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BEFORE THE

SUBCOMMITTEE ON DISASTER RECOVERY
OF THE
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
COMMITTEE

U.S. SENATE

JULY 30, 2008

Chairman Landrieu, ranking member Stevens, distinguished members of the subcommittee; thank you for inviting us to testify on the subject of disaster housing.

For most Americans, disaster events do not take center stage until they are seen on CNN or result in a presidential disaster declaration. However, every day across this county, individuals' lives are impacted by natural disasters. When severe storms, tornadoes, hurricanes, flooding, etc, impact an area, many people are forced to evacuate, businesses and homes are impacted, and communities are devastated. For the individuals affected, there are few events more traumatizing and gut-wrenching than the sudden loss of their homes. In the immediate aftermath of the event, as individuals begin the recovery process, they are faced with the loss of community, emotionally impacted, and depending on their level of preparedness, they are likely to be financially distressed. For most disaster victims, the prolonged displacement and agonizing uncertainties surrounding the rehabilitation process can exact a heavy toll, even if their homes can ultimately be repaired, as they sort through the maze of assistance available, insurance claims, and contractor decisions. Multiply such distress a hundred, thousand, or ten thousand-fold, and the compound impacts of the resulting mass displacement will rupture the continuity not only of the households directly affected, but their wider communities and regions, as well. And FEMA, along with our other Federal partners, States, and voluntary agencies go into these environments to assist residents and communities in meeting their immediate, emergency needs, including housing.

Responding to the individually unique and collectively diverse housing needs of disaster victims, while meeting the needs of the State and local government and complying with Federal law concerning the provision of disaster housing is rarely a simple process. No two disasters are exactly the same, and neither are any two disaster victims. Accordingly, FEMA routinely goes to great lengths to interview victims and qualitatively establish the requirements and preferences of every eligible disaster victim who expresses a need for housing assistance. While there are no magic formulas in the disaster housing business, FEMA and our Federal and industry partners are committed to expanding and improving our capabilities and options for delivery of temporary housing. I will briefly discuss some of those initiatives, as well as the guiding principles under which such assistance will be delivered. However, no matter how robust the combined capabilities and forms of assistance available through the government, it bears emphasizing that governmental assistance complements, but cannot replace, the safety net that households can obtain with an appropriate insurance policy. While we recognize that maintaining adequate insurance may require difficult financial sacrifices on the part of many households; the consequences of not maintaining insurance can be far more costly and many times more dire.

EXISTING AUTHORITY TO PROVIDE DISASTER HOUSING ASSISTANCE

FEMA derives its authority to provide housing assistance to victims of a presidentially declared emergency or major disaster from Section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Under this section, the President may provide both financial and direct (i.e., material) housing assistance to eligible disaster victims whose homes are destroyed, rendered uninhabitable, or, for individuals with disabilities, rendered inaccessible by the disaster.

By law, FEMA is authorized to provide, for up to eighteen months, temporary housing to meet the immediate disaster needs of eligible applicants. This assistance is provided, by law, at no cost to the State where the disaster was declared.

FORMS OF HOUSING ASSISTANCE

We typically rely on practical housing solutions that allow disaster victims to remain in or near their pre-disaster residences, and maximize the use of existing housing stock in a community. Considerations which guide the provision of disaster housing include timeliness, cost effectiveness, and proximity to their pre-disaster residences or neighborhoods. While these considerations may sometimes conflict, resulting in some necessary compromise among them, we can never compromise on our fundamental and overriding commitment to provide safe and sanitary housing to those affected by disasters.

The aggregate housing needs arising from a small-to-moderate disaster are typically satisfied through the near-exclusive use of existing rental resources. A large or catastrophic disaster, however, can overwhelm an affected area's resources and require extensive supplementation, either by traditional forms of temporary housing, such as manufactured housing, or through new alternative forms of temporary housing. Our prioritized approach to the provision of disaster housing assistance is outlined in FEMA's 2008 Disaster Housing Plan, and summarized below. This plan, fundamentally based on the principles established in the draft National Disaster Housing Strategy (the *Strategy*), was released earlier this month.

In the aftermath of a declared disaster, FEMA's initial actions will focus on supporting the affected State's efforts to ensure that all disaster victims are harbored in safe and secure shelters, with access to food and other necessary life-sustaining commodities and resources. As the situation stabilizes, FEMA will reorient its efforts, in support of and in coordination with States, to transition shelter residents back into their pre-disaster dwellings or, if those dwellings cannot be re-inhabited, temporary housing.

For most incidents, individuals are generally able to return to their homes within hours or days of the incident. However, for more serious declared disasters, where numerous dwellings have been destroyed or rendered uninhabitable for an extended period of time, additional housing assistance will be required. FEMA's prioritized, but not necessarily sequential approach to providing housing assistance is as follows.

First, FEMA will maximize available housing resources. Following the necessary inspection and verification of damages, FEMA will provide eligible homeowners up to \$28,800 for repairs to make their home habitable, or to replace a destroyed or condemned home. If a damaged home is destroyed or cannot be repaired quickly, FEMA will provide financial rental assistance to eligible disaster victims. This assistance, which is based on the fair market rent, can be used to rent an apartment or other temporary housing while repairs are underway or while disaster victims look for permanent housing. FEMA will work with community groups and other government agencies to catalogue available rental property throughout the affected area, and begin providing that information to those disaster victims seeking affordable rental housing. This cataloguing will also identify information regarding the availability of fully-accessible units

and units with accessible features usable by persons with a disability. If significant numbers of disaster victims have been displaced to other States, FEMA may implement the host-State housing protocol, which enables FEMA to coordinate rental assistance payments, at or based on fair market rent, directly to property owners through federal partners or a contract agent. This assistance can be provided for up to 18 months for eligible evacuees. While this protocol is designed for use in situations where States are hosting large numbers of evacuees from another State for an extended period of time, it may also be employed within the affected home State.

Second, FEMA may use traditional forms of interim housing. If no fixed apartments or other rentable/leasable properties are available at or based on the fair market rent within a reasonable commuting distance, temporary housing units may be needed. When requested by a State, FEMA will provide a range of options for temporary housing units, which may include mobile homes, park models, or other alternative forms of acceptable temporary housing. Once the appropriate options are determined acceptable by the State, temporary housing can be located on an eligible victim's private property, on a pre-existing commercial pad, or as a last resort on a new group site approved by local officials and constructed and maintained by FEMA. In order to determine the precise housing needs and preferences of eligible disaster victims, FEMA will immediately commence pre-placement interviews to assess how long they will need interim housing assistance and identify their optimum solution. Based on the pre-placement interviews, FEMA will identify those individuals who are eligible for placement of a housing unit on their property. FEMA will also work with local officials to identify pad locations throughout the affected area and begin negotiations for lease of those pads, as well as work with local officials to identify and begin negotiations to obtain prospective sites for extended occupation. FEMA

will move quickly to transport housing units into the affected area and begin installing those pre-tested and State-cleared units on a prioritized basis as sites become available or are made ready for installation. FEMA-procured and provided units will be tested for formaldehyde, and the results of that testing will be shared with States, which must approve any unit before it will be provided to disaster victims. These include units that meet the needs of disaster victims with disabilities and comply with the Uniform Federal Accessibility Standards (UFAS). This process has worked exceptionally well during our response to the recent flooding in the Midwest.

Third, FEMA is prepared to employ innovative forms of approved alternative housing, and will work with States to fairly and equitably identify appropriate and eligible households. The priority for such housing will be private site applicants who wish to remain on their property while they repair their damaged homes, but whose property is too small to accommodate a mobile home or park model. FEMA is currently evaluating a request for proposals and expects to award provisional contracts to multiple alternative housing manufacturers, and begin field testing their units, this summer. Additionally, FEMA will continue to work with our partners in the Department of Housing and Urban Development (HUD) to evaluate the quality and livability of those units selected and constructed under the alternative housing pilot program, and will leverage such units into our housing plans wherever appropriate.

Fourth, in coordination with HUD and the affected State, FEMA may authorize permanent housing construction in those rare cases where the preceding forms of interim housing are unavailable, infeasible, or not cost-effective.

Our ability to effectively implement these priorities will depend, to a great extent, on the quality and nature of each State's engagement in their housing recovery. A key underpinning of the draft National Disaster Housing Strategy, also reflected in the 2008 Disaster Housing Plan, is the expectation that States will be active partners in the recovery, as well as assume a greater leadership role. To that end, when the impact of the disaster may require the development of interim housing options, both the *Strategy* and Plan strongly encourage the State to convene and lead a housing solutions task force at the joint field office to bring together State, Federal, non-governmental and private sector expertise to evaluate housing requirements, consider potential solutions and propose recommendations, some of which may require National-level concurrence or engagement. States are further encouraged to include disability organizations and advocacy groups on the task force to provide advice regarding housing requirements for those with special needs or limited English proficiency. Such task forces have been established by a number of Midwest flooding disaster States, and are already demonstrating their value, as well as yielding valuable lessons.

MOVING FORWARD – A COMPREHENSIVE STRATEGY

FEMA recognizes the need to have a comprehensive framework in place that serves as a guide for States on available technical assistance and resources across the Federal government, voluntary agencies, and private sector; outlines roles and responsibilities of these entities; and outlines the core competencies and limitations of FEMA. The Post-Katrina Emergency Management Reform Act called for a National Disaster Housing Strategy and provided FEMA with the opportunity to describe how the Nation provides housing to those affected by disasters and chart a new direction to better meet the needs of disaster victims and communities. A draft

version of the *Strategy* is available for public comment and is being reviewed by our key partners, including FEMA's National Advisory Committee, the National Council on Disabilities, Federal Departments and Agencies, the American Red Cross and organizations representing tribal, State and local governments for review and comment. The *Strategy* provides the overarching vision, goals, and principles for a National disaster housing effort. It complements the 2008 Disaster Housing Plan, which describes the specific actions that FEMA will take this year to support State and local officials in meeting the housing needs for disaster victims. The *Strategy* will bring together all levels of government, nongovernmental organizations, and the private sector to meet the urgent housing needs of disaster victims and enable individuals, households and communities to rebuild their lives following a disaster. The *Strategy* draws on best practices and lessons learned to identify actions that must be taken to improve disaster housing assistance, an effort that involves renewing our focus on planning, building baseline capabilities, and providing a broader range of flexible disaster housing options. It describes key principles; responsibilities and roles; and current practices across sheltering, interim housing, and permanent housing. The *Strategy* recognizes that disaster housing is more than simply providing a structure. It must address human needs and make the connection to community-based services. The *Strategy* also discusses future directions for how we as a Nation can work together to achieve the goals within the *Strategy*. This includes reviewing best practices and innovations to develop and establish baseline capabilities and core competencies, validate roles and responsibilities, and improve the range, quality, and timeliness of disaster housing services provided by communities, States, and the Federal Government. For example, the *Strategy* calls for innovative approaches to meet diverse needs of disaster victims and reduce shelter demands by accelerating repairs to disaster-damaged housing. It also moves toward State-managed,

federally supported interim housing programs and calls for a broader range of interim housing options to meet diverse needs.

The *Strategy* calls for a National Disaster Housing Task Force, to be jointly led by FEMA, the HUD, and the American Red Cross. The Task Force is working to encourage development of operational plans to support disaster housing, help build disaster housing baseline capabilities, improve National disaster housing resources, and work collectively to achieve the vision and goals within the *Strategy*.

In summary, our efforts to work with our public and private partners to improve our capability and capacity to deliver housing assistance continue. We remain determined to better posture our Nation to respond to the housing challenges of the future, no matter their scope or scale. And, while disasters always present unanticipated challenges and obstacles, we know we will be measured by how quickly and surely we resolve them. FEMA has come a long way, but is by no means complacent, and fully recognizes that it still has a long way to go.

Thank you. We are prepared to answer any questions you may have.