. Wiley
611 N. Rampart St.
New Orleans, LA 70112

Mr. Wiley is a twenty-five year old man who is married with 2 children. He is unemployed and has no transportation, which makes a successful job search difficult. Without DHAP, he says, "I will be forced to move in with relatives....[They] do not have space for me and my family...[It's] not a long term solution. I don't know what I will do. We need more time to get on our feet. We need jobs...we want to work!"

Demetrase Lionell Smith
2534 St. Philip St. A
New Orleans, LA 70119

Mr. Smith is a 24 year old male with 2 kids. He is unemployed, and has no transportation. "Can't find work without it, without work can't pay for transportation. I heard people in Texas was able to get used vehicles so that they could find work and get back on their feet. Why can't we?"

Terrasina Thomas

7531 Hansbroug Avenue
New Orleans, LA 70122

Ms. Thomas is a 36-45 year old woman. She lost her job. "I don't know how I will pay rent without DHAP. Transportation would help me get a job and get straight. We need help."

Latoya Honeycutt
2695 Bartholemew
New Orleans, LA 70117

Ms. Honeycutt is a 24 year old woman with children. She says: "I lost my job. I haven't been able to get another one. I can't afford my rent. I will have to move back in with family and that's a very difficult situation. Help us—we need jobs, we need more time to get it together."

Quindell J. Quinn
2736 Lavender
New Orleans, LA 70122

Ms. Quinn is a 25 year old single mom with kids. "I don't have a job. I want one bad. I need training for better jobs. I need a chance to get things together. We need more time."

TESTIMONY OF

PAUL RAINWATER,

EXECUTIVE DIRECTOR OF THE LOUISIANA RECOVERY AUTHORITY

BEFORE THE U.S. HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

May 22, 2009

Louisiana Recovery Authority
150 Third Street, Suite 200
Baton Rouge, LA 70801
Voice: (225) 342-1700
Fax: (225) 342-0002
lra.louisiana.gov

Thank you for having me here today to speak to this very critical matter of transitioning those currently in temporary disaster housing in Louisiana. Our state faces a housing crisis unlike no other. You have heard the statistics many times over, but in Louisiana we have suffered four devastating hurricanes in the span of three years. In hurricanes Katrina and Rita, we were left with more than 200,000 housing units with major or severe damage; 82,000 of these were rental units. Orleans Parish alone accounted for 50 percent of the damage statewide and lost more than 51 percent of its rental units. This past fall the state experienced two devastating storms, Gustav and Ike. While not at the same scale of the 2005 events, these storms caused significant housing damage and economic interruption along the Gulf Coast. Additionally, these storms caused much greater damage statewide than in 2005. Another 9,400 homes received major damage and 800 families have been placed in FEMA-assisted housing.

Emergency Actions to Assist Disaster Victims

At the height of the post Katrina and Rita FEMA trailer program in Louisiana, we had more than 76,000 active trailer leases. Through homeowners rebuilding their houses using Road Home and other funds, the DHAP program, rental units being restored and other recovery efforts, this number has been whittled to fewer than 3,000 residents. Working together with FEMA, the state of Louisiana, led by the staff of the Louisiana Recovery Authority, is reaching out to these remaining trailer residents to ensure that they are not made homeless at the end of the month.

Already we have housed 25 residents who had to vacate their FEMA-subsidized hotel rooms at the beginning of May through our existing Rapid Rehousing Program funded with Community Development Block Grants. Additionally, our staff each day speaks to trailer residents to determine their needs and also meets with FEMA to review files and cases on an individual basis to find solutions that will prevent these citizens from becoming homeless. Our staff has been assured many times by FEMA staff in Louisiana that FEMA will work with trailer residents on a "case by case" basis to ensure that families are not adversely affected by this trailer deadline. Our staff has seen great commitment from the new acting head of the Transitional Recovery Office in Louisiana, Tony Russell, and we thank FEMA and the Department of Homeland Security for sending him to us. He understands why this housing issue is so critical and has tried to approach this transition with a compassion for disaster victims, and his hard work has not gone unnoticed in Louisiana.

Some of these residents can be assisted through other programs, some may be able to keep their trailers temporarily while they finish home repairs and others may benefit from a FEMA's donations and sales program that would allow them to keep their temporary housing units. We estimate around 300 residents will buy their units from FEMA and as many as 600 units may be donated. Each of these units will be tested to ensure they meet the state's "acceptable" formaldehyde level.

Beginning this month, the LRA has secured, through Louisiana's Department of Social Services, up to $2 million in Social Services Block Grants to provide case management for this population, as we continue working to secure the FEMA Disaster Case Management Pilot program.

Additionally, we accessed FEMA funds last year for a "case management close out" program that aimed to assist those who were moving out of large FEMA group sites.

We do know that many of those who remain in trailers are homeowners who are having difficulty completing their home repairs. Data from early March showed that the majority of those in trailers who were Road Home applicants had received some level of funding from the program. However, in many cases, for many reasons, there are gaps in their financing that is preventing them from moving forward quickly.

To address this, we have two housing programs that we soon will send to HUD for approval. One creates a $5 million pilot program that will fund nonprofit groups that are providing rebuilding aid to homeowners to continue rebuilding homes. Another would reallocate some funds previously designated to create rental units in Plaquemines Parish directly to home rehabilitation. This $4 million CDBG program was created at the request of the parish and will help rehabilitate homes.

Additionally, there are a variety of CDBG and HOME funded rebuilding programs underway in Louisiana, particularly in New Orleans, and the state's $73 million Permanent Supportive Voucher program starts next month.

While we are working with trailer residents, we also must transition some 14,831 individuals who are receiving aid from the Disaster Housing Assistance Program that will end on August 31, 2009. Earlier this year HUD Secretary Shaun Donovan granted an extension of this program to give us six more months to transition these residents. We cannot thank him enough for this action, which has been critical to ensuring that we prevent mass homelessness in Louisiana. Additionally, HUD is allowing the state up to $8 million for case management for this population. Working with the Housing Authority of New Orleans, we have started outreach to these DHAP participants and, in only three weeks, more than 9,000 clients have signed up for case management through the program. Many of these DHAP participants actually may qualify for Housing Choice Vouchers, which would provide them long-term housing. So far, around 3450 residents have had their requests to be converted from DHAP vouchers to Housing Choice Vouchers processed.

We understand that there is language in the supplemental that would secure funds for additional vouchers for Louisiana and Mississippi. We support this effort and are grateful to you for your assistance in ensuring there is a safety net as both of our states continue to rebuild.

Permanent Housing Solutions

In addition to these stop gap measures to prevent homelessness, the state has been working to invest CDBG funds in permanent housing in the years since Katrina and Rita. The cornerstone of Louisiana's recovery program is the Road Home housing program, which is divided into two components – Homeowner aid and the Small Rental Property Program. Though the Road Home has faced many trials and initially struggled to award grants, we now have paid almost $8 billion to more than 124,000 Louisiana homeowners. Since the beginning of 2008 when Governor

Jindal took office, we have disbursed more than $2.2 billion to homeowners, re-launched the stalled elevation program and provided more than $822 million in elevation dollars to 28,400 applicants, started serving applicants who sold their homes prior to the program's launch, revamped the appeals process so that it is more customer friendly and closed more than 31,500 of the most difficult applicant cases. The majority of the applicants we've closed since January 2008 had complicated cases and had been pushed to the back of the line while the contractor picked easier to close cases. In 2008, we had more than 20 successful mobile outreach sessions where we took Road Home and state of Louisiana staff into the community to meet with applicants one-on-one to discuss their issues.

We anticipate that between 2,000 and 3,000 applicants could still close on their grants this year. Many of the remaining applicants have difficult title, power of attorney or other legal issues that stand between them and closing on their Road Home grants. The state has provided and will attempt to continue to provide legal services for lower income Road Home applicants. Additionally, we do not have current deadlines for applicants to close. That said, we anticipate that the majority of closings for compensation and elevation grants will be complete by the end of 2009.

While the Small Rental Property Program, the second aspect of the Road Home, has been slower going than we had hoped, we have made great strides in the past year. When we took this program over from the previous administration, it had created only five rental units. We have now created 1,439 rental units using these funds. Additionally, we soon will begin offering advance payments to landlords, which was not something done under the original program implementation. This will speed up production of units significantly, as many landlords have been left unable to get financing for their reconstruction efforts due to the economic downturn.

Additionally, we have made great strides in our Low Income Housing Tax Credit "Piggyback" program, which pairs CDBG funds with GO Zone tax credits to help build large rental developments. Six of these complexes opened in March 2009 and another 18 are under construction, including several HUD complexes that will replace the "Big Four" public housing projects in New Orleans. CDBG funding has been critical gap financing that has kept many of these developments afloat during this tough economic time.

In total, when looking at this Piggyback program and other tax credit initiatives by the Louisiana Housing Finance Agency, in Louisiana we have created 7,548 rental units statewide, including 2,364 in Orleans Parish. We have another 5,228 units under construction across the state and we expect almost all of these – 5,100 – to come online by the end of the year. When coupled with our investments in the Road Home Small Rental program, this will provide much more affordable housing for residents and help stabilize the very uncertain rental market in New Orleans and the surrounding areas. We are working every day to connect families with units as they come available.

In addition, the state now has construction of Katrina Cottages underway in three parts of the state – New Orleans, Lake Charles and Baton Rouge. This program is funded with $74.5 million

in funds from FEMA, which the state will use to create 500 cottages. It is designed to test different housing models to determine which could be used by FEMA in the event of a major disaster. Though we anticipate we will need a program extension from FEMA, we are confident that we will have these units completed by the end of the year and we are working with nonprofits in the state, including Habitat for Humanity, to help place residents in these cottages.

Conclusion

There are many factors that affect the length of time residents remain in temporary housing after a disaster. In Louisiana we saw much improvement in the speed of post-disaster housing after hurricanes Gustav and Ike, when compared with the 2005 storms. That said, we would encourage a few changes to ensure a quicker housing response:

- FEMA should refine its Disaster Housing Plan, which was hastily released in the final days of the Bush administration, to ensure that the federal government is providing the states with necessary capacity in the event of a disaster, rather than adding additional burdens on the states. This document should be a living, breathing plan that the agency updates based on new experiences, best practices and input from the states. States should be given a briefing on the plan and technical assistance in developing their own Joint Housing Taskforce to stand ready to respond in concert with federal partners in the event of a disaster;
- HUD should work to ensure that its post-disaster response addresses immediate needs and that it is repairing its own properties as quickly as possible to aid in housing lower income, disabled and elderly residents to minimize their displacement;
- Funds set aside for long term disaster recovery should be allocated and sent to the states more quickly. Two thirds of the CDBG funds reserved for states with 2008 disasters remain unallocated to the states almost five months into 2009. Housing is not something that can be rebuilt in a short time, meaning it is critical for states to gain access to the resources for housing recovery as soon as possible;
- HUD and FEMA disaster housing deadlines should be in sync with each other. A state's production pipeline for housing units should be a leading consideration when setting these deadlines.

Thank you for allowing me to outline some of the actions the state and its federal partners at HUD and FEMA are taking to prevent many disaster victims from becoming homeless in our state. I was standing with nonprofit housing advocates under the Claiborne Bridge in New Orleans last year when they announced they had closed down the infamous homeless tent camp that had festered there in post-Katrina New Orleans. We heralded this day as critical one in the fight to eradicate homelessness in Louisiana. No one should be forced to live in such unsanitary and unsafe conditions. I can assure you, the image of that tent camp is in my mind as we work through this complicated transition process. We know that failure in this transition could result in thousands of our citizens left without homes, and we are fighting each day to ensure that we prevent this outcome. Thank you.

TESTIMONY OF FREDERICK TOMBAR
SENIOR ADVISOR
OFFICE OF THE SECRETARY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
May 22, 2009

Good morning Chairwoman Norton and distinguished members of the Committee. I am Frederick Tombar, Senior Advisor to the Secretary at the U.S. Department of Housing and Urban Development (HUD). Thank you for inviting me to testify today.

As I begin my statement, on behalf of Secretary Donovan, I want to express HUD's commitment to seeing the Gulf Coast recovery through. From the very beginning of this Administration, the Secretary has devoted a great deal of time and energy to the recovery. That effort began with our plan to ensure that participants of the Disaster Housing Assistance Program (DHAP) were able to make a smooth transition off the program into a more permanent housing solution. We worked with the Congress and FEMA to provide additional assistance to families through August 31, giving them more time to transition out of DHAP, either to self-sufficiency or other federal or state housing programs, including HUD's Housing Choice Voucher (HCV) program. Also, on March 5, the Secretary joined Senator Landrieu and Secretary Napolitano on a trip to the Gulf Coast to see recovery first hand, and to begin a coordinated effort to boost recovery in that area. President Obama, along with the other members of his Administration, is absolutely committed to helping the Gulf Coast achieve a full recovery.

The Department continues to work closely with the Federal Emergency Management Agency (FEMA), state and local governments, and public housing agencies to assist families impacted by Hurricanes Katrina and Rita. This includes families that resided or currently reside in FEMA's Temporary Housing Units or THUs.

The THU program for families impacted by Hurricanes Katrina and Rita officially ended on May 1, 2009. But according to FEMA data, as of May 14, 2009, approximately 4,000 families currently reside in these units in Louisiana (2,562) and Mississippi (1,484).

FEMA offered each family residing in a THU at least three rental resources that met their individual housing needs, such as number of bedrooms, accessibility considerations, and units within a reasonable commuting distance. All of these resources were within the Fair Market Rent rate established by HUD for the area.

As part of these efforts, FEMA offered each THU family a referral to DHAP operated by HUD. Under DHAP, the Department provided rental assistance and case management services to over 30,000 families displaced by Hurricanes Katrina and Rita, including many THU families that agreed to participate in the program. Every family that resided in a FEMA THU was offered this assistance, but some chose not to participate in DHAP and currently remain in FEMA THUs.

FEMA THU families that agreed to participate in the DHAP, and were receiving rental assistance through this program in February 2009 are also eligible for Transitional Rental Payments (TRP) under the DHAP-Katrina Transitional Closeout Plan. As part of this program, and at the request of the State of Louisiana, nearly $7 million was also allocated to support the Louisiana Recovery Authority (LRA) with DHAP Closeout Case Management for Louisiana participants. The State of Mississippi provided case management services to families under FEMA's Disaster Case Management Pilot, but has not requested a case management funding under the DHAP-Katrina Transitional Closeout Plan. HUD and FEMA are providing this additional assistance to families to give them more time to transition out of DHAP, either to self-sufficiency or other federal or state housing programs, including the Department's Housing Choice Voucher (HCV) program.

Although current THU families that turned down DHAP are no longer eligible for assistance under this program, the Department has worked with states to identify alternative resources to aid in the disaster recovery. The two primary sources of funding that can be used to support families currently in THUs are the Department's HOME Investment Partnerships program (HOME) and Community Development Block Grant (CDBG) program. States can use their annual HOME funds to provide temporary rental assistance to eligible THU families or request a re-allocation of CDBG funds for temporary rental assistance.

Mississippi and Louisiana both receive annual HOME allocations to increase the affordable housing stock in their states. Each state has a significant amount of unexpended HOME funds in their HOME accounts. Nearly half (43%) of these funds have not been committed by the states to a HOME activity or unit of local government and may be available for HOME-funded tenant-based rental assistance (TBRA) programs.

Assuming that a state allocated $10 million of HOME funds to TBRA and provided an average annual per-family subsidy of $4,500, it could fund HOME TBRA vouchers for over 2,200 families. Using these same assumptions, assisting 5,000 families per year would cost $22.5 million.

The Gulf Coast states also received CDBG disaster funding for long-term rebuilding and recovery. Mississippi and Louisiana both currently have a significant amount of CDBG disaster funding remaining that has been awarded but not disbursed.

Beyond CDBG and HOME, the Department has also awarded or is in the process of awarding additional voucher funding to Gulf Coast states. In the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009, HUD received an additional $50 million for Project-Based Vouchers for areas impacted by Hurricanes Katrina and Rita. These funds will increase the affordable housing stock within the region by more than 6,500 units. Under separate funding, the Department also awarded

$23 million in Project-Based Vouchers (PBV) to the Louisiana Recovery Authority. This funding is anticipated to provide approximately 2,500 vouchers in the State of Louisiana.

In addition to this funding, the majority of public housing agencies in Mississippi and Louisiana have a preference category on their housing choice voucher waiting list that allows them to prioritize disaster-impacted families, including those residing in FEMA THUs.

Thank you for the opportunity to discuss resources that could be used to provide housing assistance to FEMA THU families in Louisiana and Mississippi. The Department is committed to working closely with FEMA, state and local governments and public housing agencies throughout the Gulf Coast region to address the long term housing needs of families displaced by Hurricanes Katrina and Rita. I'm now happy to take any questions you have and again want to thank Chairwoman Norton and the Members of the Committee for the opportunity to speak with you today.

Question from Delegate Eleanor Holmes Norton

QUESTION: In previous briefings staff has been told that HUD cannot provide priority to in Housing to families who have been impacted by a disaster, notwithstanding a provision in sectio 310 of the Stafford Act that appears to require such priority for certain housing programs. Pleas provide the Subcommittee a list of the programs HUD currently administers either in the Gulf Coast or elsewhere is covered by section 310 of the Stafford Act provision and which programs not? For those that are not covered by section 310 of the Stafford Act, please provide the Speci statutory authority?

RESPONSE: Section 310 of the Stafford Act applies to applications to Federal agencies assistance under certain Acts "from public bodies situated in areas affected by major disasters." This administrative provision gives priority to applications from such public bodies. The provision is limited to HUD's processing of applications and does not authorize grant recipients, such as public housing authorities, to give priority to certain families seeking assistance. For HUD, the provision applies to programs under the Unit States Housing Act of 1937 for the provision of low-income housing and the Communit Development Block Grant Program under title I of the Housing and Community Development Act of 1974 for which funds are not distributed by statutory formula.

Sec. 310. Priority to Certain Applications for Public Facility and Public Housing Assistance (42 U.S.C. 5153)

(a) Priority - In the processing of applications for assistance, priority and immediate consideration shall be given by the head of the appropriate Federal agency, during such period as the President shall prescribe, to applications from public bodies situated in areas affected by major disasters under the following Acts:
(1) The United States Housing Act of 1937 for the provision of low-income housing.
(2) Sections 3502 to 3505 of Title 40 for assistance in public works planning.
(3) The Community Development Block Grant Program under title I of the Housing and Community Development Act of 1974.
(4) Section 306 of the Consolidated Farm and Rural Development Act.
(5) The Public Works and Economic Development Act of 1965.
(6) The Appalachian Regional Development Act of 1965.
(7) The Federal Water Pollution Control Act.

(b) Obligation of certain discretionary funds - In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisions of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects for major disaster areas.

Frederick Tombar
Senior Advisor
Office of HUD Secretary

- **On page 2 of your testimony you mention that families that agreed to participate in the DHAP program and were also receiving rental assistance through this program in Feb 2009 were also eligible for Transitional Rental Payments. What is the significance of the Feb 2009 date?**

The FEMA-HUD Interagency Agreement (IAA) executed in July 2007 remained in effect until February 28, 2009, when all existing grant agreements between FEMA and Public Housing Agencies (PHAs) under DHAP-Katrina expired. This included all Disaster Rent Subsidy Contracts (DRSC), which are the contracts between the PHA and the landlord for payment and receipt of rental subsidies on behalf of each family.

However in February 2009, HUD and FEMA executed an amendment to the IAA which authorized HUD to act as the servicing agency for the DHAP-Katrina Transitional Closeout Plan (TCP) and allowed for the administration of Transitional Rental Payments (TRPs) on behalf of families commencing March 1, 2009 and ending August 31, 2009. Pursuant to FEMA's grant making authority, HUD, on behalf of FEMA, invited DHAP-Katrina PHAs to amend their existing grant agreements to allow them to administer the TRPs on behalf of FEMA. The plan authorized HUD and its PHAs to make or tender transitional payments to landlords without an executed DRSC and before effecting other binding agreements between PHAs and landlords as set forth in the IAA.

TRPs were made on behalf of DHAP-Katrina families who received a rental subsidy of over $100 in February 2009, the last month of DHAP-Katrina assistance. The agreement to provide TRPs held ineligible families who were already receiving alternative federal or state housing assistance or those families who were no longer in DHAP-Katrina.

The purpose of the monthly TRPs was to ensure that sufficient time was available for eligible families to apply for and transition to the Housing Choice Voucher (HCV) program, other federal or state housing assistance programs, or make other arrangements for self-sufficiency. TRPs were also intended to prevent extreme and immediate increases in the rent burden for DHAP-Katrina families resulting from the end of the DHAP-Katrina program. Under the Transitional Closeout Plan, families were required to pay an additional $100 toward the rent, beginning with the March payment and each month thereafter in a step down manner, until they reached self-sufficiency or transitioned onto continued assistance through the HCV program.

The DHAP-Katrina Transitional Closeout Plan terminated on August 31, 2009. However, an August 2009 HUD/FEMA amendment to the IAA authorized additional TRPs in September and October 2009. TRPs are being provided in these months under a limited consideration for families that submitted an HCV application by August 31, 2009, were subsequently determined eligible for the program and meet the conditions for additional payments. The additional two months will provide time for families to finish the conversion process without a break in assistance.

- **What is Closeout Case Management and what services does it provide?**

In accordance with the HUD / FEMA IAA, case management services were provided for the duration of DHAP-Katrina to transition each family to permanent housing and prepare them for the eventual termination of the program. These services ended with the termination of DHAP-Katrina on February 28, 2009.

Although the case management services were not continued across all PHAs under the DHAP-Katrina Transitional Closeout Program (TCP), states could request a grant through HUD to partner with a PHA(s) to provide case management services during the TCP. The only states that requested to provide these services during the TCP were Louisiana and Tennessee. Case management services provided in these states under the DHAP-Katrina TCP closely mirrored those provided under DHAP-Katrina.

The TCP Case Management Services Grant Agreement between FEMA and each of these grantees outlines requirements for case management services provided in Louisiana and Tennessee. First, the grantee was required to notify all families receiving DHAP-Katrina Transitional Rental Payments (TRPs) within their jurisdiction that they were eligible to receive case management services and how to receive such assistance.

In addition, grantees were required to comply with the objectives of the TCP case management services which were greater self-sufficiency and permanent housing for each participating family. This included assisting participants to identify non-disaster supported housing solutions such as other affordable housing options that were available for income eligible families.

Case managers were also required to maintain for each head of household or individual a copy, at minimum, of a needs assessment (NA), a signed Release of Information (ROI), and a signed Individual Development Plan (IDP). As stated in the DHAP Case Management Guidelines, case managers were to work with families to complete comprehensive NAs to determine service needs, including housing needs. The IDP itemized goals that participants set for themselves with their case manager and guided case managers in identifying services that would help individuals achieve these goals. Case managers also determined if there were groups already serving the families and worked with them to coordinate services.

After the IDP was established, active compliance was determined by the case manager on the basis of a head of household's effort to make progress across goals in the IDP. To this end, case managers conducted reassessments and home visits for participating families to evaluate their progress.

- **Why do you believe that both Louisiana and Mississippi have large amounts of unexpended HOME funds in their accounts?**

It is not unusual for HOME participating jurisdictions to have a substantial amount of unexpended HOME funds on hand. This is because housing development can be a lengthy process, with delays commonly occurring due to difficulty gaining site control, unexpected environmental issues, and difficulty securing sources of financing. While a disaster of the magnitude of Hurricane Katrina adds exponentially to housing needs in affected areas, it also has a tremendous impact on the physical infrastructure needed to support housing construction or repair and the availability of quality contractors to carry out the work. Recovery from major disasters typically involve upfront community planning processes, which must be

completed before projects can go forward, and changes to local zoning, building codes and similar requirements. Difficulties in obtaining insurance for the construction phase and operational phases of projects in a disaster area also slow progress. Major disasters over-burden the administrative capacity of the HOME grantee staff who are faced the need to produce many more units than they typically work on at one time while facing the types of obstacles described above.

- **Your testimony suggests that some of the HOME funds may be available for tenant based rental assistance. Under what conditions would these funds be available? Would the distribution be formula driven?**

  HUD allocates HOME funds by formula to State and local government participating jurisdictions (PJs). HOME funds can be used for acquisition, rehabilitation, or new construction of rental housing or homeownership housing, or for the provision of tenant-based rental assistance (TBRA) to low-income families. Each PJ determines how it will use its HOME funds through its required Consolidated Planning process and designs and administered its own programs. The choice to use HOME funds for TBRA, or any other eligible activity, lies entirely with the participating jurisdiction.

  The State of Mississippi's FY 2009 HOME allocation is $15.5 million dollars. As of September 4, 2009, the State has $48.2 million of HOME funds unexpended in its US Treasury HOME account; of this amount, $40 million has not already been committed by the State to a HOME activity or unit of local government and may be available for a HOME-funded TBRA program in Mississippi.

  The State of Louisiana's FY 2009 HOME allocation is $16.2 million dollars. As of September 4, 2009, the State has $43 million of HOME funds unexpended in its US Treasury HOME account; of this amount, $38 million has not already been committed by the State to a HOME activity or unit of local government and may be available for a HOME-funded TBRA program in Louisiana. (Note that the State has not yet received its FY 2009 HOME allocation, so these figures understate actual funds available).

  To use HOME funds for a TBRA program, a state would have to follow state and federal procedures for amending its Consolidated Plan to reprogram funds, and develop a program design and administrative procedures for operating the program. Both Mississippi and Louisiana have substantial amounts of unexpended HOME funds that could be used for TBRA. However, once those accumulated funds are expended, the states' annual HOME allocations would not be sufficient to provide ongoing rental subsidies without greatly reducing or eliminating the use of HOME funds for development of affordable housing in their jurisdictions. HOME is intended as an affordable housing program.

- **In previous briefings staff has been told that HUD can not provide priority to in Housing to families who have been impacted by a disaster, notwithstanding a provision in section 310 of the Stafford Act that appears to require such**

priority for certain housing programs. Please provide the Subcommittee a list of the programs HUD currently administers either in the Gulf Coast or elsewhere is covered by section 310 of the Stafford Act provision and which programs are not? For those that are not covered by section 310 of the Stafford Act, please provide the Specific statutory authority?

Section 310 of the Stafford Act applies to applications to Federal agencies for assistance under certain Acts "from public bodies situated in areas affected by major disasters." This administrative provision gives priority to applications from such public bodies. **The provision is limited to HUD's processing of applications and does not authorize grant recipients, such as public housing authorities, to give priority to certain families seeking assistance.**

For HUD, the provision applies to the Community Development Block Grant Program under title I of the Housing and Community Development Act of 1974 for which funds are not distributed by statutory formula. Because programs under the United States Housing Act of 1937 for the provision of low-income housing, like Section 8 and Public Housing, are administered by Public Housing Authorities, this provision does not apply.

- **Do case managers have sufficient authority to deal with housing? Should they be given more?**

□Yes, case managers have sufficient authority to deal with housing.
Under DHAP-Katrina, PHAs provided case management services to participating families through in-house staff or through contracts with case management providers in the community. This structure and these services were carried forward by states and PHAs in Louisiana and Tennessee under the DHAP-Katrina Transitional Closeout Plan. Case management services was also provided by the states of Louisiana and Tennessee as part of the Transitional Rental Payments (TRPs) afforded families transitioning from DHAP-Katrina to the Housing Choice Voucher (HCV) program in September and October 2009. Case managers that provide case management as part of DHAP-Katrina related rental assistance are directly tied through employment or contracts with PHAs and other housing providers. The case management services provided by these case managers are managed by housing agencies. Through this connection, case managers have sufficient authority to address participating families' housing needs and actively coordinate their efforts with PHAs and other housing providers. This is especially true in terms of connecting families to housing resources offered by these housing agencies in each community.
Each case manager is required to work with families to complete comprehensive needs assessments (NAs) and individual development plans (IDPs). Needs Assessments are conducted to determine service needs, including housing needs. An IDP itemizes goals that participants have set for themselves with their case manager and guides case managers in identifying services that will help individuals to achieve these goals. Case managers also determine if there are groups already serving the families and work with them to coordinate services. The final goal for each family is permanent housing, and case managers work in concert with housing providers to achieve this goal.

○