

Statement of

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Good Morning Chairman Frank, Ranking Member Bachus, and Committee Members.

I am David Garratt, Acting Director of Recovery at FEMA. It is an honor to appear before this committee to discuss FEMA's involvement in the Federal housing response to Hurricane Katrina. We at the Department of Homeland Security and FEMA appreciate your interest in the housing challenges presented by the scope and scale of Hurricane Katrina that we continue to face.

Hurricane Katrina, in conjunction with several other devastating storms of the 2004 and 2005 Hurricane Seasons, thoroughly tested the capabilities of FEMA, the Department, and the Nation, including the many States and communities across the country who hosted displaced evacuees from the affected Gulf Region. The magnitude of devastation from Hurricanes Katrina and Rita was overwhelming; it taxed and strained assistance resources and capabilities at all levels. Yet, while these disasters tested our plans and processes as never before, FEMA, working closely and collaboratively with our Federal and State partners, has provided more assistance, and provided that assistance faster, than ever before.

- 44 States and the District of Columbia received Emergency Declarations and have been reimbursed for over \$750 million in sheltering expenses.
- Approximately \$6.3 billion has been provided to over 1 million households through FEMA's Individual and Households Program.
- More than 120,000 households have been provided temporary housing units (travel trailers and mobile homes) through FEMA's Direct Housing Mission.
- Over \$6 billion of Public Assistance funding has been provided to LA, MS and AL to reimburse expenses for Emergency Protective Measures, Debris Removal and Infrastructure Repair.

While much work remains, and many years of rebuilding lie ahead, we have made tremendous progress, and we will continue to do so.

I recognize that the Committee's focus today is centered on the ongoing efforts to rebuild housing in the Gulf Coast Region, so I will focus my comments on the FEMA Recovery Programs and initiatives that directly relate to this important and continuing effort.

Under section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, FEMA is authorized to provide housing assistance via our individuals and households program, which includes: rental assistance, home repair assistance, home replacement assistance, and direct housing. I'll discuss each briefly, but before doing so would like to note that the temporary housing assistance programs and authorities in force during Hurricane Katrina were not designed to provide long-term housing solutions. FEMA Temporary Housing Assistance, as authorized by Section 408 of the Stafford Act, was instead designed to provide a safety net, allowing FEMA to support eligible victims with timely but temporary accommodations while they work to find a permanent housing solution as part of their individual road to recovery. Nevertheless, FEMA will continue to work closely with those agencies and organizations that are better able to assist those remaining victims with continuing long-term housing needs.

Let me begin with Rental Assistance: FEMA may provide rental assistance for eligible individuals whose homes have been made uninhabitable or inaccessible due to the disaster and whose insurance benefits do not cover alternative living expenses. In the case of Hurricane Katrina, the majority of this assistance has been provided to evacuees residing outside of the

damaged area. In total, more than \$2.1 billion of rental assistance has been distributed to over 672,000 households. Currently 35,000 continue to receive a form of rental assistance payment.

Home Repair Assistance. For eligible applicants from Hurricanes Katrina and Rita, FEMA is authorized to provide up to \$5,200 in home repair assistance to eligible victims of Hurricane Katrina. Repairing a home to make it livable, where that option exists, is a preferred remedy, as it keeps people in their homes, in their communities, and is cost effective. However, in an event as massive and destructive as Hurricane Katrina, this is not always a viable option, as many families suffered major damage to, or total destruction of, their homes. However, for the many families that sustained moderate or minor damage to their homes, this is often the fastest and best housing assistance remedy. To date, FEMA has provided over \$318 million in home repair payments, helping make more than 129,000 homes habitable across the Gulf Region following Katrina.

Home Replacement Assistance. FEMA is authorized to provide up to \$10,500 in home replacement assistance to eligible victims of Hurricanes Katrina and Rita. Thus far, in the four Gulf States most heavily impacted by Katrina and Rita (Alabama, Louisiana, Mississippi, and Texas), FEMA has provided more than \$300 million to over 29,000 households to assist them towards the purchase of replacement housing. It is important to note that neither the repair nor replacement assistance that FEMA provides is intended to substitute for insurance, nor can FEMA assistance duplicate any insurance benefits.

In most disaster settings, temporary housing needs can be adequately addressed by FEMA rental, repair, or replacement assistance. However, as we are all acutely aware, Katrina was no typical disaster. Katrina destroyed or significantly damaged tens of thousands of housing resources, greatly limiting our standard temporary housing options. In such a situation, where traditional fixed housing resources are not available, FEMA can provide direct housing assistance, in the form of temporary housing units, to eligible applicants.

Direct Housing Assistance can be acquired from the Federal government by purchase or lease, (such as apartments), but, most often, through the provision of manufactured housing (travel trailers and mobile homes). Following Katrina, both options were employed. Direct leases were secured to house evacuees outside the impacted area and manufactured housing was provided within the most heavily damaged areas of Louisiana, Mississippi, and Alabama, providing the option for many disaster victims to remain in their communities and close to their jobs, families, friends, and their children's schools. In some cases, families were able to remain on their own property.

- At present more than 91,000 applicants continue to receive a form of direct housing.
- Over the course of the last 17 months, FEMA has housed more than 120,000 households in temporary housing units (travel trailers and mobile homes). In a sign of progress, the total number of households currently living in temporary housing has decreased to 91,000 and 96 percent of the housing requests have been resolved.
- 80 percent of temporary housing units are on private sites where individuals are rebuilding their homes.
- For pre-disaster renters or those without a private site, FEMA has constructed over 115 group sites in order to house individuals in Louisiana.

Direct housing is initially authorized by the Stafford Act for up to 18 months from the date of the disaster declaration, but the President may extend that period if he determines that, due to extraordinary circumstances, it would be in the public interest to do so. President Bush directed

FEMA to provide an extension of both the direct housing and the financial housing assistance programs; the new extension allows FEMA to continue to provide housing assistance through August 31, 2007. This extension gives us additional time to continue our work with disaster victims, federal, state and local partners, and volunteer organizations, to transition victims to more permanent housing solutions.

Congress recently took some important legislative steps to help us address the challenges of disaster housing, both for those affected by Hurricane Katrina, and those who may be faced with similar housing needs in future disasters.

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 victims in the aftermath of a disaster. That legislation required that FEMA target the funding and assistance to those States most affected by the hurricanes of 2005. Accordingly, Alabama, Florida, Louisiana, Mississippi, and Texas were invited to submit applications as part of a competitive process to identify the most innovative and promising alternative disaster housing solutions. This competitive grant process was designed to ensure that those proposed projects that met the greatest number of selection criteria received first consideration. The alternative housing pilot program (AHPP) grant guidance was released September 15, 2006, and applications from the five eligible gulf coast states were due October 20, 2006. Each of the five eligible states submitted applications, which collectively contained 29 discrete project proposals. The 29 proposals totaled almost \$1.2 billion in requested grant money, well in excess of the \$388 million made available for award, with the remaining \$12 million (three percent of the total)

reserved for necessary administrative costs, management costs, the pilot evaluations, and any needed amendments. The Department of Housing and Urban Development (HUD), a key partner of ours in this pilot program, will lead a formal evaluation of all approved pilot projects. Five projects were selected by FEMA for potential grants across the four states that submitted competitive applications. Each project is being reviewed to ensure viability, and, upon successful completion of that review, will move forward to funding.

The FY 07 Homeland Security Appropriations Bill also made broad changes to the Stafford Act, many designed to allow FEMA greater flexibility in meeting future disaster housing needs. Key changes include the requirement for a pilot program that will allow for the repair of pre-existing rental units under FEMA housing assistance, as well as a requirement to develop a national disaster housing strategy. There are other changes, and work on all of them is well underway.

While finding housing for the many displaced households of Hurricane Katrina has been, and will continue to be a challenge, FEMA remains committed to providing or coordinating continued assistance to these victims. Together, with our federal, state, local, private, and voluntary agency partners, we will continue to pursue assistance solutions that will effectively and compassionately help individuals and households recover and re-establish their lives in the gulf coast region.

Thank you. I am prepared to answer any questions you may have.