S. Hrg. 110–681

IS HOUSING TOO MUCH TO HOPE FOR?: FEMA'S DISASTER HOUSING STRATEGY

JOINT HEARING

BEFORE THE

AD HOC SUBCOMMITTEE ON DISASTER RECOVERY
AND
AD HOC SUBCOMMITTEE ON STATE, LOCAL,
AND PRIVATE SECTOR PREPAREDNESS
AND INTEGRATION

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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IS HOUSING TOO MUCH TO HOPE FOR?: FEMA'S DISASTER HOUSING STRATEGY

THURSDAY, MARCH 4, 2008

U.S. SENATE,
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY, AND
THE AD HOC SUBCOMMITTEE ON STATE, LOCAL, AND
PRIVATE SECTOR PREPAREDNESS AND INTEGRATION,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittees met, pursuant to notice, at 10:04 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Mary Landrieu and Hon. Mark L. Pryor, Chairmen of the Subcommittees, presiding.

Present: Senators Landrieu and Pryor.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. I would like to thank everyone for being here today, and especially thank all the witnesses. Senator Landrieu will be coming in momentarily.

I would like to welcome our witnesses, fellow Senators, and guests to the first joint hearing of the Subcommittee on Disaster Recovery, chaired by Senator Landrieu, and my own Subcommittee on State, Local, and Private Sector Preparedness and Integration. We look forward to your testimony.

Just as an administrative note, I have to slip out in a few minutes. Things are notoriously slow here in the Senate sometimes, but things can also change quickly on you if you are not careful. And Thursday we got the word that the consumer product safety bill will be on the floor this week. So I have to race over to the floor in just a few minutes to manage that on the floor. I apologize for having to duck out.

Our two Subcommittees have much in common. Both are concerned with preventing and mitigating national catastrophes of any kind. Both work to ensure that disaster victims are well provided for, either through advance planning or recovery programs. And both engage in frequent oversight of the Department of Homeland Security and FEMA.

Today, our two Subcommittees share the goal of investigating the preparedness and implementation efforts of our country's disaster housing programs. We are particularly interested in progress towards the completion of the National Disaster Housing Strategy, which was required by the Post-Katrina Emergency Management

and Reform Act. It was due to Congress in July 2007, but it seems to be part of a DHS-wide habit of delay.

The importance of the report cannot be understated. It provides the big-picture plan to ensure that disaster victims are not traumatized twice—first by the event and second by a chaotic response. The finished product, we hope, will lay out the temporary housing options FEMA can offer to disaster victims. It will also address factors such as efficiency, cost-effectiveness, logistics, and dispersal of responsibilities between relevant Federal, State, and local agencies.

In addition to the Disaster Housing Strategy, we hope that this hearing can shed light on the disastrous issue of formaldehyde in the so-called toxic trailers. These travel trailers, purchased in 2005 in the wake of Hurricane Katrina, reportedly caused wheezing and nosebleeds in residents beginning in January 2006. Yet FEMA and the CDC were unable to agree on a system for testing the trailers and moving out residents until nearly 2 years later. This time frame is unacceptable. We are eager to probe the circumstances surrounding the delays and also eager to learn more about the FEMA and CDC plan to use the results of the testing.

Finally, we look forward to hearing about the progress your three agencies are making toward the development and implementation of a successful housing strategy. We appreciate that your goal is to administer a safe, efficient program to help people in the wake of the disasters. We want to know how Congress can help you get there.

I will now turn the hearing over to Senator Landrieu, who will Chair for the remainder of the day. Again, I apologize for my early departure today, but thank you for being here. And, Senator Landrieu, thank you for your great leadership.

OPENING STATEMENT OF SENATOR LANDRIEU

Senator LANDRIEU. Thank you, Senator Pryor, and I appreciate you starting the hearing because your time is very limited. But thank you for making it a priority to be here and for joining me in this Joint Subcommittee hearing to look into the housing situation, not only in the Gulf of Mexico but around the country.

Let me ask you, Senator, I have an opening statement, but would you like to go forward——

Senator PRYOR. Go ahead.

Senator LANDRIEU. OK. Let me open with my statement, and then we will take the Senators questions. Let me begin by saying I want to inform the panelists and all of those here today that we will, unfortunately, not be able to accept the oral testimony of the representatives from HUD or CDC. Because of your failure to meet the deadline of this Subcommittee, we had very little time, if any, to review your testimony. We will receive Mr. Johnson's oral testimony because FEMA submitted it on time. The rules that the Subcommittee sets are here for a reason. Unfortunately, it seems like the agencies before our Subcommittee today have not been able to meet many of their deadlines regarding this issue. So your testimony will be received as part of the record, but your oral testimony

will not be accepted this morning.[1] And as soon as I finish my oral statement, we will move to you, Mr. Johnson.

In the words of Richard Griffin, who is the State Coordinating Officer at the Arkansas Department of Emergency Management, as reported by the *Arkansas Democratic Gazette* in Little Rock on February 15, he is quoted as saying, "The bad thing is that right now we are really trying to help residents impacted by this tornado without having to backtrack and do other stuff. It is just a mess."

The title of this hearing could be, "It is just a mess." There could not be a more appropriate title.

Senator Pryor and I have combined the efforts of our Subcommittees for this hearing in order to highlight and examine the many problems with FEMA's Disaster Housing Program and HUD's either lack of cooperation, unwillingness, or lack of response as well.

Our effort will not stop here. This Subcommittee has also been granted a special reserve budget by the Rules Committee to investigate the situation, and we are in the process of hiring additional staff to look into it.

There are both fundamental and specific problems with our National Disaster Housing Program. On the fundamental side, FEMA and HUD operate disaster housing policies that rely on temporary housing to house disaster victims. Yet, with the lip service given to housing advocates, nothing or little has been done to actually rebuild permanent housing stock, whether public or private, for individuals who are receiving temporary assistance, especially for individuals who are in the low-income, high-risk population. That would be lower-income families, working families, seniors, people with disabilities, etc.

Fair market rents in the New Orleans area alone—and that is just not New Orleans but the area—have increased 45 percent since the storms. Families looking for two-bedroom apartments now must pay $990 when before it was something around $700.

Of the 200,000 housing units in Louisiana with major or severe damage, 40 percent were rental units. Over half of these 82,000 rental units were affordable to residents making less than $40,000 a year. The Road Home and the GO Zone program is only scheduled to rebuild 23,000 rental units, and our last check, I am not sure any one of them has yet been built, planning to be built but yet to be built. And in New Orleans alone, not counting St. Bernard, St. Tammany, Jefferson, Washington Parish, Cameron, or Calcasieu, 42,000 affordable rental units were lost in the storm.

Pre-Hurricane Katrina, we had an estimated 6,000 homeless in Orleans Parish alone, not counting the other parishes. Now we think, according to the Unity of New Orleans that is advocating on behalf of homeless, there may be 12,000 homeless people.

Just a few weeks ago, we had the deadliest tornado outbreak in the United States in more than 20 years. That situation provides an amazing illustration of more specific programmatic problems with the Federal disaster housing mechanism. On February 5 of this year, more than 100 tornadoes devastated communities in Ala-

[1] The prepared statements of Mr. Ozdinec and Dr. Frumkin appear in the Appendix on pages 41 and 53 respectively.

bama, Arkansas, Kentucky, Mississippi, and Tennessee, and more than 50 lives were lost.

In response to 500 homes destroyed in Arkansas, FEMA planned to transport 300 mobile trailers from the Hope storage site where they have been sitting for the last 2 years or more, in the hot sun, uncovered, to provide people housing. On February 14, FEMA was forced to cancel that order of mobile homes because the result of the formaldehyde testing by the CDC found that the fumes from 519 trailer and mobile homes in Louisiana and Mississippi were, on average, five times what people are exposed to in most modern homes. This prompted FEMA to call for all occupants of trailers to be moved out of them because of the potential health impacts. Upon canceling the orders, FEMA said the agency would try to place Arkansas tornado victims in rental units before they used other options. The agency said it would only use mobile homes from Hope, Arkansas, after they were aired out and tested, a process taking 10 days. These announcements were made on February 14. The only thing we can say is thank goodness it is not that cold in Arkansas because had this been in Minnesota or Maine, we would be in serious trouble.

On the same day, Julie Gerberding, the CDC Director, said families in mobile homes and travel trailers should spend as much time outside as possible, ventilate the units by opening windows, running fans, and keep the thermostats low. High temperature leads to greater release of formaldehyde.

As a result of the February 5, 2008 tornadoes, 938 families were displaced nationwide. Imagine the type of confused response in a catastrophic situation with 260,000 homes destroyed, which was the situation in Louisiana—and as I recall, 100,000 or so in Mississippi.

You will find that the confusion of the February 5, 2008 tornadoes was a result, a direct result of FEMA and HUD's lack of coherent Disaster Strategy Plan, despite the fact that the larger Committee that we sit on mandated such a plan to be developed and submitted to the Subcommittee in July, which we still have not received, and the number of hearings that have been held, both in the House and the Senate, asking for answers and for a coherent strategy.

Since Hurricanes Katrina and Rita have hit, the Federal Government has spent over $7.7 billion on individual and household programs. The question that needs to be answered through this series of hearings is: Where is the $7.7 billion? How was it spent? Homeless have doubled, rental units have not been built. Where is the $7.7 billion?

The Government Accounting Office report released in November found that in Mississippi, the ineffective FEMA oversight of trailer maintenance resulted in $30 million in wasteful and improper fraudulent payments. The report cites that FEMA in one case wasted $15 million on maintenance inspections where there was no evidence that these inspections ever occurred.

Mr. Johnson, that is just one incident. There are several that have been reported.

As this story shows, FEMA's indecision to utilize the 144,000 trailers as the backbone of the disaster—or decision to utilize the

trailers is the genesis of a series of these problems. So this hearing is going to get into why are we using trailers, why are we paying up to $70,000 per trailer to place them, what are the standards that we are going to be using for temporary safety for these trailers.

The idea is to have a document that would provide counter-contingencies, different sets of options for different scenarios, and distinct efforts for departments and agencies involved. Congress passed that directive in the Post-Katrina Emergency Management Reform Act that called for FEMA and HUD to work on this plan. It is, as I said, not submitted to this date.

Additionally, unforeseen problems with the Disaster Housing Assistance Program (DHAP) have arisen because landlord housing disaster victims must sign, it seems like, a new contract with local public housing authorities and undergo an inspection before they are paid. This has scared a number of landlords off and forced tenants to find new apartments. So once they move from the trailer to try to find an apartment, the landlords say they do not want to comply with the program. So it increases the homeless population. This has happened to us in the Gulf Coast. It very well could happen in the tornado-affected areas as well.

Today, over 35,000 Gulf Coast residents and Hurricane Katrina survivors remain in trailers that may potentially expose them to dangerous levels of formaldehyde. The notice came on Valentine's day in a press release that said it would take steps to expedite the relocation of residents from temporary housing to apartments. This is a little too late. One woman called our office and said, "I have been living in a trailer with seven children. It has been difficult. I have managed, but I actually have a stove to cook on. They want me, Senator, to move to an apartment"—I mean—"to a hotel. The problem is not only can we not fit in the room, but there is no stove for me to cook on for my children. What would you suggest?"

From the confusion and inefficiency of providing housing for these tornado victims to all the other examples, it is clear that the failure to complete the National Disaster Housing Strategy and the absences of leadership in this area have left thousands and thousands of hard-working, tax-paying American citizens at risk, those that are fighting to rebuild their lives and their communities. So these agencies before me are responsible, both FEMA, HUD, and the CDC.

Now, before I conclude this statement, let me say that I am not unaware that the States in question—Louisiana, Mississippi, and Alabama—have obligations to use the resources that we have sent to them to help fix and address this problem. I most certainly intend to continue to have a series of hearings with State elected officials that will come up and talk about how the GO Zones were allocated, what percent was allocated to housing, and why not more of it was allocated to housing. And we are going to have a series of hearings because this is not just about what happened to the people that I represent, even though that is clearly the catastrophe of the century. But it is also about what is going to happen in America if tornadoes continue to strike, which they will, if an earthquake hits Memphis, if a tsunami hits Seattle, if a Hurricane V hits Long Island like it did in 1938. We do not have a plan. And

anybody that testifies to the contrary is going to be held to a serious line of questioning because nothing that I observed indicates to me—and I am in a pretty good position to see it, being on this Subcommittee and on Appropriations—that there is a comprehensive, coordinated plan between the Federal agencies and their State counterparts to respond appropriately for housing after a catastrophic disaster.

So I am going to turn it over to Senator Pryor. I am very thrilled to have his support. He is a former prosecutor. His skills are going to come in very handy. And I would like to ask him for his questions first, and then I would like to have the opening statement from Assistant FEMA Director Harvey Johnson.

Senator PRYOR. Thank you, Madam Chairman, and, again, thank you for your leadership on this.

I do not think the people of Louisiana and these victims of Hurricanes Katrina and Rita have a better friend in Washington than Mary Landrieu. She has been a tireless advocate on all levels for her home State and for the region. Thank you for your leadership.

I only have one question right now. I do have some questions for the record I would like to submit. But if I may turn to you, Mr. Johnson, Senator Landrieu and I both referenced this National Disaster Housing Strategy that was due to Congress in July 2007, so now it is about 7 or 8 months late. When do you anticipate that the National Disaster Housing Strategy will be released?

Mr. JOHNSON. Mr. Chairman, thank you for your question on the strategy. Let me say first that we do appreciate the tasking from Congress to prepare the National Disaster Housing Strategy, and I will address it in a little bit more detail in my opening statement. But it really causes us and brings us to confront a number of key issues, many of which you have mentioned in your comments, and Chairman Landrieu has as well. What is our strategy to learn lessons from Hurricanes Katrina and Rita? How do we assess responsibilities at the Federal level and the State level? How do we recognize and acknowledge the differences between a catastrophic event and a lesser event? And how do we recognize among the Federal agencies our respective roles and competencies to address the challenge that we are faced with?

These issues are very significant and cause a lot of debate inside the Administration. We are working this intently, and my guess is that we would like to get you the report probably at the end of another month from now. But it is not, again, due to lack of recognition for the significance or due to lack of attentiveness to Congress. I think it really is an acknowledgment of the challenge that we all face and that there are very few simple answers.

Senator PRYOR. Thank you.

Senator LANDRIEU. Thank you, Senator Pryor.

Let me start with your statement, Mr. Johnson, and let me begin by thanking you for taking several trips down to Louisiana lately at my request—and others—to visit with the local parish officials and State leaders. And as I have told you privately—and I would like to say it publicly—we have gotten very positive feedback from your visits, and we are very grateful for your efforts.

So, with that, please begin.

TESTIMONY OF HARVEY E. JOHNSON, JR.,[1] ACTING DEPUTY ADMINISTRATOR AND CHIEF OPERATING OFFICER, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. JOHNSON. Good morning, Chairman Landrieu and Chairman Pryor, and Members of the Subcommittee. I am Harvey Johnson, the Acting Deputy Administrator and Chief Operating Officer for the Department of Homeland Security's Federal Emergency Management Agency, and I am pleased to be here this morning to discuss our continued efforts and progress in providing emergency temporary housing, both currently and in future disasters.

Part of the title of this hearing, "Is Housing Too Much to Hope For?" is a provocative title in view of our experience in the aftermath of Hurricanes Katrina and Rita, when the fact is that efficient and timely access to safe emergency temporary housing should be an expectation easily met for all disasters. Yet as is the case with the delivery of other emergency-related capabilities, the answer is more complex than is the desire for a straightforward yes. And the latter part of the title, "FEMA's Disaster Housing Strategy," there are two salient aspects: First, that FEMA should develop and initiate the overall management and the direction of a National Disaster Housing Strategy; and that, second—this is clearly a role of FEMA leading the implementation of such a strategy is a challenge that requires the cooperative participation of other Federal partners, States, local communities, nongovernmental organizations, the private sector, individual citizens, and disaster victims. This is a role that FEMA should share with those others.

Over the last 3 years, FEMA has learned a great deal as we have wrestled with this challenge. It has illuminated the need for such a strategy. It has made us a stronger agency. It has highlighted a requirement for clarity in the roles and responsibilities at the Federal level, between the Federal level and the State, and provided lessons that will lead us to affirm, yes, we can and we will provide efficient and timely access to safe emergency temporary housing. That, Madam Chairman and Mr. Chairman, is not too much to hope for.

The National Disaster Housing Strategy must consider the types of housing to be used, the differences between interim housing versus long-term housing, the responsibilities of the Federal Government versus States and localities, and other challenges that exist in implementing solutions.

Importantly, the strategy will convey the national guidance and a vision for providing disaster housing assistance. It will ensure proper attention to serve all populations and uniformly address access issues for special needs and those with disabilities.

While FEMA is beyond the deadline established by Congress for submission of this strategy, I offer that our frame of reference in time has been somewhat affected by the rise of safety issues related to formaldehyde and the imperative that we must debate these issues and get them right.

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[1] The prepared statement of Mr. Johnson appears in the Appendix on page 31.

Let me shift focus for a minute to the Disaster Housing Assistance Program. DHAP represents the first time the Federal Government has ever sought to transfer responsibility for housing, rental assistance, and case management for such a large population. As you would imagine, there have been many challenges as FEMA and HUD have clarified authorities, ensured the right mix of skills and expertise to manage the caseload, exchanged a large amount of complex data. Expecting that my colleague from HUD will address the program in greater detail, I would like to simply observe that HUD and FEMA have been working purposefully each day to ensure that the transition from one agency to another is as smooth as possible. As we continue to make progress in relocating families along the Gulf Coast, this program provides a necessary safety net to ensure that eligible individuals have a safe and secure place to live and that they receive the benefits of compassionate case management intended to lead to greater self-sufficiency. We expect to engage specifically with representatives from the Louisiana Department of Social Services and their counterparts in other States to discuss and address the seams between the Federal and State programs.

Finally, I would like to update the Subcommittee on the actions that FEMA has taken in the last several weeks in response to the formaldehyde in our travel trailers and mobile homes.

I wish to reiterate that FEMA takes very seriously our responsibility to provide for the safety and security of disaster victims who reside in FEMA-provided emergency housing. This is a population that, though it once exceeded 143,000 households, is now just over 34,000 households. Our primary focus is to help those households relocate from temporary housing to more permanent solutions as quickly as possible, with a goal to focus on the at-risk households who may be more susceptible to formaldehyde-related health concerns, with the goal to close all of our group sites along the Gulf Coast by June 1.

We believe this task is challenging but achievable. It will require that we communicate often and effectively with resident households, that we work in partnership with other Federal agencies, such as DHAP through HUD, and with State agencies in Louisiana and Mississippi, and that we engage the cooperation of landlords and apartment owners across the Gulf Coast.

We have instituted a range of new policies aimed at maximizing access to rental units, we have expanded our 1–800 help line, and we are currently in the process of establishing a Joint Relocation Task Force comprised of State and Federal officials expressly to identify and work together to address the many issues that accompany the relocation of this magnitude and the quest for permanent housing and self-sufficiency. We will keep the Subcommittee updated as we continue to make progress in this endeavor.

In closing, Madam Chairman, Mr. Chairman, FEMA remains committed to providing efficient and timely access to safe emergency temporary housing. We intend to complete the National Disaster Housing Strategy, offer a broader range of housing solutions, and partner more effectively at the Federal and State level. Our focus is to better serve communities and disaster victims, and we will work purposefully to do so.

I thank you and I am ready to answer your questions.

Senator LANDRIEU. Thank you.

I want to pursue this report for a minute that was due in July, and even according to your testimony and the questions of Senator Pryor, we still have not gotten a firm date as to when this plan will be submitted to Congress. Do either you or the representative from HUD want to address that? And I am also going to ask you who is specifically on this task force, by name, and who is actually the person accountable to either the President or to Congress for providing this report. Which one of you is actually? And I do not know who wants to take the question.

Mr. JOHNSON. I will take the question to begin. I think clearly the law in PKEMRA, which was a very valuable piece of legislation, designated—it redefined the role of FEMA and the responsibilities of the Administrator of FEMA. In large part, Administrator Paulison as the director, as the Administrator of FEMA, is directly responsible to the President for all matters related to emergency management. And so we acknowledge inside that report the responsibility to prepare the National Disaster Housing Strategy as a FEMA responsibility. And we are working with our partners in HUD primarily and with other agencies, we are working through the Department of Homeland Security, which has a vested interest, and with OMB and other elements of the administration to really wrestle with these issues and to provide the report.

Senator LANDRIEU. But, Mr. Johnson, you can appreciate the anxiety on the part of those of us that are trying to provide resources to you to help the situation, the difficulty in us doing that without some guidance from your agencies. And then when we in Congress attempt to provide our own suggestions as to how it might be done, we are thwarted by the Administration, which says they basically oppose what we suggest, yet will not submit what they suggest for us to review and fund.

So I have got to press you for a tighter answer. When do you believe we are going to get the report? And are you saying that Director Paulison is the person responsible for submitting it by that deadline?

Mr. JOHNSON. Yes, ma'am, it is always nice to tie my boss to a responsibility. But Administrator Paulison, as the Administrator of FEMA, owns the responsibility to prepare this document. We own the responsibility to coordinate with other Federal agencies and drive this through to a final conclusion and decision.

I would indicate to you that I believe we can try to get this report to you by April 1, another month from now. But, again, as I think you appreciate, more so than perhaps others, these are very difficult issues, and they do require a lot of discussion and debate inside the Administration.

Senator LANDRIEU. I realize that, but let me just say also—and I know that you understand this. I know it is very difficult for these Federal agencies. But it could not be possibly as difficult as it has been for some of these victims of these disasters and what they have had to live through the last 2½ years.

So I understand it is difficult, but this is not 6 months after the storm. This is not a year after the storm. This is 2½ years after the storms and the levee breaks, with another hurricane season

starting in June, with people between trailers and apartments and hotels, homeless on the street, and a hurricane season starting in June throughout the Gulf Coast. And I am not sure what the situation is on the ground in Memphis and Arkansas, but I am sure it is not much better, other than being not as—the scope of it is not as great.

So with all due respect—and I started by trying to be complimentary of your work with the local parish officials, and I do appreciate that and do not take those statements back—this is a housing crisis.

I would like to ask HUD: What can you do to expedite, to make sure that we meet this goal, to at least get this report for a plan to go forward by April?

TESTIMONY OF MILAN OZDINEC, DEPUTY ASSISTANT SECRETARY, OFFICE OF PUBLIC HOUSING AND VOUCHER PROGRAMS, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. OZDINEC. First of all, Madam Chairman, I want to thank you for inviting me here today. It is an honor to be before you, and hopefully answers to my questions will help inform your decisions and your staff as we move forward to make adjustments to DHAP and any other involvement HUD——

Senator LANDRIEU. Well, we hope so.

Mr. OZDINEC. Let me just say that the contact person that I have at HUD—and I know there are several folks involved in this housing strategy on the Subcommittees and working on these various issues that the Admiral had mentioned. But my go-to person is Jan Opper, by name, and my specific effort as it relates to the housing strategy is to define for the folks on the Subcommittee what specific role HUD would play as it relates to rental assistance, which is really our main focus in what we do at HUD. We have been working with the DHS attorneys to develop statutory legislation that would outline very clearly for you and for the public how that transition would actually occur in the case of a major disaster. FEMA would take care of the mass care. That is what they are good at; that is what they do. The question then becomes the transition of families from mass care to more permanent housing. And we believe that through our development of the KDHAP program, followed on by the DVP program, which you were kind enough to provide $390 million to HUD based on our experience with our first experiment and demonstrate, followed on by DHAP, which still does have problems and kinks to work out, which we do as we move forward, those are the basis for which we could run a long-term rental assistance program where we can get the referrals from FEMA to HUD down in such a way that HUD can do what it does best with its housing authorities, which is inspect units, place families, do contracts with landlords, and provide case management. And that is my part of the National Housing Strategy, and I know there are other parts of it, Admiral.

Senator LANDRIEU. OK. I have a chart here of your organizational chart with HUD, which looks confusing, and it seems like it is. Who is Jan Opper? Is he the Assistant Secretary for Public and Indian Housing?

Mr. OZDINEC. No.

Senator LANDRIEU. OK. Who is the Assistant Secretary? Is it Paula Blunt?

Mr. OZDINEC. It is Paula Blunt. She is Acting Assistant Secretary.

Senator LANDRIEU. And who is Jan Opper?

Mr. OZDINEC. Jan Opper works for Nelson Bregon in the Community Planning and Development Division.

Senator LANDRIEU. That is this person up here?

Mr. OZDINEC. I cannot see that.

Senator LANDRIEU. You cannot see it, OK. But there is Assistant Secretary for Community Planning and Development.

Mr. OZDINEC. OK.

Senator LANDRIEU. And that is the Assistant Secretary, and he works for him?

Mr. OZDINEC. No. Jan Opper works for Nelson Bregon, I believe. I work for Paula Blunt in the Office of Public and Indian Housing.

Senator LANDRIEU. OK. Well, let me tell you what we are going to need. This Subcommittee is going to start with who is on the Subcommittee and who is responsible in HUD and who is reporting to whom about who is going to be working with FEMA because we just cannot even get off of first base without this.

Now, we have studied this. Our Subcommittee has looked at it, and if we cannot figure it out, I am sure that there are very few others that could. And so we are going to get those answers. So I would like you to submit who is on this task force, who is ultimately responsible, and what your timeline is with FEMA to provide this for the Subcommittee. And could you also tell us how many vacant positions there are? Because every time we look at this chart, we see an acting person or a vacant position.[1]

Mr. OZDINEC. Yes, ma'am.

Senator LANDRIEU. And once we can identify who is on the Subcommittee between HUD and FEMA and who is responsible, then we can start—hopefully with your cooperation, but we will do it without your cooperation—driving some deadlines to get this report done and trying to figure out what is holding it up.

And you can understand what our frustration is because a year and a half ago, this Subcommittee, thinking that it was going to be helpful, seeing that these trailers were not happening, moving in the right direction, provided, as I recall $435 million—or Congress did, for alternative housing. And that was basically given out to one State, 80 percent of it, for a program that they claimed might work—and it is Mississippi's Choice—but to me it looks like basically a fancy trailer. And we had provided $435 million to your agencies to come up with an alternative strategy for housing, and here we are a year and a half later, after having already allocated $435 million, which is a lot of money—lots of pilots could have been tried. We do not still have the report, and that money has been spent.

Do you want to comment please, Mr. Johnson?

Mr. JOHNSON. I would just say that certainly we all feel your ire on the lack of submission of the report, but please do not take that

[1] The chart referred to by Senator Landrieu appears in the Appendix on page 66.

as an indication of lack of activity. As you know, and you mentioned the $400 million for the Alternative Housing Pilot Program, that now has generated 1,685 households in Mississippi that are living in these Mississippi cottages. And hopefully by December this year they will be up to 5,000 units produced between Texas, Louisiana, Mississippi, and Alabama. And I think your questions to FEMA specifically, our sessions together have focused on issues of housing that have been helpful in making progress. While I do not—we certainly feel for the families have gone through this the last 2½ years. In fact, they have taught us a lot of lessons learned, and so we have captured those. I believe that we have amended our policies over the last 2 years, and you are seeing the benefit of some of those. So is from HUD, as we recommend—as we comment, we are capturing all of that as well. And so I hope that we are responsive when we do submit the report.

Senator LANDRIEU. I appreciate that, and I do not want to keep harping on this report and plan, but I have to say one more thing. You are correct, there has been a lot of activity. A lot of the activity has been from families packing up their belongings and moving from hotel rooms to trailers to out on the street, to back in apartments, to being evicted. There has been a lot of activity. But it is not resulting in what could be a rational, comprehensive, informed public as to what they can expect in a disaster. So there is no comfort along the Gulf Coast. Do you understand? Even though there is a lot of activity, because there is no report and no publicized plan, there is no community organization or mayor or police juror or public official or governor that could actually stand up and give a 2-minute speech to the people in their State or region to say, look, if another hurricane comes, this is what we can expect. All they know and see is they have trailers with formaldehyde, people hitting the limits of $26,000 and they cannot go any more, their homeless populations doubling, and with all due respect to HUD, in my view what HUD has been good at is demolishing what housing there is there—not rebuilding.

[Applause.]

Senator LANDRIEU. Please, no comments from the audience. Thank you.

So to the people that we are attempting to serve, it looks extremely bleak. Homeowners are caught in the Road Home program and red tape. Public officials do not know what to expect from the Federal Government. That is why this report is so important, because at least it gives us somewhat of a blueprint for people to say this is at least what the Federal Government is proposing. Then our governors and our parish officials can comment, let us know, and we can fine-tune it and move forward. But right now, without that document, people are just flailing, and I do not blame them.

So we want that document by April 1. We want the document submitted to the Subcommittee about who is in charge, with titles and phone numbers and E-mails so we can address them, and let me move on to one other point to you, Mr. Johnson.

From the time we get this report—also good data is very important for the organizations and communities struggling with how many people are homeless, where are people. I mean, what kind of tracking systemis this. FEMA, according to our information, does

not now conduct exit surveys on recipients of housing assistance. Only about 5 percent of the people receiving assistance at the program's peak—I am talking about the disaster in the Gulf Coast—are still using FEMA-provided housing. So this seems like, if you just took that statistic, that we are making progress: 95 percent of the people are not using housing; only 5 percent.

The problem is that because you all do not have an exit survey, we cannot tell what the true facts are regarding the 95 percent of the people that are no longer receiving your benefits. What happened to them? Did they purchase a home? Did they relocate to another place and have temporary, self-sustaining housing?

How can you determine the effectiveness of your assistance program with HUD if you are not tracking and have no exit surveys of people leaving your programs?

Mr. JOHNSON. Well, it is a good question, and I do not think we have a survey. That does not mean we do not hear it a lot and get a lot of comments back. We do have some sense for when people leave the FEMA area of responsibility, where they go, but we do meet with the States, and the States have perhaps a more close sense because often they have made—for example, Road Home, we see people that—an average of 500 a week turned back their travel trailer recently because they have actually completed their renovations and are moving back into their homes. So I think that we probably are not without any kind of data, but you are right, we do not have—we do not survey. We do not have a systematic way to collect the data, analyze the data, and provide the kind of insight that would perhaps be helpful.

Senator LANDRIEU. Well, if that could be part of your report between FEMA and HUD, because for our public officials struggling on the ground to make decisions, whether it is governors again or parish presidents struggling with providing budgets for their units of government, without that kind of information it is very difficult for them to make decisions about how to allocate whatever bond allocations they might have or surplus funding to housing. And it is very difficult for nonprofits to get that information as well, and they are struggling.

I am going to get to CDC in a minute, but I have one more question about the case management, and I would like both HUD and FEMA to respond to this.

Louisiana has established the Louisiana Family Recovery Corps, which our former governor, I think, made a very wise decision in creating this Louisiana Family Recovery Corps, which was to fill in a real absence of a coordinated case management effort. Because as you know, families that are displaced, even middle-income families that are displaced, have housing needs. They are looking for jobs, trying to get their children in school, trying to re-find members of their family, locate members of their family that have been dispersed. They might have some health issues.

So the truth of that dictated that there be some new entity created that could cross the lines and really minister to families where they were, meeting their multiple needs, trying to get them back to self-sufficiency. That is my version of what the Louisiana Family Recovery Corps does. I am sure the professionals can do a better job.

Our State funded it at $60 million, as I recall, but what has HUD or FEMA done to either use their expertise and contract with them to continue their work, or create your own entity that could do it better, if you think you can? Where are we with the wrap-around services so when you knock on the door and tell this family you have got to exit this trailer, you hand them a card and say, "Here is somebody you can call that might be able to help you"? What card are you handing them? And if you are not handing them the Louisiana Family Recovery Corps and the Mississippi Homeowners Program, what card are you handing them? And I will start with you, please, Mr. Ozdinec.

Mr. OZDINEC. Thank you very much, Chairman Landrieu. I again want to make as clear as I can that HUD's role as part of the rental assistance is really authorized by an interagency agreement that we negotiated and agreed to with FEMA in July 2007. We knew from the very beginning, Madam Chairman, that this was going to be an important issue for you and the Subcommittee and, in fact, the general public in how we would be assessed as to our involvement and our ability to help. We would need to track families, and we would need to know exactly and precisely where they went and what they were doing.

As a result of that, we had created a case management tracking system called TAAG—it is part of my written testimony, but I can give you today, of the 30,000 families that were originally referred to HUD as part of the DHAP program, exactly how many of those families we have been able to contact and bring into case management, and a demographic of those families, where they are and what they are doing.

Just for example, of the 15,559 families that are engaged in case management today, we know that 81 percent have wages and benefits; we know that 77 percent have a high school diploma or a GED; we know that 23 percent have professional certifications and 14 percent have college degrees.

Now, this is emergent data. These are families that we have been able to contact first, meaning that they had followed FEMA's process, they updated their address in FEMA's database. So we were able immediately to get with them, and we were able immediately to assign a case manager. So this is emergent data, and this shows a little different picture, frankly, than what I expected. I expected to see the numbers a little lower in that regard. Of the 15,559 families, we have done what is called a risk assessment on 14,773 already.

To give a sense of who are going to need the most help in terms of where they are today in their personal lives, whether it is employment or underemployment, whether it is medical issues or disability issues, and what services they can get plugged into as we move forward with case management, down to the lowest tier, which are families that we have identified that have already begun the process of moving on, either moving back to New Orleans or living in Texas, or establishing a life in Denver. And we see a typical bell curve there, at least on this emergent data, where——

Senator LANDRIEU. But TAAG, are you all doing this in-house, or do you contract with a private contractor?

Mr. OZDINEC. We have contracted with a private contractor to purchase the software——

Senator LANDRIEU. And what is the name of that contractor?

Mr. OZDINEC. I do not know that, Madam Chairman, but I can certainly get that to you.

Senator LANDRIEU. So—excuse me. No comments from the audience, please.

So HUD is contracting with an outside contractor to create this case management program. And then at the State level, I think both Louisiana and Mississippi have created their own programs. How does your program coordinate with what is happening with Louisiana and Mississippi's program?

Mr. OZDINEC. Well, Madam Chairman, thank you very much for that question. I have had several conversations with Adam Knapp and his staff at length, I guess, in the evening how we could work together moving forward here, given the resources that they have and the wrap-around resources with what we have, which is an assessment tool, and an ability to help families do an individual development plan so they can map out for themselves where they would like to be a year from now. And then those wrap-around services—which my case management does not buy. My case management buys about a 1:90 ratio in terms of case manager to families. So what we are doing is assessing and then——

Senator LANDRIEU. Could you explain that a little better—I do not understand the 1:90. Your money buys what?

Mr. OZDINEC. The interagency agreement that we have established with FEMA allows HUD to provide enough money to housing authorities to do case management for 1 case manager to 90 families.

Senator LANDRIEU. OK.

Mr. OZDINEC. That is how we assessed what we could do up front. Now, in many cases some of our families will not need any case management. I have a lawyer in Denver who has just decided he is done. We have already got 2,334 families who have opted out of the program, 310 have already said they are in permanent housing, 132 have actually purchased a home. So we know that there is some of that population who will not need case management, and so the idea is to focus our energies on those families that need it most.

Now, let me also say, Madam Chairman—and this has been a critical point for me and for the Secretary from the beginning of this undertaking with FEMA. We know that in this population there are senior and elderly disabled families in that population that come March 2009, when DHAP ends, because the Stafford Act ends its disaster—the Department, the American public, the Congress need to make provisions for those families—and I use Mrs. Thibodeau all the time for my staff. She is 75 years old, worked every day in her life. She has a small pension, lived in the Lower 9th Ward. That is the house that she was born in. That is the house she inherited. It is gone. She is living in Houston. The rent is $1,000 a month. She only earns $900 a month in Social Security. Come March 2009, how will she be able to pay the rent?

The Secretary understands this, and you may notice in the President's 2009 budget we asked for $39 million in tenant protection

money to ensure that as we transition the elderly and disabled families out of DHAP, we can give them a Section 8 voucher so that we can pay rental assistance and incorporate them into our existing housing choice voucher programs.

Senator LANDRIEU. But let's stick with Ms. Thibodeau for a minute because I share her story with my staff all the time, too. And what I would like to say about Ms. Thibodeau is let's say she was from the Lower 9th Ward, and you give her a rental housing voucher. There are no apartments in the Lower 9th Ward that she can move back to. So her only daughter and son, who also own their homes, and her grandchildren, which they were one large, happy, extended family, are rebuilding their homes in the Lower 9th Ward. But the only thing the Federal Government offers her is a voucher where she may have to go live in St. Charles Parish or in St. Tammany Parish, far away from where her family is, because HUD has not built one senior housing unit in St. Bernard, to my knowledge, or the Lower 9th Ward in 2½ years. And to my knowledge, there is not even a plan to build housing for seniors in any parish in my State that I know of—and if I am wrong, then you can correct me—the Section 202 senior housing, and we are trying to get that.

So I appreciate that you know about Ms. Thibodeau, but I hope that HUD will do more than just know about her and will put in your budget some plans to build housing for seniors, or to submit a plan to us that we could require our States to use part of their GO Zone allocation to build housing for Ms. Thibodeau and her family because her options are quite limited right now.

Let me ask you this before we get off of this case management. How much funding are you testifying to that you have for case management? And have you at all entered into any agreement or contract or even discussion with the case management systems in place in Louisiana and Mississippi?

Mr. OZDINEC. We utilize our public housing authorities across the country to administer all aspects of the program, including case management. Housing authorities, as you probably know, are local government agencies that have connections to the social service apparatus within their communities.

Senator LANDRIEU. But do you know the one in New Orleans has been taken over by HUD itself, so we do not have an independent housing authority in Orleans Parish?

Mr. OZDINEC. Yes, the New Orleans Housing Authority is in receivership with the Department as we speak, and Karen Cato-Turner is the administrative receiver.

Senator LANDRIEU. So you are contracting with yourself for case management because they are not in a position to do that.

Mr. OZDINEC. The housing authority actually contracted with the Harris County Housing Authority of Texas to run their DHAP program in New Orleans. The Harris County Housing Authority has approximately 7,000 DHAP families. They did an outstanding job setting up their DHAP center. The city of Houston just did an outstanding job accepting families and trying to make them welcome into the city, and the Harris County Housing Authority really—if you ever get the chance to go to the DHAP Center there or, Madam Chairman, go to the DHAP Center now in New Orleans, I think

you will be surprised at the level of professionalism and effort that has been put in to try to attract landlords to come in and to basically sign the lease addendum and to participate in the program because the rent will be paid.

In New Orleans, for example, our case management provider is Odyssey House. I do not know if you are familiar with them.

Senator LANDRIEU. No. But they have done a lot of the case management leading up to DHAP, and the decision was made that they had a tremendous amount of knowledge moving into the DHAP process. So the housing authority decided to use Odyssey House as their case management arm.

Let me also say in the second part to your question that I have indeed talked to Adam Knapp, and we are in conversation about how we can use what they have available to supplement or to wrap around our assessment tools and our case management, giving them access, for example, to TAAG so that their wrap-around services can assess the—the assessment is already done. The question is now what services are needed?

Senator LANDRIEU. So the answer is that you could not contract with the local agency in New Orleans because it was in receivership, so you contracted with Harris County. Have you contracted or made any inquiries to the Louisiana Family Recovery Corps, which the State itself set up to do this kind of work? Yes or no?

Mr. OZDINEC. Yes, I have.

Senator LANDRIEU. You have contracted with them?

Mr. OZDINEC. Oh, no. I have contacted them.

Senator LANDRIEU. You have contacted them.

Mr. OZDINEC. Yes. I have not contracted with——

Senator LANDRIEU. Have you contacted or contracted with the Mississippi group that the Governor of Mississippi set up?

Mr. OZDINEC. I have not. I have just talked to Adam Knapp.

Senator LANDRIEU. OK. Just for the record—and I appreciate what Harris County has done. I have spoken to the Mayor of Houston several times and continue to thank him for the good work that he is doing. But I will say this: The city of Houston was an intact city. The population of Houston is several million, very strong economy, very low unemployment. They were a perfect city to absorb some of our people, and we are grateful for it.

But rebuilding the Lower 9th Ward, Lakeview, Gentilly, St. Bernard, Cameron, and parts of St. Tammany are wholly different when you are rebuilding a community of housing for people than putting them in apartments in an already vibrant, ongoing, established city.

Mr. OZDINEC. I agree with you, Madam Chairman.

Mr. JOHNSON. Madam Chairman.

Senator LANDRIEU. Go ahead.

Mr. JOHNSON. You asked me to go down to New Orleans and to meet people, and I have done that twice. And one of the results of that is to get a sense for case management and the gap that might exist between our case management and what the State desires. And in the audience today is Lisa Woodruff-White, the Deputy Secretary Attorney for the Louisiana Department of Social Services, and she has almost as much passion as you do for case management. And we have agreed to meet between FEMA, HUD, and the

Department of Social Services and to understand what the gap is between case management, as Milan describes, and case management as the State would like to see it, and to see what we can do in terms of working through HUD and the State to fill in those gaps.

So I think there is room here that we can——

Senator LANDRIEU. Well, thank you, Mr. Johnson. I think that would be very helpful because we say we want to honor the work of the State and parishes, but yet we continue to create programs with limited funding that do not seem to acknowledge the investments the State and the parishes have already made because, of course, it is in their interest because these are their citizens that are with them every day. So I thank you. I would urge you to pursue it. But I would like to know how much funding do you have allocated for case management, just so that we can get this on the record. Do you have any money allocated for case management in your budget? And how much is in HUD's budget?

Mr. JOHNSON. FEMA had no role in case management prior to PKEMRA. With PKEMRA you gave us that responsibility, so we have a pilot project now with HHS to look at case management, and as we indicated in the testimony, through our MOA with HUD, we provide them funds for case management, and those come from the Disaster Relief Fund. So our effort to follow on to that and perhaps work with the State and expand that effort would be funded from the DRF.

Senator LANDRIEU. So you have a rough estimate of how much you have budgeted for this?

Mr. JOHNSON. I do not.

Mr. OZDINEC. I do.

Senator LANDRIEU. Go ahead.

Mr. OZDINEC. First of all, allow me to correct my testimony, Madam Chairman. It is actually 1:50, not 1:90, which actually translates into $92 per family per month. That is what our IAA says. That is what we provide the housing authority. So that breaks down—the entire IAA between FEMA and HUD for case management, for rental assistance, and for administration is approximately $597 million, starting from September 1, 2007, to March 2009. And that is for everything.

Of that number, we spend approximately $2,760,000 per month on case management. That is $92 per person per month.

Senator LANDRIEU. OK. You spend $2 million per month——

Mr. OZDINEC. $2.7 million.

Senator LANDRIEU. $2.7 million, in the Gulf Coast or the whole country?

Mr. OZDINEC. In the entire country.

Senator LANDRIEU. In the whole country, $2.7 million a month.

Mr. OZDINEC. Correct.

Senator LANDRIEU. And what was the $597 million number?

Mr. OZDINEC. That is the entire amount of the IAA, which includes case management at $2.7 million a month; it includes administrative costs for housing authorities to be able to administer, do the inspections, do the paperwork, do the contracts; and it includes the rental assistance payment to the landlord. Obviously, that is the largest amount of that $579 million.

Senator LANDRIEU. OK. Would you break down for us, submit the amount minus—take the $597 million and minus your payments to landlords.

Mr. OZDINEC. Sure.

Senator LANDRIEU. And just get into what we are spending to either contract with hopefully appropriate private entities or nonprofit entities to do the kind of counseling and wrap-around services necessary because I want to get to the bottom of how much is allocated and, if we need more money, ask Congress for some if we have confidence that it will be spent correctly and well to get help to these families that, with just a little counseling and a little support, might actually be able to find housing and a situation on their own at no government subsidy.

Mr. OZDINEC. We agree.

Senator LANDRIEU. So it is just like anything. A little bit of prevention is worth a pound of cure, and some of these families are very able, with a little bit of assistance, to be able to actually get into a very self-sufficient mode. But they do not have the money to hire lawyers, accountants, to explain the rules and regulations to them, etc. I do not have to go into that.

Mr. OZDINEC. We agree, Madam Chairman, and we would be delighted to provide that for you.

Senator LANDRIEU. Let me ask CDC—if I can get to the questions for CDC. Excuse me just one minute.

[Pause.]

Senator LANDRIEU. Thank you for being so patient, Mr. Frumkin, while we went through that. But a large part of this hearing is about the trailers and the formaldehyde situation, and you all are in the middle of this discussion.

When did FEMA first inform the trailer residents of the potential danger of formaldehyde testing? Do you know, Mr. Johnson? That question is to you. And then I will ask you when you first heard of it.

Mr. JOHNSON. The issue first arose in probably the spring of 2006 and not long after we began to recognize the occurrence of formaldehyde issues, we created a website which we put formaldehyde information on. We created one of the first of a number of flyers that we distributed to households on formaldehyde and then began to consult with EPA, with CDC, and others,

So we began, I think, being transparent and raising the issue and offering advice to residents back in the spring of 2006.

Senator LANDRIEU. And, Mr. Frumkin, tell us when it became apparent to you all or when you all were asked to step in.

TESTIMONY OF HOWARD FRUMKIN, M.D., DRPH, DIRECTOR, NATIONAL CENTER FOR ENVIRONMENTAL HEALTH/AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY CENTERS FOR DISEASE CONTROL AND PREVENTION, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dr. FRUMKIN. The initial approach to CDC from FEMA came in the middle of 2006, and that was an informal approach staff to staff. And that was the beginning of—actually the part of CDC called ATSDR engaged the issue at that point.

Senator LANDRIEU. OK. And go on, explain a little bit more about that.

Dr. FRUMKIN. During the second half of 2006, staff at ATSDR played a small role in a planning process that EPA and FEMA carried out that led to testing of unoccupied trailers at the end of 2006, and we issued a report on those results in early 2007.

Then as 2007 went on, we became more and more engaged in the formaldehyde issue and eventually undertook the larger study that the written testimony we have submitted describes.

Senator LANDRIEU. All right. Then are you familiar with this July 19, 2006 hearing? It was before the Oversight and Government Reform Subcommittee. Secretary Paulison said that FEMA had been proactive in reviewing the situation, has recommended a wide range of actions to reduce health risk, has been working with experts to better understand the health environment, investigates short- and long-term solutions. He went on to say at that hearing, "I wish to make it very clear that the health and safety of residents has been and continues to be our primary concern."

And then in a June 1, 2006 E-mail, I think to you, Mr. Frumkin, Dr. Christopher De Rosa, Director of the Division of Toxicology, said, "We should be very cautious about the use of the word 'safe' in reference to formaldehyde. Since it is a carcinogen, it is a matter of science policy. There is no safe level of exposure."

Do you have any understanding or memory of this memo? Can you try to explain what happened between FEMA and you all when the incidents, people were coming, reported being sick and how you all tried to handle it?

Dr. FRUMKIN. Well, if we could take it back to the middle of 2006, our staff were approached by FEMA staff and asked to assess a data set that was being collected by FEMA and EPA regarding levels in the trailers. Our staff prepared a report on the test results when we received those results in December 2006 and issued that report in February 2007.

That report was part of our emergency response approach to the post-Katrina situation. It was prepared by emergency response staff, and in retrospect, it did not adequately address the potential long-term hazards of formaldehyde exposure. We recognized that very soon after the report was issued and sent a corrective letter to FEMA in February 2007, shortly after the report itself came out.

As 2007 went on, into the spring and early summer, it became clear that the report had failed to do what we needed it to do. It did not adequately explain the long-term health implications of formaldehyde exposure, and it was subject to misinterpretation.

So in the summer of 2007, we made the decision that the report needed to be fully renovated and replaced, and we did that during the summer and released a replacement report late that summer.

Senator LANDRIEU. All right. I would like to submit this document to the record. This is an E-mail from Christopher De Rosa outlining about the statement I made—it goes on, "We should be very cautious about the use of the word 'safe' . . . " I will submit that to the record.[1]

[1] The information submitted by Senator Landrieu appears in the Appendix on page 67.

When this was going on between FEMA and HUD and CDC—I do not know if HUD was involved in this, but between FEMA and CDC, was there any meeting called by the Gulf Coast Coordinator of Recovery or any high-level person in the White House about trying to figure out what was happening, if there were, in fact, toxic levels and what was the problem? Or was this just done between your agencies?

Dr. FRUMKIN. I am not aware of any higher-level meetings.

Senator LANDRIEU. Are you aware of any higher-level meetings?

Mr. JOHNSON. I am not aware of any specific meeting. What I would say is in the summer of 2007, in particular, I think that is the point that the formaldehyde issue got a lot more visibility, and perhaps at that point—absent hindsight, but at that point everyone began to recognize the challenge that it presented, and so there was a lot of discussion at various levels as to what course we would follow. And as Dr. Frumkin indicates, that ultimately led to an MOA between FEMA and CDC, one part of which is the study—the scientific analysis of the 519 housing units that brought us to where we are now. But there has been a lot of discussion to make sure that all our folks are on the same path between the Department, FEMA, and CDC.

Senator LANDRIEU. OK. Do we have some understanding at this point—and this question is to anyone that can answer it—as to if there is a difference between the formaldehyde levels in regular mobile homes that are constructed and built and sold in the United States and the trailers that are provided by FEMA for victims or survivors of disasters, what the difference is? Because, obviously, thousands of people live seemingly safely in mobile homes that use some of the same materials. Does anybody want to comment about how these trailers are different than the mobile homes and why there was no standard of health safety when the program of trailers was instituted?

Dr. FRUMKIN. I can get started with that, Senator.

Senator LANDRIEU. Go ahead.

Dr. FRUMKIN. There really are two distinctions that I think you raised in the question. One is between trailers and mobile homes, and the other is between the units that were supplied by FEMA in the aftermath of the disaster and the larger universe of units that are in use nationally.

So, with regard to the distinction between mobile homes and trailers, the small travel trailers, according to the data that we have just released, and prior data, have higher levels of formaldehyde than larger units. That is presumably——

Senator LANDRIEU. And these are for all travel trailers, even those that people buy off the private lots to connect to their SUVs to travel around the country?

Dr. FRUMKIN. The data that we have available—and it really is not encyclopedic or thorough data. But the indications that we have are that smaller units are going to tend to have higher levels than the larger units, presumably——

Senator LANDRIEU. So this is true for FEMA-bought trailers and for privately bought trailers for recreational use?

Dr. FRUMKIN. We have good information that we have just released in the last few weeks on the FEMA-supplied trailers in this

particular setting. We have less complete information about the larger universe of units. But the information that we have suggests the same pattern.

Senator LANDRIEU. OK. Is there—and I am going to let you continue, but is there a standard for safety for the larger mobile manufactured homes and there is an absence of one for the smaller? Or there are no standards for either type of manufactured housing?

Dr. FRUMKIN. The larger units are considered housing, and those are regulated by HUD. The smaller units are considered transportation. And to the extent that they are regulated, it is by the Department of Transportation.

Now, with regard to the air quality, HUD does address that issue in its regulations, not by regulating the levels of formaldehyde that are permissible in the air, but by regulating the amount of formaldehyde that can off-gas from the components that go into building the trailers.

Senator LANDRIEU. And what causes the formaldehyde in the trailers? Is it the adhesive in the plywood or wood products?

Dr. FRUMKIN. The particle board that is used to make the trailers. It goes into the walls, the floors, the furnishings. That particle board uses a matrix that off-gases formaldehyde. It is an organic chemical matrix that off-gases formaldehyde.

Senator LANDRIEU. So go ahead. So the smaller ones have higher levels of formaldehyde.

Dr. FRUMKIN. The small ones have higher levels probably because they are smaller and less well ventilated, and so you have got an enclosed space where there is more opportunity for the off-gassing from the materials to enter the interior environment and stay there.

Now, we are most confident about that statement with regard to the sampling set that we just released. I have to emphasize that the results that we just released may not be generalizable to other trailers in other settings. So my answer about that, in general, travel trailers may have higher levels than mobile homes does not come from the data that we just generated. It comes from years of research that has been done around the country on levels of formaldehyde in——

Senator LANDRIEU. So we knew this long before, that the smaller trailers had higher levels.

Dr. FRUMKIN. We know that there were problems with formaldehyde in various units back as early as the 1980s, and to tell you the truth, that problem seemed to have receded in recent decades because of construction and design changes in those units.

Senator LANDRIEU. So was there some kind of extraordinary production that occurred that caused this increase? Or was it just there were more trailers for us to study, more travel trailers?

Dr. FRUMKIN. It is a good question, and we have asked that many times. I do not think we have information on specifics of construction preceding this episode?

Senator LANDRIEU. Even before this formaldehyde issue was raised, I was very perplexed as a Senator as to why FEMA even used travel trailers for housing people, specifically because after they were issued, they were told that they could not be moved. So the idea of having a trailer that is movable in the event that there

was another storm, you could attach it to your car and move, I thought might have made some sense. But then the Federal Government issued a warning or a directive that those trailers were not to be moved under any circumstance because they could not be part of this massive evacuation because then you would not only have cars on the highways, but you would have every car with a trailer.

So do you know, Mr. Johnson, where FEMA got this original idea to use travel trailers in the first place?

Mr. JOHNSON. There are, again, several issues in your question. I would say that FEMA has used travel trailers and mobile homes for decades——

Senator LANDRIEU. I am not talking about mobile homes. Just travel trailers.

Mr. JOHNSON. We have used travel trailers——

Senator LANDRIEU. Let's focus on travel trailers.

Mr. JOHNSON [continuing]. For decades, and they have been viewed as an ideal unit because they were small, they could fit into driveways, they were mobile to get to a location. In the Gulf Coast in particular, because of the hurricane season, when we installed those, we installed them and tied them down so that, in fact, they would not become a wind hazard if they were either left behind and caused more trouble. And as you know, one of the biggest issues in trying to encourage people to evacuate is the road condition, particularly when they go to contra flow. And if there were a number of trucks or cars with travel trailers, that would just exacerbate the challenge we already have with evacuation.

So I think there were good reasons to use travel trailers, and successful use for decades. I think the situation here is that we have never had a disaster where we have used travel trailers, where people have resided in them for such a long period of time. And I believe that conspired—and one last issue. While we are focused on formaldehyde, inside those units, whether people smoke or do not smoke, what kind of cleaning products they use, how they cook, all those exacerbate the air quality, and in some cases even exacerbate the off-gassing of formaldehyde.

So, really, it is a complex issue that we understand better now, and since July, Administrator Paulison has not permitted travel trailers to be used at all in any disaster, even though we have them new in our inventory. And so I think we have all learned a lot more and are more sophisticated in how we use those.

Senator LANDRIEU. All right. Let me ask this question, back to you, Mr. Frumkin. With CDC's own scientists raising safety concerns, why did CDC and FEMA not begin testing immediately? There are organizations that did some of their own testing. I am sure you are aware of the Sierra Club's test. They were able to conduct testing that found 88 percent of their test population were far above the average in terms of exposure.

Why did it take CDC and FEMA until February 2008 when this initially came to you in 2006 and you said that you were aware of formaldehyde in trailers for a long period of time, back to—what did you say?

Dr. FRUMKIN. The literature goes back to the 1980s.

Senator LANDRIEU. To the 1980s. So the literature goes back to the 1980s. This issue raised itself in 2006. And then our studies did not start until 2008 when other groups had indicated they had found some high levels of exposure. What happened there?

Dr. FRUMKIN. Well, to clarify the timeline, the concerns arose in the first half of 2006, and our engagement began in the middle of 2006 when we participated with EPA and FEMA in planning the testing that then took place at the end of 2006.

But that said, I must tell you that, in retrospect, we did not engage the formaldehyde issue as aggressively and as early as we should have. In the immediate period coming out of the disaster, we were extremely engaged and performed a lot of services in the region, and we addressed issues that we knew at the time were environmental health priorities. We addressed issues of toxic contamination in the ambient environment. We looked at risk of electrocution and carbon monoxide poisoning related to re-entry. We helped clear schools for re-entry and so on. Very good knowledge that those were expected problems, and we engaged them and did very successful work on them.

Formaldehyde in trailers did not rise to the top of our priority list at that time, and if I could roll the tape back, I would change that. I wish we had engaged the issue earlier than we did.

Senator LANDRIEU. Does anybody want to add anything? Does HUD have any responsibility at all or involvement in this?

Mr. OZDINEC. Well, Madam Chairman, I knew you might ask this question, and I did a little research. We have a number of organizations within HUD that regulate formaldehyde, or at least regulate manufactured housing, and that is our Policy Development and Research, Community Planning, and our Safe and Healthy Homes. It is not my expertise, but we do indeed govern the manufactured housing industry. I understand a package of proposed revisions to HUD's construction and safety standards is being developed by HUD with the Manufactured Housing Consensus Committee (MHCC). The MHCC is a Federal advisory committee that was established by Congress to recommend revisions to HUD's construction and safety standards. Its members include industry representatives, consumer representatives, and public officials. We will be happy to get back with you if you have any other questions or want information about that committee.

Senator LANDRIEU. OK. We would like you to submit the names of the people on that committee, if you would, and also their timeline about when their report is due.

Mr. OZDINEC. OK.

Senator LANDRIEU. All right. Mr. Johnson, given this situation, as you know, there are going to be other hearings on the House side. I think Congressman Waxman is going to be getting into the specifics of these trailer contracts, and we will do some of it here. And I am very interested in that, but I am really interested in trying to get this general housing plan for thousands of people, as I have said—homeowners, renters, middle-income families, poor families, and particularly those families who are very fragile, whether they are part of the disabled population or seniors.

What can you tell this Subcommittee to give us—besides the report that is coming, what have you done administratively to try,

without waiting for Congress, to get a sense of trying to get these families to some stable housing initiatives? What are you doing and what is your team doing? Because we have talked a lot about levees, we have talked a lot about project and public work order sheets, which you have been very focused on, and we appreciate that. But besides the disaster of red tape of public assistance work sheets, which are going on all throughout the Gulf Coast, the backlog, this housing situation is truly a crisis at this—it always has been in the last 2½ years, but it still is. So what are you doing administratively, or what could you do administratively?

Mr. JOHNSON. Well, we are doing a lot. I mean, you are generally interested most in outcomes, and so I think that we have done a good job in developing an aggressive plan to relocate families, households from travel trailers and mobile homes into apartments and other forms of permanent housing. As we indicated in the opening statement, we have gone from 143,000 families in mobile homes and travel trailers to about 34,000, and that is good progress.

We started a program several months ago to close the group sites in Mississippi and Louisiana, and that has been a process where we started with about 82 group sites, and we currently have about 40 group sites. So we have reduced the group sites. Just since January, we have moved 800 households out of group sites into apartments and other affordable housing. And in doing that process, it has been almost seamless and without any adverse reportings in the media or anywhere else. We have moved those families into the same neighborhoods with the same schools, same work, same church. They have helped identify the apartments. We have given them choices as to which ones they want to go to. We have begun to work with landlords to encourage more landlords to participate in the program. And so our focus is really to relocate those households out of those mobile homes and travel trailers into the apartments, and that is our primary focus.

Senator LANDRIEU. Do you know how many landlords you have—and if you do not, if you could submit this. To date, how many landlords are participating in this program by parish and by county that you could submit to us just so that we can get a handle on that?

Mr. JOHNSON. We can do that.

Senator LANDRIEU. OK. And then you pay a Section 8 voucher to these landlords, or is it more than Section 8 provides? Are there any income limits to that?

Mr. JOHNSON. As we talked about earlier with the DHAP program, we work hand in hand with HUD on how we pay for and are transitioning FEMA payment through our contractor into DHAP and the use of HUD's public housing authorities. In some locations, we typically would use the fair market rent (FMR).

But because we needed to find more apartments, we have gone up to 150 percent of the FMR in Louisiana and particularly in Mississippi where the housing stock has not——

Senator LANDRIEU. But are there income limits based on the families that qualify for the programs that you are describing?

Mr. JOHNSON. There are.

Senator LANDRIEU. What are those income limits?

Mr. JOHNSON. We can provide that to you for the record. I do not know exactly what they are, but people must be recertified and be an eligible applicant in order to stay in the Federally subsidized housing.

Senator LANDRIEU. OK. Do you think it is something around 130 percent of poverty or 150 percent of poverty, something along that line?

Mr. JOHNSON. I would ask HUD——

Senator LANDRIEU. Does anybody know from HUD?

Mr. OZDINEC. Madam Chairman, under DHAP, we have no income requirements. We pay 100 percent of the rent, whatever the rent may be.

Senator LANDRIEU. To any family of any income?

Mr. OZDINEC. Provided that FEMA has referred that family as being eligible for the program under the Stafford Act. We are indeed an agent—I can walk you through the context of what our work entails in terms of that $579 million and the IAA.

Senator LANDRIEU. But let me get this clear for the record. Any family that qualifies for Stafford Act assistance is entitled to 100 percent of their rent, with no income limitations to the family. Is that what you all are testifying?

Mr. OZDINEC. Correct, with one exception. In the DHAP program, as we designed the program in August 2007, we said that every family in DHAP starting in March 2008 would begin to pay rent as a preparation for self-sufficiency. In March, the rent would be $50—their portion—and then we would pay the rest. In April, their portion would be $100, and then we would pay the rest. In May, their portion would be $150, and so on and so on, until March 2009 when the family was paying the entire amount of rent and the program ended, so that we did not just end the program abruptly in March 2009. During that 18 months or that year, we would be working with that family through our case management, through the wrap-around services, to help them become self-sufficient and get back to paying their own rent or move into homeownership or make that next move.

Senator LANDRIEU. OK. But to be clear, the people that are eligible, the families eligible for this, are basically 5 percent of your total roll, right? The current eligibles are 5 percent of what it was at its peak?

Mr. JOHNSON. Correct.

Senator LANDRIEU. OK. So for 95 percent of the people who are no longer on FEMA rolls, this does not apply. It just applies to the 5 percent that still are.

Mr. OZDINEC. That FEMA has referred to HUD.

Senator LANDRIEU. That FEMA has referred to HUD. But FEMA does not have any exit memos, or they have already testified they do not really have data about what happened to that other 95 percent, which is problematic because we are not sure—not only when we are perhaps meeting the needs of the 5 percent that are left, we really do not have any way to figure out of the 95 percent that are no longer FEMA eligible, how many of them actually moved on to self-sufficiency or how many of them are barely holding on by their fingernails or how many of them are homeless. We do not

have any way to know that. This is a problem, and we have to solve this problem.

The other problem that I see is this: People who stepped up—and this is a broad statement, but hundreds of families that stepped up, dug into their own bank accounts to elevate their homes when their neighborhoods were destroyed—the government could not get its act together, and raised this home, these families, 3 feet to 6 feet; they are all over the region—are being told that they acted precipitously and that they took their situation into their own hands and so we cannot reimburse them for elevating their homes.

Families that actually pulled themselves together and the husband left and went to Illinois to get a job, the wife returned back to teach school in St. Bernard, where all the schools were destroyed, and lived in a travel trailer, is no longer FEMA eligible, is told that her rent cannot be paid if she moved her family into an apartment because she is not FEMA eligible anymore.

I cannot express to you how extraordinarily frustrating it is for people who are doing more than they could ever be asked to do, but your rules are not allowing us to reward people for their own self-initiative, to recognize that it is not just poor families but middle-income families, police officers, nurses, firefighters, doctors who are struggling here. And every time Congress—at least I try, and others, to change the rules, we are told we cannot change the rules or bills get stuck in committee.

So this Subcommittee is going to continue to meet to get to the bottom of it, but after a catastrophic disaster, help has to go to everyone, not just the low-income but the middle-income, scaled down appropriately, but more resources have to be given to help the low-income that have less ability to hire lawyers, less ability to hire accountants, and less ability—and that is the way it should work, where everybody gets some help, there are longer periods of time to help after a catastrophic disaster, and, most importantly, there are good choices for people to make for themselves and their families, so that government is not dictating to them but giving them choices.

That is not the program that we have, so you can understand the frustration of those of us that are trying to represent them to the best of our ability.

Mr. OZDINEC. And, Madam Chairman, if I may say this, an outstanding statement, and I do not think we could agree with you any more than that, and that is our goal certainly with the group of families that FEMA has referred to us. And we will continue to do our level best to do exactly what you just said because that is why we have been asked to be part of this process.

Senator LANDRIEU. OK. Well, I am going to ask you all for final statements, and if there are any other questions that I need to get on the record. But I hope that it starts with this report that will start April 1 to outline how we can fix the rules and regulations to meet the needs of people that are getting knocked on their doors, tell them to leave these travel trailers with toxic levels of formaldehyde, to people that have tried to elevate their homes that cannot get reimbursement because the government decided that they did not get approval from EPA before they elevated their home, and EPA can only give approval to two homeowners a month because

that is all that they can do to oversee this program; and to families that are literally homeless in our streets, the homeless families, the senior citizens we have not built units for.

So this program I hope will come with an April 1 deadline, but it also better be attached to funding. And I want to put the administration on notice. This is to the Bush Administration. If that report shows up at Congress without reasonable estimates for funding, this Subcommittee and others will push this funding through Congress to fund a true case management program, a true assessment program to find out where these 95 percent of the families are, the studies that have to be done for the formaldehyde and funding for CDC. This is no longer going to be tolerated—recovery on the cheap, or recovery by wasteful spending. And that is all we have been chosen—either wasting the money on things that do not work, or programs that have no financial backing to make them work.

So that is the goal besides finding out if there was anything done wrong, if there was any fraud, if there was any gross neglect on the part of these agencies. That is also the subject of this Subcommittee's hearings.

All right. We have a few minutes for final questions. Why don't we start with you, Mr. Frumkin, since you have gotten the least bit of time.

Dr. FRUMKIN. Senator Landrieu, just to thank you and the Subcommittee Members for your interest in this area and your commitment to safe and healthy and adequate housing for all Americans. It is something that we very much share at CDC. One of our agency-wide goals is safe and healthy housing, and that applies not only to the post-disaster situation, but to all Americans across all income brackets.

We do think that the data we have just provided will be very helpful in helping understand where some of the hazards in post-disaster housing reside, and we hope that it will help us move forward toward better, safer housing for all those who need it.

Thank you.

Mr. OZDINEC. Again, thank you, Madam Chairman, for inviting me. It was an honor to be here. And I just want to say that as the person that runs the largest rental assistance program in the country, a $16 billion a year Section 8 program with 24 agencies across the country, I think we are well suited administratively to be able to provide rental assistance and do the things that HUD does well in relief and long-term housing for FEMA. And I would also like to thank the public housing authorities, the 344 public housing authorities that stepped up to the plate and decided to participate in DHAP, a brand-new program, and provide rental assistance to families that they do not traditionally provide that rental assistance.

And I do want you to know that we as an agency and my staff are committed to doing the best that we can given the resources, and if there are things that we are not doing well, I would like to know about them, and we need to make adjustments. And if we are called upon later to do something very similar, I want to make those adjustments now so that we can prepare for the day when there is another need for long-term rental assistance.

Senator LANDRIEU. Well, Mr. Ozdinec, I appreciate your comments, but I have to say as Chairman, the verdict is still out on the job that HUD is doing. And I appreciate your willingness to work with us, but the verdict is still out on HUD. I do not think there would be—if you took a survey in Louisiana right now, or perhaps Mississippi, about what HUD has done, you might not get a 5-percent approval rating. I am not sure what I would get, but I do not know if you would get a 5-percent approval rating. So let's just keep working at it.

Mr. OZDINEC. I agree. Thank you.

Senator LANDRIEU. Mr. Johnson.

Mr. JOHNSON. Madam Chairman, thank you again for beginning this series of hearings. I think that from FEMA's perspective there were a lot of mistakes made across the board in Hurricane Katrina. And our objective has been to learn from those mistakes, and I believe that we have done that to the benefit of the residents in Louisiana and Mississippi, and all the disasters that have occurred since then. FEMA's performance in the California wildfires, the tornadoes in Tennessee and Arkansas, the ice storms in Oklahoma, the floods in the Midwest and the Great Lakes area—all of those have gone very well, and in large part learning the lessons that we gained from Hurricane Katrina. And that is our focus in our comments today. Our focus on developing the National Disaster Housing Strategy is to build on that and to provide better response, better recovery. And I believe that we will be able to do that, and these hearings will probably be helpful in that regard.

So thank you very much.

Senator LANDRIEU. OK. I thank you all. I just want to read into the record before we wrap up because we are going to have a series of hearings, and some of the future questions that we are going to be asking is about the allocation of housing dollars: When we allocated money to the States, how much of that money went to housing, who made those decisions, and why these decisions were made. And so that will be the subject of one of our hearings to come, and we are going to hone in on some more of your administrators from HUD about how this case management is going to be handled, and then, of course, honing in more about the outcome for residents of trailers and the future use of trailers and mobile homes in disasters.

So there is a lot more that has to be done, but I thank you all. Please submit in writing your testimony, and please remember to get that testimony in. Our rules are 48 hours. But because of this situation, we even said just get it to us 24 hours in advance. The Senate Rules are 48 hours; we said just 24 hours. You still did not even meet that timeline. It gives us time to evaluate what you are saying so that we can formulate the proper questions to give the public the true story, not just the spin of people that come before the Subcommittee.

The record will be open for 15 days for anybody that would like to submit documents, and the meeting will be adjourned.

[Whereupon, at 11:35 a.m., the Subcommittee was adjourned.]

A P P E N D I X

STATEMENT OF

HARVEY E. JOHNSON, JR

ACTING DEPUTY ADMINISTRATOR
AND
CHIEF OPERATING OFFICER

FEDERAL EMERGENCY MANAGEMENT AGENCY

DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

SUBCOMMITTEE ON DISASTER RECOVERY AND
SUBCOMMITTEE ON STATE, LOCAL, AND PRIVATE SECTOR
PREPAREDNESS AND INTEGRATION

HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE

UNITED STATES SENATE

MARCH 4, 2008

Good morning Chairwoman Landrieu, Chairman Pryor, and Members of the Committee. I am Harvey Johnson, Acting Deputy Administrator and Chief Operating Officer for the Department of Homeland Security's Federal Emergency Management Agency (FEMA). I am pleased to be here today to represent the Department and FEMA, and to discuss our continued efforts and progress toward housing those residents affected by the 2005 Hurricane Season, as well as our planning efforts for future disaster housing needs.

Much has been said about the methods and ways in which FEMA has housed disaster victims following the 2005 Hurricane Season. While we readily acknowledge that we could have done some things better, we must not lose sight of the fact that nearly two and a half years after the most damaging storms in American History, nearly two-thirds of those whose homes were impacted by the disaster have either returned to their pre-disaster housing or have moved on to other housing options. In response to the 2005 Hurricane Season, FEMA provided more housing assistance – direct and financial – than it had cumulatively over the previous 5 years. And while we continue to face challenges, we have learned and applied many lessons, and we have renewed focus on our mission to assist communities and disaster victims.

New programs, policies, initiatives, partnerships and collaborations define the changes and improvements that have taken place within FEMA since Katrina and Rita. Many of the lessons we learned have been institutionalized, and are now being implemented nationwide. FEMA continues to marshal the efforts and expertise of the community of Federal, State and local emergency managers and voluntary organizations to aggressively and compassionately address the needs of individuals, families and communities devastated by disasters.

Immediate Emergency Housing

In the weeks following Hurricane Katrina, as congregate shelters overflowed, FEMA created and implemented a hotel/motel subsidy program, in partnership with the American Red Cross. FEMA authorized States to relocate families to hotel/motel rooms, facilitating the relocation of thousands of families to more private, and hospitable, living conditions. In late October 2005, FEMA agreed to assume responsibility for funding the hotel/motel subsidies of those households placed by the Red Cross. At peak, FEMA worked with over 7,500 hotels and paid for over 3 million cumulative nights in hotel/motel rooms.

I do not need to recount for you many of the programmatic and financial challenges that resulted from this program. However, I am pleased to report that as a result of the lessons learned, FEMA has created a national policy and protocol for implementing hotel/motel use, improved registration protocols, and entered into a contract agreement with Corporate Lodging Consultants (CLC), to interface with hotel managers and assist in tracking applicants and payments to ensure fiscal responsibility through the issuance of unique registration codes when citizens apply for assistance.

Access to Case Management Services

As a result of lessons learned, and the authority granted by the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), FEMA has recognized the need for better case management in large-scale disasters FEMA and the U.S. Department of Health and Human Services Administration for Children and Families (ACF) have entered into an Interagency Agreement to develop and pilot a Disaster Case Management program. The goal of the program is to enhance Federal, State and local response to emergencies by helping to connect disaster victims to a full array of disaster and other support services, including human, social, employment, legal, mental health, and medical services. The program is in the early development stage, with input being gathered from government, non-government, and voluntary agency partners. The pilot program is expected to be launched this calendar year.

Temporary Housing – Rent, Repair, Rebuild

One of FEMA's primary missions is to conduct emergency housing operations in the wake of disasters, which displace elements of the local population. Since severe storms and flooding occurred in the State of Texas in October 1998, FEMA has provided financial and direct housing to nearly three million applicants for their immediate, emergency housing needs. Applicants generally move from emergency housing into more permanent housing, within the program time limits of 18 months. This time has been extended in the Gulf Coast, where FEMA has provided financial assistance to more than 1.4 million households to rent alternate housing and make repairs to their pre-disaster dwellings.

FEMA's Individual and Household's Program (IHP) assures that people whose homes are damaged by disaster have a safe place to live. The IHP - Other Needs Assistance (ONA) program provides financial assistance to individuals and households who have other disaster-related necessary expenses or serious needs and do not qualify for a low interest loan from Small Business Administration (SBA).

In response to Hurricanes Katrina and Rita, FEMA has assisted with housing needs, medical needs, transportation losses, and personal property losses through IHP in an amount over $7.7 billion.

The lessons learned have helped us increase quality and financial controls, increase our capacity to register applicants and refine our processing capabilities to better meet the needs of individuals. FEMA's ability to receive requests for assistance, protect against fraud and abuse and adjust to changing needs of disaster populations during significant recovery periods are being enhanced. FEMA now has the capacity to handle 200,000 assistance calls per day and Choice Point anti-fraud technology has been installed to help validate disaster claims.

Additionally, FEMA has updated housing specifications for purchases of Uniform Federal Accessibility Standard (UFAS) and non-UFAS park models, as well as mobile homes. These units must meet the design and construction requirements established in Title 24 of the Code of Federal Regulations sections 3280.308-309. Units must include weather radios and manufactures must not use materials which emit high levels of formaldehyde during production.

Gulf Coast Housing Strategy Action Plan

Led by FEMA's Gulf Coast Recovery Office (GCRO), FEMA continues to work with remaining temporary housing occupants to ensure they have access a broad range of housing options. The FEMA GCRO developed a formal housing strategy in early 2007 to close travel trailer group sites and ensure a comprehensive approach to transitioning occupants to more suitable long term housing options.

Each FEMA Transitional Recovery Office (TRO) developed a Housing Action Plan to detail specific goals, metrics and tools for accomplishing this mission. The FEMA GCRO prepares detailed weekly progress reports to monitor and report progress in each State.

FEMA is also actively working to increase the rental resources available to the applicants by utilizing the following resources:

- HUD's National Housing Locator System;
- Internet sites;
- Newspaper classified ads;
- Realtor associations;
- Real estate magazines;
- Local governments and agencies, such as City Halls and Chambers of Commerce;
- Word of mouth; and
- Landlord housing fairs.

Affordable housing, particularly rental units, is very limited in many areas along the Gulf Coast. However, FEMA has taken steps to increase the amount of available rental units and reduce the other barriers that may slow the process for an applicant. FEMA redefined the current CLC contract on August 24, 2007, to encourage greater landlord participation and expand the universe of rental properties by adding lease provisions to include the following:

- Payment of rental assistance above the current Fair Market Rate;
- Payment to landlords for utilities if included in the rent payment;
- Payment to landlords for repairs to property damage made by disaster applicants;
- Payment of security deposits, and processing fees for background checks required by some landlords; and,
- Assistance with locating furniture and other necessities to meet basic living needs.

In addition, in October 2007, FEMA reinstituted and expanded a reimbursement program that provides relocation assistance to disaster victims displaced by Hurricanes Katrina and Rita. This program reimburses relocation expenses up to $4,000 for applicants returning to their pre-disaster States. For those families that are already living in their pre-disaster State in FEMA-provided temporary housing, FEMA will pay moving expenses to a FEMA-funded rental resource anywhere in the continental United States, if the new location is greater than 50 miles from the applicant's current location in the State. Relocation assistance is limited to travel costs, furniture transportation expenses, and moving services, and is subject to the overall maximum amount of assistance that applicants can receive under the IHP.

Alternate Housing Options

FEMA only provides temporary disaster housing units when all other housing resources, including rental units, are unavailable. This assistance is only used as a last resort to provide safe, secure, and sanitary housing for eligible disaster victims. This form of temporary housing has proven enormously successful in many smaller-scale disasters, where the duration of occupation typically does not extend beyond 18 months. However, while many forms of traditional manufactured housing may prove invaluable to disaster victims anticipating a short occupation period, they were never designed for long-term occupation.

Alternative Housing Pilot Program (AHPP)

Recognizing that mobile homes and trailers are not ideal housing solutions, Congress provided $400 million for FEMA to conduct an Alternative Housing Pilot Program (AHPP) to identify and evaluate alternatives to travel trailers and mobile homes. After a competitive process, pilot projects in Alabama, Mississippi, Louisiana and Texas were selected for grant awards. Projects submitted by the States included state-of-the-art engineering standards, designed to maximize energy efficiency with environmentally sound materials. Once tested and proven, these alternatives could potentially be used in response to future disasters. The AHPP sites will also include recreational areas for children and adults, community spaces, and support services for disaster-affected households.

Upon completion, these alternative housing projects are expected to provide between 4,100 and 4,900 units for occupation in Gulf Coast States. Actual occupation of units began in June 2007 (in one of the Mississippi projects) and is projected to be underway in all States by April of 2008. All units are projected to be occupied by December 2008.

The AHPP will be evaluated by the US. Department of Housing and Urban Development's (HUD) Office of Policy Development and Research. The evaluation will be used in two ways:

(1) To learn what type of temporary housing solution is the best approach for a full range of housing needs - from a stay of only a few months to a semi-permanent, long-term housing solution.; and
(2) To assess how well States administer temporary housing programs.

We look forward to learning from these pilot projects, and are hopeful they will provide valuable and viable housing options for use in future disasters.

Joint Housing Solutions Group

In September, 2006, FEMA established the Joint Housing Solutions Group (JHSG). The JHSG's purpose is to develop a systematic process to evaluate and rate various disaster housing options, identify viable alternatives to travel trailers and manufactured homes, and recommend improvements for conducting disaster housing operations. After the issuance of FEMA's July 31, 2007 Interim Direction suspending the use of travel trailers and park models, FEMA tasked the JHSG to identify and evaluate feasible forms of alternative housing on an accelerated timeline. The Joint Housing Solutions Group has evaluated 40 different types of units located across the country. They have looked at Gulf Coast cottages with front porches and standing-seam roofs, modular 'folding houses' that could transition to permanent housing, a steel modular modernist-design unit already in use in

some areas, and housing units that basically are converted shipping containers. Costs range from $15,000 to $150,000, with most falling between $20,000 to $50,000.

FEMA is prepared to utilize these housing options in pilot tests in future disasters where we can further study their effectiveness in the field, and gage occupant's responses to the alternative housing. In the meantime, the JHSG will continue to identify and assess the relative merits of additional forms of alternative housing.

Transitioning to Permanent Housing

One of our biggest challenges has been, and continues to be, helping families displaced by Hurricanes Katrina and Rita transition to secure long-term housing. While, over the years, FEMA has continued to be able to provide short-term temporary housing, we recognize that the expertise for longer-term housing resides in our Federal partners at the U.S. Department of Housing and Urban Development (HUD). HUD is responsible for administering the Housing Choice Voucher Program (HCVP), the nation's largest tenant-based subsidy program. HUD with its recognized expertise in providing long-term housing programs has been a particularly important partner in working with FEMA to create the new pilot Disaster Housing Assistance Program (DHAP).

Disaster Housing Assistance Program (DHAP)

On July 26, 2007, FEMA and HUD executed an Interagency Agreement (IAA) establishing the DHAP, a temporary housing rental assistance and case management program for eligible individuals and households displaced by Hurricanes Katrina and Rita. The program is currently being administered through HUD's existing infrastructure of Public Housing Agencies (PHAs). Local PHAs were awarded grants to provide rent subsidies to eligible individuals and households. The designated PHAs will also provide case management services, which will include a needs assessment and individual development plan (IDP) for each family. The objective of the case management services is to promote self-sufficiency for the participating individuals and households. Ultimately, over 40,000 eligible residents displaced by the 2005 Gulf Coast hurricanes will continue to be provided assistance through this partnership with HUD.

Since this partnership began, HUD and FEMA have been working together to transfer information about tenants and their housing situation to ensure that the transition from one agency to another is as smooth as possible. In addition, HUD and PHAs have been aggressively reaching out to families eligible for assistance, sending letters, knocking on doors and calling households to verify information and ensure that no individual falls through the cracks. HUD has also deployed staff members to those cities where the largest numbers of displaced families are currently living.

This is the first time the Federal government has ever carried out such a program. As you may imagine, there are many challenges associated with such a transition. Understanding and clarifying the authorities of each agency, ensuring the right mix of skills and expertise to manage the caseload, and exchanging large amounts of complex data have been among the challenges that FEMA and HUD have faced and resolved, and both agencies are committed to continue to work together to make this new program work.

A Comprehensive, Collaborative Approach to Disaster Housing

There have been many challenges associated with housing a large population for extended periods of time. PKEMRA requires FEMA to develop a National Disaster Housing Strategy (NDHS). FEMA recognizes the need for a comprehensive NDHS, developed and supported by our Federal partners, that will consider types of housing to be used, roles and responsibilities for interim housing versus long term housing, the responsibilities of the federal government versus states and localities, and also other challenges that may exist in implementing solutions

The NDHS will convey national guidance and a vision for providing disaster housing assistance. It will define the roles, programs, authorities, and responsibilities of all entities, detailing shared responsibilities and emphasizing the cooperative efforts between Federal, state, and local jurisdictions required to provide disaster housing assistance. The NDHS will outline the most efficient and cost-effective options for meeting disaster housing needs, and serve as the basis for pre-event planning by all organizations with roles or responsibilities in disaster housing.

The NDHS describes and will address how disaster victims typically move through the continuum of disaster housing as they work to achieve a permanent housing solution. While *sheltering* options are generally available to all affected persons, government-funded interim and permanent *housing* programs have specific eligibility criteria; therefore, not all disaster victims will be eligible for all housing programs. However, the range of program options and alternatives identified within the NDHS will ensure a comprehensive spectrum of viable, available solutions for essential, disaster-related housing needs.

To develop the framework of the NDHS, FEMA initially collaborated with Federal, State, local, and voluntary entities that provide sheltering and housing services to organize information about what can currently be accomplished under existing authorities. Several meetings and working sessions with these partners also focused on serving populations with disabilities, uniformly addressing access issues, special needs, and fair treatment.

The NDHS is under final review in FEMA and will be submitted to Congress by the late spring, before being issued as National Guidance.

FEMA's commitment to improving disaster housing operations can be seen in recent disaster response operations. Following the California wildfires, a Housing Task Force was convened to support local governments by identifying short- and long-term housing options and actions that could be taken to help displaced residents find transitional housing. The task force developed a comprehensive housing plan that included identifying the most heavily impacted areas, on-the-spot registration of shelter populations, analyzing shelter and mass care operations, transitioning applicants to temporary housing, individual case management for applicants with major damage to their primary residences, identifying available rental resources, assessing and assisting special needs populations, and working with local voluntary agencies to identify additional assistance resources. Our response to the recent Tennessee and Arkansas disasters was just as swift and effective.

The lessons FEMA has learned, and the challenges we have faced have served as an impetus to reshape and improve how we deliver assistance. Even when FEMA has faced challenges, we have regrouped, refocused and recommitted to keeping the promise the Administration made over two years ago - helping households recover and re-establish themselves.

Storage and Disposal of Temporary Housing Units:

One of the ways in which FEMA stands ready to assist disaster victims with their housing needs is by pre-staging emergency housing. FEMA currently oversees 15 sites that store manufactured housing units.

Of these fifteen sites, three (Hope, AR, Cumberland, MD, and Selma, AL) have been designated as long-term sites, which hold the majority of the housing units designated for ready response. The projected FY08 budget for the storage, maintenance and security and all other associated costs is $139 million.

As of February 22, 2008, there were 78,956 travel trailers, 2,174 park models and 12,959 mobile homes in FEMA's inventory. Of these units, 1,716 are operational mobile homes, those that are fully mission capable for immediate deployment for occupancy by eligible disaster assistance applicants.

In 2007, FEMA partnered with the General Services Administration (GSA), to use the normal excess property disposal authorities as well as the exchange/sale program. These programs maximize return on Federal funds and include surplus equipment claims and reutilization by other Federal Agencies, donations to both governmental and eligible non-governmental entities, sales to the general public and the flexibility to report units as scrap. FEMA was successful and reducing its inventory at a rate of approximately 1,112 units per month, recovering over $58 million in exchange sales.

In July, 2007, however, FEMA temporarily suspended the sales and disposal of recreational vehicles (travel trailers and park models) currently in its inventory while the agency works with health and environmental experts to assess health-related concerns. As a result, FEMA has temporarily suspended the reporting of excess travel trailers to GSA for sales and donations.

FEMA's top priority is the safety of those affected by disaster, particularly those occupying temporary housing units. Based on the results of the recent formaldehyde testing conducted and the evaluation by the Centers for Disease Control and Prevention, FEMA has developed a plan to safely dispose of all travel trailers in its inventory. FEMA is planning to utilize the GSA Scrap/Salvage Program and the Federal Prison Industries programs (trade name UNICOR) to de-manufacture the units.

The use of these programs insures that we are in compliance with Federal law for disposal of Government assets no longer required by this agency to meet our mission goals. GSA has been a successful partner in allowing FEMA to dispose of over 19,000 temporary housing units from January, 2007 to the suspension of sales on July 24, 2007.

The advantages of UNICOR include the following:

- UNICOR facilities located within proximity of FEMA sites;
- Lower transportation costs due to locations and use of organic assets;
- Lower or no cost to government for labor;
- Money received from recycled materials could cover UNICOR costs;
- Processes already in place to provide Federal/State/local hazardous materials management certificates where required;
- UNICOR has space available to store units waiting de-manufacturing; and
- UNICOR can provide 24/7/365 operations.

We are confident that we can dispose of the trailers in an expeditious manner.

I am aware that Chairman Pryor has introduced legislation, S. 2382, regarding surplus temporary housing units stored by FEMA. I assure you that FEMA does have a plan to drastically reduce the numbers of temporary housing units at our storage sites, with the goal of eliminating all but the 3 sites, Hope, AR; Cumberland, MD; and Selma, AL, by 2009.

As I mentioned, Hope, Arkansas is currently designated as a long term storage site. This is in large part because it is strategically located to provide support for the Gulf Coast and other parts of the nation. As of February 22, 2008, at Hope, there are 19,284 housing units, including 11,728 travel trailers that were returned as a result of Gulf Coast residents moving to permanent housing. The remaining units are mobile homes that are part of FEMA's rapid response capability.

The mobile homes located in Hope supported the California wildfires, Oregon and Washington flooding and the Arkansas, Mississippi, Tennessee tornadoes.

Additionally, FEMA partnered with the Bureau of Indian Affairs and HUD and made 1,000 unused mobile homes available to Tribal Governments, pursuant to PKEMRA. While tribes had begun picking up their units, donations are temporarily suspended as FEMA ensures that health concerns of all occupants are addressed.

Formaldehyde

On February 14, 2008, FEMA and the Centers for Disease Control and Prevention (CDC) released preliminary test results and outlined the steps to be taken to provide for the safety and well being of the residents of temporary housing units. CDC's preliminary evaluation of a scientifically established random sample of 519 travel trailers and mobile homes tested between December 21, 2007 and January 23, 2008 in Mississippi and Louisiana found elevated levels of formaldehyde relative to typical levels of U.S. indoor permanent home exposure.

As a result, FEMA has begun to expedite the relocation of residents from temporary housing units to apartments or other alternative housing. As part of the relocation system currently in place, and its expansion, FEMA has committed to:

- Enter into direct contracts with hotels in order to obtain the needed hotel/motel capacity.
- Utilize contract resources to support local relocation.

- Provide food vouchers and stipends for households relocated to hotels without cooking facilities.
- Enter into direct lease agreements with landlords.
- Contract for temporary storage and/or shipping of household property.
- Contract for the boarding and care of household pets for families relocated to hotels or apartments that don't allow pets.
- Provide furniture for rental units by working with Voluntary Agencies where possible, and will purchasing the furniture when necessary.
- Contract for moving teams and equipment to assist in the movement of households with special medical needs.
- Provide additional staff to our offices on the ground to facilitate and manage the expedited relocation of households.

The priority in relocation will be those occupants expressing a health concern and those most susceptible to health risk such as the elderly, households with young children and those with respiratory challenges. FEMA previously announced a plan to close all group sites and relocate residents by June 1 of this year and will continue this activity as part of our ongoing efforts.

FEMA will coordinate with CDC to provide occupants with additional public health information. Specifically, CDC and FEMA teams will visit each of the CDC tested units to provide occupants with the specific results for their home and advise them on a course of action.

In addition, FEMA will provide caseworker assistance to all temporary housing occupants to ensure best access to information and programs that can lead to permanent housing and self sufficiency.

Following the announcement of preliminary findings, FEMA took additional steps today to address health concerns of occupants of temporary disaster housing by awarding a contract to complete follow-on testing of occupied trailers that will be done on request from occupants nationwide. Testing is underway currently. We fully expect that we will address the concerns of disaster housing occupants by providing unit specific information about formaldehyde, so occupants can make informed decisions about their housing options.

Secretary Chertoff and Administrator Paulison have each made it clear that anyone who wants to move out of their temporary housing unit because of health concerns will be offered alternative housing. On July 21, 2007, FEMA established a toll-free number (1-866-562-2381) for formaldehyde-related concerns. Since July, FEMA has processed 7,161 calls in the Gulf Coast. As of February 8, 2008, all of the 4,782 applicants who have requested alternate housing have been offered alternative housing options. Of those, 2,569 have moved into another housing option. 1,333 have refused all housing options. FEMA continues to provide case management services to remaining applicants while they make final decisions about their relocation alternatives.

Additionally, on February 14, 2008, FEMA expanded our formaldehyde hotline hours to be available 24/7 in anticipation of increased public interest due to the announcement of the preliminary results from CDC. Since that date FEMA has received 1,922 calls to the formaldehyde hotline. Of these calls, 1,332 were from applicants still residing in temporary housing units. As has been FEMA's practice since July, every one of these applicants has been offered an immediate move to a hotel or

motel and 285 applicants in the Gulf Coast accepted this offer since February 14 and have been moved to a hotel/motel (data as of 2/21/08).

In the meantime, we are looking into whether mobile homes will play a role, if any, in housing disaster victims in future catastrophes. In addition, the Federal government is examining the merits of pursuing additional standards relating to formaldehyde.

Summary

In summary, we remain committed to managing a housing program that meets the needs of communities and disaster victims. All aspects of our programs today reflect the lessons learned from Katrina and Rita, due processes for registration, the delivery of disaster assistance quickly, and the provision of disaster victims with a broader range of housing options and case management services. We are a more effective partner with other federal agencies and the states. And FEMA is a better steward of the taxpayer's dollars.

The challenges have sometimes seemed insurmountable, and many times, FEMA has stood alone and received criticism, while continuing to carry out our mission in hundreds of other disasters around this country. FEMA remains committed to utilizing the new resources and authorities provided by Congress to assist communities and victims of disasters affect a full recovery. We expect and look forward to continued close collaboration and cooperation with Congress, as well as with our Federal, State and local government, private sector and voluntary agency partners in emergency management. Thank you for the opportunity to testify. I would be pleased to answer any questions you may have.

WRITTEN STATEMENT OF

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HEARING TITLED

"IS HOUSING TOO MUCH TO ASK FOR?: FEMA'S DISASTER HOUSING STRATEGY"

BEFORE THE AD HOC SUBCOMMITTEE ON DISASTER RECOVERY AND THE AD HOC SUBCOMMITTEE ON STATE, LOCAL AND PRIVATE SECTOR PREPAREDNESS AND INTEGRATION

UNITED STATES SENATE

MARCH 4, 2008

Introduction

Thank you Chairwoman Landrieu, Chairman Pryor, Ranking Member Stevens, Ranking Member Sununu and members of the Subcommittee for inviting me to testify on "Is Housing Too Much to Hope For?: FEMA's Disaster Housing Strategy."

In August 2005, Hurricane Katrina struck the Gulf Coast area of the United States causing unprecedented and catastrophic damage to property, significant loss of life, and the displacement of tens of thousands of families from their homes and communities. In September 2005, Hurricane Rita hit the Gulf Coast area, adding to the property damage and displacement of individuals and families.

Under a Mission Assignment from the Federal Emergency Management Agency (FEMA), the Office of Public and Indian Housing (PIH) developed the Katrina Disaster Housing Assistance Program (KDHAP) and issued guidance to the nation's Public Housing Authorities (PHAs) on how to assist public housing residents displaced by Hurricane Katrina.

HUD's KDHAP provided housing vouchers for evacuee households that were previously receiving public housing and other HUD housing assistance, including homeless people. Under KDHAP, participating individuals and households were eligible to receive rental assistance payments for up to 18 months. These payments were calculated at 100 percent of the fair market rent in any community in the country the evacuee selected, from Portland, Maine to Portland, Oregon. More than 15,000 families received KDHAP voucher assistance.

In December 2005, an additional $390 million in funds were appropriated by Congress to HUD, under Section 8(o) of the United States Housing Act of 1937, 42 U.S.C. 1437f(o) to provide previously HUD-assisted and homeless families displaced by Hurricanes Katrina and Rita with disaster vouchers. Under this legislative authority, HUD was able to once again partner with PHAs and conduct a successful conversion of KDHAP families to the Disaster Voucher Program (DVP). As a result of HUD's efforts, over 33,000 families have been assisted under DVP.

The Disaster Housing Assistance Program – General Program Description

The Administration has recognized the need for continued coordinated, long-term housing solutions for Gulf Coast residents displaced by Hurricanes Katrina and Rita, and HUD has been called upon to design a program to assist displacees through an Inter-Agency Agreement (IAA) between HUD and FEMA. Last spring, HUD and FEMA announced that HUD will take over long-term rental assistance for approximately 45,000 eligible non-HUD assisted families displaced by Hurricanes Katrina and Rita from FEMA through a demonstration program called the Disaster Housing Assistance Program (DHAP).

DHAP has been implemented in phases. During the first phase, FEMA referred approximately 30,000 families to HUD who were receiving financial or rental assistance from FEMA. One-third of these families did not up-date their contact information with FEMA, and as a result the PHAs, HUD and FEMA have not been able to locate these families to commence DHAP assistance on their behalf. However, should these families subsequently contact FEMA, HUD or

the PHAs in the future; they may receive DHAP assistance at that time, provided they are still eligible for such continued disaster rental assistance.

During the second phase FEMA would refer an additional number of families (not to exceed 15,000) to HUD, many of whom had previously been living in FEMA supplied trailers. To date, the number of families referred by FEMA to HUD under this second phase is 8,765 families. These 8,765 families will be assigned to the PHAs beginning this month.

As a result of recent findings regarding formaldehyde levels in FEMA supplied trailers and FEMA's decision to accelerate the relocation of these families to more permanent housing, HUD will implement a third phase of DHAP to include this group of families. DHAP will be vital for helping these families locate a safe place to live, rebuild their lives, get on a path to self-sufficiency, and have the opportunity to return home.

Under the DHAP, HUD is again using its extensive national network of PHAs to provide housing assistance and case management services to DHAP eligible families. These local PHAs already administer the Housing Choice Voucher Program (HCV), the Department's largest rental assistance program, and as a result have the necessary local market knowledge and expertise to assist families through a tenant-based subsidy program. In addition, through their administration of both the KDHAP and DVP, these PHAs are experienced in working with significant numbers of families that have been displaced by disasters.

DHAP provides a monthly rent subsidy to assist eligible families displaced by Hurricane Katrina or Hurricane Rita. PHAs currently administering the HCV program administer DHAP in their jurisdictions. PHAs willing to participate in DHAP entered into Grant Agreements with FEMA to administer DHAP[1]. Rental assistance payments under DHAP commenced December 1, 2007, with pre-transitional case management services beginning for the first group of DHAP eligible families transitioning in September of 2007. Originally HUD and FEMA announced that HUD would assume payments on behalf of DHAP eligible families commencing November 1, 2007, however, as PHAs began the pre-transitional efforts, we determined that family and owner outreach would greatly benefit and the risk of disruption in the flow of assistance payments could be minimized during the transition process by postponing that effective date until December 1, 2007.

To be eligible for DHAP, the family must have been displaced by Hurricanes Katrina or Rita and consequently be either receiving, or be eligible to receive, rental assistance administered by FEMA. FEMA, not the PHA, determines if the family is initially eligible to receive assistance under DHAP. The PHA verifies that a family has been determined eligible for DHAP by FEMA through HUD's web-based Disaster Information System (DIS). DHAP families are required to participate in case management services as a condition of receiving DHAP rental assistance. All family members of the DHAP eligible household are eligible for and will be provided with case management services.

PHA responsibilities under DHAP include calculating the monthly rent subsidy and making monthly rent subsidy payments on behalf of participating families, performing housing quality

[1] See Appendix 1 for a list of participating PHAs.

standards inspections, applying appropriate subsidy standards for families, and determining rent reasonableness for certain units. The PHA is also responsible for terminating the family's participation in DHAP if the family fails to comply with the family obligations of the program. These family obligations include participating in the required case management services component of the program, as well as requirements such as complying with the lease, notifying the PHA before vacating the unit, and not engaging in drug-related or violent criminal activity.

The monthly rent subsidy is based on the higher of the Fair Market Rent (FMR) published by HUD, or the payment standard established by the PHA for the HCV program for the area in which the family's unit is located. In addition, if the family was receiving FEMA rental assistance in the unit immediately before the family's transition to DHAP, the amount of the monthly rent subsidy shall not be less than the FEMA rental assistance payment paid on behalf of the family for that particular unit. In no case may the monthly rent subsidy exceed the rent to owner under the lease.

Family income is not considered in calculating the monthly rent subsidy. A family may rent a unit under DHAP where the rent exceeds the monthly rent subsidy. However, in such cases, the family is responsible for covering the portion of the rent that exceeds the monthly rent subsidy. Tenants are also responsible for any utility costs that are not included in the rent under the lease.

DHAP is a temporary housing assistance program that terminates as of March 1, 2009. In order to prepare the family for the inevitable discontinuation of federal disaster assistance, case management services are provided for the entire duration of DHAP. These case management services include assisting participants to identify non-disaster supported housing solutions such as other affordable housing options that may be available for income-eligible families.

Case Management

During the time the family is assisted under DHAP, each family must participate in case management services provided by the PHA. Case management services are required as part of the DHAP. PHAs report case management outputs and resident outcomes through a HUD web-based tracking system – Tracking at a Glance (TAAG). The system tracks information such as the number of families being served and progress toward self-sufficiency goals. The web-based tracking system is designed for use by case managers to input data as they work with families. The data is compiled by the system to create a case management report for the PHA and HUD.[2] A technical assistance provider is assigned to each DHAP grantee. Technical assistance providers assist DHAP grantees with software questions and reporting issues. There are currently over 1,200 users within the system.

Regional trainings on the TAAG software were provided in seven cities: Houston, Dallas, San Antonio, New Orleans, Baton Rouge, Atlanta and Memphis. Participants represented over 26,000 DHAP cases, or approximately 80% of all families covered under the program. Follow-up on-site training was provided to all of the 10 largest DHAP grantees. An eighth regional training will be provided following the transition of families from FEMA travel trailers to DHAP

[2] See Appendix 2 for Emerging Household Characteristics Data from Tracking at a Glance

assistance. In addition, web based training on the TAAG system have been provided and are available on demand to users.

Case management services are either provided in-house by PHA staff or PHAs may contract with another entity to provide these services. The ratio of case managers to participants is 1:50. Regardless of the delivery option implemented by the PHA, the PHA is ultimately responsible for the provision of the case management services; reporting outputs and outcomes to HUD; and documenting that case management services are being provided to the family. If the PHA chooses to contract with another entity for the provision of case management, the Request for Proposals and contract must require the contractor to use the web-based tracking system provided by HUD and ensure that the reported data is valid. There are currently over 600 case managers registered around the country.

Case management services include a needs assessment and an individual development plan (IDP) for each family. The assessment and IDP guide the service provision to the family for the duration of the family's participation in DHAP. The objective of the case management program is greater self-sufficiency for participating families. In cases where families may continue to need rental assistance when DHAP ends, the case management service providers help the family identify other non-disaster supported housing solutions.

Elderly and Disabled

HUD is paying special attention to elderly and disabled residents to ensure they receive services and housing consistent with their needs. HUD expects to have a full count of all DHAP heads of household that are elderly and disabled by March 31, 2008. This will include an assessment of how many will require long-term subsidized or supportive housing. DHAP case managers will work with elderly and disabled residents to increase their activities of daily living, connect those that are able to work with employment, and ensure that they transition into permanent housing as soon as possible.

As part of its 2009 budget request, the Department proposed $39 million in new budget authority to provide continued assistance for elderly and disabled DHAP participants (Disaster Displacement Assistance).[3]

This request allows for continued assistance to our most vulnerable populations that were displaced by Hurricanes Katrina and Rita and are currently receiving temporary housing assistance under DHAP. This funding, if provided, will permit HUD to continue to assist these otherwise eligible senior and disabled families when DHAP assistance expires March 1, 2009. The Department is committed to protecting this population since they are most likely unable to recover from such catastrophic disasters.

DHAP Eligible Families

The following two categories of families constitute the vast majority of families that represent the first phase of families to transition to DHAP, with pre-transitional case management services:

[3] See Appendix 3 Congressional Justification for 2009 Budget Estimates for Disaster Displacement Assistance

(1) A family that received rental assistance under the Stafford Act from FEMA through FEMA's contractor, Corporate Lodging Consultants (CLC), and FEMA determined the family was eligible for continued rental assistance. CLC entered into a Direct Assistance Program (DAP) contract with owners for units leased by these families.

(2) A family that received rental assistance from FEMA in a privately-owned rental unit, but not through CLC, and FEMA determined the family was eligible for continued rental assistance. In this situation, there no contractual relationship between FEMA and the owner existed.

As noted, earlier this year HUD began working with FEMA to transition the second phase of eligible families to DHAP. These 8,765 families have relocated out of travel trailers and into rental housing in the private market. The families have been added to the DIS and will be uploaded to PHAs on March 14, 2008, to begin case management services. PHAs will execute DRSCs with landlords on behalf of these families effective May 1, 2008.

Phase 3 families will be transitioned, on an on-going basis, to DHAP by FEMA. FEMA is expediting the relocation of residents from FEMA supplied trailers and mobile and home parks to other housing following the preliminary results of the formaldehyde testing conducted by the Centers for Disease Control and Prevention (CDC) in Louisiana and Mississippi. Many of these Phase 3 families will immediately transition to DHAP in their new rental units (as opposed to first receiving rental assistance for an interim period of time from either FEMA or CLC, as is the case with the Phase 2 families). HUD expects to begin receiving the first set of data from FEMA on Phase 3 families beginning March 21, 2008 and will continuously upload these families to DIS as the data is received from FEMA. Unlike Phase 1 families, who started contributing toward their rent beginning March 1st, families under Phases 2 and 3 will have their rent contributions waived through the program's termination on March 1, 2009.

Implementation

The implementation of DHAP is well underway, and HUD has been able to successfully overcome many obstacles to program operations. Amendments to existing policy have been made where necessary to avoid unintended consequences to program participants. For example, HUD developed guidance for temporary bridge payments to ensure there was no disruption in rental assistance payments during the months of December, January and February. (The topic of bridge payments is discussed below). Programmatic changes have been made thoughtfully, yet swiftly to accommodate the evolution of the Disaster Housing Assistance Program. Aside from the many adjustments in DHAP execution, the implementation of DHAP is progressing and going quite well. To date, HUD has:

- Developed Standard Operating Procedures for PHAs that administer DHAP;
- Developed Case Management Procedures;
- Developed the web-based case management software for PHAs – Tracking at a Glance;
- Enhanced DIS (our systems manager for DVP) to include DHAP

- Conducted on-site meetings with PHAs, landlords and advocacy groups in jurisdictions that have the largest number of DHAP eligible families;
- Conducted on-site technical assistance at PHAs to assist in the pre-and post-transition process;
- Conducted six interactive webcasts to provide program information and respond to questions on DHAP from HUD field offices and PHAs;
- Conducted training sessions in seven cities across the country on case management and Tracking at a Glance;
- Developed the Disaster Rent Subsidy Contract and Lease Addendum;
- Developed a Federal Register Notice to apprise the public of DHAP;
- Developed Frequently Asked Questions which are posted on the Office of Public and Indian Housing's Disaster Recovery Resources webpage;
- Worked with the Office of the Inspector General to ensure procedures are in place to safeguard against fraud;
- Together with FEMA, executed 343 grant agreements with PHAs that have agreed to participate in DHAP representing over 30,218 DHAP eligible families.[4]
- Established a referral call center with a toll-free number for families and PHAs seeking additional information.
- Processed bridge payments to ensure a smooth payment transition from FEMA to HUD.
- Developed numerous policy letters.
- Procured a Contractor to assume DHAP project management.
- Formed solid partnerships with industry, legal and advocacy groups to guarantee active PHA participation and ensure that valuable feedback from those groups was incorporated as part of the DHAP program operating requirements, and that appropriate representation is provided to all DHAP families
- Developed a proactive working relationship with advocacy groups in New Orleans to ensure tenant concerns are considered in the implementation and execution of DHAP.

On-Going Day-to-Day DHAP Management

The day-to-day management of DHAP is quite extensive. HUD provides technical assistance and policy guidance to PHAs and field staff on DHAP implementation on a daily basis. Because of the evolving nature of DHAP, and in an effort to improve initial data provided by FEMA, data fixes are a regular part of DHAP operations. HUD has processed several back-end data fixes to repair data elements. Over 10 major reassignments (1000 records or more) have been processed and completed by HUD staff to fix PHA assignment of families as a result of incorrect rental unit address information for families. In most cases families failed to update their rental unit information with FEMA or had subsequently moved. Funding reports,[5] reports to FEMA that include the number of grant agreements, and funding and leasing information,[6] fund status

[4] 30,218 eligible families represent the total number of phase 1 referrals that have been assigned to a PHA. See Appendix 4 for number of families assisted, families in process, families where no contact has been made and those whose participation has been terminated.
[5] See Appendix 5
[6] See Appendix 6

reports,[7] and DHAP payment status reports covering the PHAs with the greatest number of DHAP families[8] are all generated on a weekly basis.

As part of the day-to-day management of DHAP, HUD also engages in website management including:

- Posting on HUD's website data and programmatic rules and regulations for DHAP;
- The creation of a DHAP Share Point website creation for HUD internal usage; and
- Share Point Updates performed on a weekly basis.

Barriers to Implementation and Solutions

In the initial developmental stages of DHAP, HUD and FEMA faced structural barriers to implementing DHAP as quickly as the agencies would have liked as a result of limitations imposed under the Stafford Act. DHAP is a pilot program and there were many discussions between FEMA and HUD that sought to reconcile the provision of rental and direct assistance for disaster displaces under the Stafford Act with HUD's traditional role in providing longer term affordable housing assistance.

An additional unanticipated barrier to DHAP implementation was realized when HUD performed a match of local PHAs throughout the country with locations of DHAP-eligible families and discovered that in some areas there was no PHA eligible or willing to participate in DHAP. To address this situation, DHAP USA was established by the Harris County Housing Authority. HUD asked the Harris County Housing Authority to take on this added responsibility because of its outstanding DHAP operational efforts in Houston, Texas, where the largest concentration of DHAP eligible families currently reside.

Locating DHAP-Eligible Families

Another major challenge faced in the implementation of DHAP has been the difficulty in to locating some DHAP-eligible families. Despite extensive efforts undertaken by both the PHAs and HUD, over one-third of Phase 1 families referred to HUD have never responded to outreach and as a result have not transitioned to the DHAP. The steps taken by HUD and the PHAs to make contact with these families are outlined in the section of this document titled, "Due Diligence.

For other families that did respond, but were not able to complete the transition process to ensure timely processing of rental assistance payments by PHAs to the family's landlord, temporary bridge payments were made on their behalf. The procedure for making bridge payments is discussed below.

[7] See Appendix 7
[8] See Appendix 8

Bridge Payments

Despite best efforts it became increasingly clear during the month of November that some families would not be covered by a DRSC effective December 1, 2007. FEMA consequently directed HUD to take alternative measures in order to ensure that there would be no disruption in rental subsidies paid on behalf of those families not covered by a DRSC during the transition to DHAP in the months of December 2007 and January 2008.

For the month of December HUD determined that many PHAs did not have sufficient time to either complete family outreach efforts or to complete data entry for all of the PHA's families by the HUD imposed deadline for payment processing. In consultation with FEMA, HUD consequently decided to make December bridge payments on behalf of **all** covered families[9] where the DIS record as of November 21, 2007, indicated that a DRSC had not yet been executed on behalf of the family.

For those families that were previously assisted by FEMA's contractor Corporate Lodging Consultants (CLC) under FEMA's Disaster Assistance Program, CLC made the December bridge payment to the owner of the FEMA assisted unit of record under the existing Disaster Assistance Program/Payments (DAP) contract between CLC and the owner. For families that were previously receiving assistance directly from FEMA, FEMA made the December payment to the family provided the family remained eligible for additional FEMA assistance. Families who moved from the FEMA assisted unit were not eligible for bridge payments.

CLC or FEMA also made a second bridge payment for January 2008 on behalf of eligible families that were not yet under a DRSC and were still residing in their FEMA assisted units. However, the January 2008 bridge payment was only made if the PHA reported that the PHA had succeeded in contacting the family.

CLC or FEMA also made a third bridge payment for February 2008 on behalf of eligible families that were not yet under a DRSC and were still residing in their FEMA assisted units. However, the February 2008 bridge payment was only made if the PHA reported that:

1. The PHA had succeeded in contacting the family; and
2. The family had not refused to comply with the family obligations of the DHAP (including participation in the case management component of the program).

Bridge Payments for the month of March are being made in very limited circumstances at a PHA's request.

Due Diligence

HUD, FEMA and local PHAs have engaged in extensive outreach efforts to contact families who FEMA has determined eligible for DHAP assistance. HUD's Office of Public Affairs ran a

[9]These are families that received either FEMA rental assistance payments through Corporate Lodging Consultants (CLC) or assistance directly from FEMA for the month of November 2007. December bridge payments were not provided on behalf of families where the PHA had completed an End of Participation (EOP) record on the family.

$150,000 press campaign to apprise DHAP eligible families of the program and to provide them with contact information. HUD and FEMA have mailed numerous letters to families informing them of the DHAP transition and providing them with contact information. As recently as last week HUD and FEMA mailed approximately 4,000 additional letters to DHAP families again reminding them that in order to receive rental assistance they must agree to case management services, locate a DHAP eligible unit and the landlord and PHA must sign a DRSC[10]. PHAs in areas where the vast majority of DHAP eligible families are located have also taken numerous steps to contact families. Some of the efforts taken are highlighted below:

New Orleans Area Accomplishments

- Southern Louisiana (New Orleans, E. Baton Rouge, Jefferson Parish PHAs) area public housing agencies in the New Orleans areas are assisting approximately 5,000 DHAP families and have mailed 5,000 informational DHAP letters to the FEMA families affected by Hurricanes Katrina and Rita;
- Housing Authority of New Orleans has made over 6,000 repeated phone calls to families (includes reschedules, 2nd and 3rd attempts, etc.);
- Housing Authority of New Orleans has held DHAP briefings for approximately 2000 families;
- Housing Authority of New Orleans has held approximately 1000 landlord briefings;
- Housing Authority of New Orleans has assigned approximately 1000 Housing Quality Standard inspections throughout the New Orleans area;
- Housing Authority of New Orleans has assigned approximately 1,500 families for one-on-one case management.

Houston/ Harris County Outreach Accomplishments

- Houston/Harris County area public housing agencies are assisting over 10,000 DHAP families and have created new facilities to implement DHAP;
- Created DHAP information packets to ensure a smooth transition between public housing agency, landlords and DHAP families;
- Created case management facilities to assist families in meeting individual goals;
- Created DHAP DVDs to educate families and landlords on the DHAP program;
- Public Housing agencies mailed approximately 10,000 informational DHAP letters;
- Have deployed staff to physically knock on doors at the most recent address on file for DHAP eligible families.

Dallas-Ft. Worth Accomplishments

- The Dallas/Fort Worth Metropolis has approximately 11 public housing agencies that are assisting families through DHAP. Those 11 PHAs have conducted outreach to over 2,500 families through letters, telephone calls, and by visiting the residences of families who cannot come to them;
- The Arlington Housing Authority has provided DHAP assistance to families in remote areas in Texas where there are no public housing agencies. The agency is willing to

[10] See Appendix 9 Letter to Families Not Under a DRSC dated February 29, 2008

travel hundreds of miles throughout the term of the program to ensure one family receives the benefits of DHAP.

Conclusion

Like KDHAP and DVP, the Department developed and is implementing DHAP. With the help of our network of knowledgeable PHAs, DHAP will be as successful as its predecessor disaster programs. The Department firmly believes DHAP will help even more families whose lives were so severely affected by Hurricanes Katrina and Rita to find stable, more long-term housing solutions.

On behalf of Secretary Alphonso Jackson, I want to thank you for affording our Department the opportunity to testify on FEMA's Disaster Housing Strategy. We look forward to working with you to ensure that the housing needs of disaster displacees continue to be met.

Testimony
Subcommittee on Disaster Recovery and Subcommittee on State, Local, and Private Sector Preparedness and Integration,
Committee on Homeland Security and Government Affairs
United States Senate

CDC's Response to Health Concerns Related to FEMA-Provided Travel Trailers and Mobile Homes in the Gulf Coast Region

Statement of
Howard Frumkin, MD, DrPH
Director, National Center for Environmental Health/Agency for Toxic Substances and Disease Registry
Centers for Disease Control and Prevention
U.S. Department of Health and Human Services

For Release on Delivery
Expected at 10:00 a.m.
Tuesday, March 4, 2008

Introduction

Good morning Chairpersons Landrieu and Pryor and other distinguished Members of the Committee. Thank you for the opportunity to be here today. I am Dr. Howard Frumkin, Director of the National Center for Environmental Health/Agency for Toxic Substances and Disease Registry (NCEH/ATSDR) at the U.S. Centers for Disease Control and Prevention (CDC).

Today, I will describe our interim results of indoor air quality in occupied travel trailers and park and mobile homes provided by FEMA for use as temporary housing in the Gulf Coast region. I will also discuss our current and planned activities to evaluate further health concerns related to FEMA-provided travel trailers and park and mobile homes.

Background

FEMA officially requested CDC assistance in answering questions related to indoor air quality of the travel trailers and park and mobile homes provided by FEMA, and the health of the occupants of those units, in a letter to CDC Director Dr. Julie Gerberding dated July 13, 2007. Following discussions with FEMA and the Department of Homeland Security, CDC identified and initiated several public health response actions.

Health concerns related to possible formaldehyde exposure have been communicated by residents of FEMA-provided travel trailers and park and mobile homes. Formaldehyde is a colorless, flammable gas that has a distinct, pungent

smell. It is used in the production of fertilizer, paper, plywood, and urea-formaldehyde resins. Formaldehyde is also produced by cigarettes and other tobacco products, gas cookers, and open fireplaces. Finally, formaldehyde is used as a preservative in some foods and in many products used around the home. Formaldehyde can cause irritation of the eyes, nose, throat, and skin. The International Agency for Research on Cancer has determined that formaldehyde may reasonably be anticipated to be a carcinogen.

Formaldehyde levels to which people are typically exposed can vary widely. In general, formaldehyde levels in indoor air have been declining since the mid-1980s because of improvements in construction materials and practices. A study conducted between 1999 and 2001 of 300 homes of different types in 3 cities found a mean level of formaldehyde of 3 ppb for outdoor ambient air and 30 ppb for indoor air concentrations. While this study was not designed to be nationally representative (for example 75% of homes did not have indoor carpet), these data represent some of the best available recent information.

There is no specific level of formaldehyde that separates "safe" from "dangerous." We have not cited here the various exposure limits that have been developed for formaldehyde because they are widely variable and none relate directly to occupied trailers; however, as the formaldehyde level rises, the risk of health consequences rises. At higher levels, people could have acute symptoms such as coughing and irritated eyes and throat. Even at levels too low to cause symptoms, there could be an increased risk of cancer.

It is important to note that formaldehyde is not the only potential health issue related to living in temporary housing units. Other potential health issues for temporary housing residents relate to mold and moisture, safety concerns, mental health issues, and disruption of day-to-day lives. CDC continues to consider the range of health issues that are important to public health. CDC's goal for healthy homes is to protect and promote health through safe and healthy home environments. The efforts to address these broader health concerns related to FEMA-provided temporary housing fit within this goal by employing a more holistic approach to health and housing issues. As with other CDC Healthy Homes programs, such as the Childhood Lead Poisoning Prevention Program and the program to prevent carbon monoxide poisoning following disasters, CDC seeks to identify health concerns and potential threats and to develop targeted prevention programs. We will continue to work with FEMA, community-based organizations, and residents to address the unique health concerns related to temporary housing and relocation.

Testing Results for Occupied Travel Trailers and Mobile Homes

One critical action CDC undertook was testing of currently occupied travel trailers and park and mobile homes. The purpose of this testing was to assess levels of formaldehyde in indoor air of occupied travel trailers and park and mobile homes provided by FEMA as temporary housing for displaced residents of the US Gulf Coast Region in Mississippi and Louisiana following Hurricanes Katrina and Rita.

CDC tested a statistically valid random sample of 519 travel trailers and park and mobile homes in Mississippi and Louisiana between December 21, 2007, and January 23, 2008. The interim evaluation of the data from those tests revealed the following key findings:

- In many of the travel trailers and park and mobile homes tested, formaldehyde levels were higher than typical levels (based on recent sampling) of US indoor exposure in single-family homes and apartments.
- Average levels of formaldehyde in all units were about 77 parts per billion (ppb). This level is higher than US background levels in single-family homes and apartments and, at the levels recorded in many travel trailers, health could be affected. Levels measured ranged from 3 ppb to 590 ppb.
- These contemporary measured levels are likely to under-represent long-term exposures because formaldehyde levels tend to be higher in newer travel trailers and park and mobile homes and during warmer weather.
- Higher indoor temperatures were associated with higher formaldehyde levels in this study, independent of trailer make or model.
- Formaldehyde levels varied by type (mobile homes, park homes, and travel trailers), but all types tested had some elevated levels compared to recent data on single-family homes and apartments.

It is important to note that the findings are based on a sampling conducted only for those units provided by FEMA and currently in use in Mississippi and Louisiana. Other trailers used elsewhere could differ based on their age, the characteristics of their manufacture, the circumstances of their use, or the

characteristics of their environment. For example, because temperature and humidity affect formaldehyde levels, travel trailers and park and mobile homes in cooler, drier climates may have different levels.

Based on this study's interim findings, CDC issued recommendations for both public health officials and residents. Specifically:

Recommendations for Public Health, Emergency Response, and Housing Officials

- These conclusions support the need to move quickly to relocate residents before the weather in the region warms up. The highest priority should be persons who are:
    - Currently having symptoms that could be attributed to formaldehyde exposure;
    - Especially vulnerable (i.e. children, the elderly, and those with chronic diseases); and/or
    - Living in FEMA-provided trailer types that tend to have higher formaldehyde levels.
- Appropriate follow-up will require multi-agency collaboration including FEMA, the U.S. Department of Housing and Urban Development (HUD), CDC, and others, to achieve safe, healthy housing for people displaced by Hurricanes Katrina and Rita who continue to live in FEMA-provided travel trailers and park and mobile homes.

- FEMA and CDC will consider supporting the establishment of a registry to conduct long-term health monitoring of children and others who resided in FEMA-provided travel trailers and park and mobile homes in the Gulf Coast Region.

Recommendations for Residents Still Living in FEMA-Provided Travel Trailers and Park and Mobile Homes

- Families who live in FEMA-provided travel trailers and park and mobile homes should spend as much time outdoors in fresh air as possible.
- Open windows as much as possible to let in fresh air.
- Try to maintain the temperature inside travel trailers and park and mobile homes at the lowest comfortable level.
- Do not smoke, especially inside.
- If you have health concerns, see a doctor or another medical professional.
- Families that include children, the elderly, and those with chronic diseases such as asthma should make a special effort to get as much fresh air as possible.

CDC has notified all study participants in person of their individual findings and is currently conducting public availability sessions in both Louisiana and Mississippi to provide information to other concerned and interested individuals. CDC's 24-hour toll-free hotline (1-800-CDC-INFO) responded to more than 1,000 calls last month and continues to be a resource for health-related questions from residents. In addition, CDC is providing educational materials for residents of

travel trailers and park and mobile homes about their risk of exposure to formaldehyde and ways to improve their indoor air quality and health.

These findings are preliminary. A final report is expected to be published in the spring of 2008. This report will also include information about other factors that may affect formaldehyde levels as well as more complete information about formaldehyde levels in each type of unit.

Additional On-going and Future CDC Activities

CDC has additional activities on-going, as well as a number of planned future activities related to FEMA-provided travel trailers and park and mobile homes.

Unoccupied Travel Trailers and Mobile Homes

CDC has an approved protocol to assess formaldehyde levels across different models and classes of unoccupied travel trailers and park and mobile homes purchased by FEMA. The purpose of this sampling is to identify factors that may predict high exposure scenarios inside the units and to investigate cost-effective solutions to reduce formaldehyde concentrations. In addition, data analysis is underway regarding components of travel trailers and park and mobile homes that were tested for off-gassing of formaldehyde. FEMA provided the units to be tested. CDC collected the samples of travel trailer and park and mobile home components for testing at Lawrence Berkeley National Laboratory under an interagency agreement.

Child Health Investigations

Pediatricians in Mississippi and Louisiana first brought the possibility of health effects associated with living in travel trailers and park and mobile homes purchased by FEMA to the public's attention. These physicians observed respiratory and skin symptoms in their patients that they thought might be associated with living in the trailers. Investigating potential implications for children's health is an important component of CDC's overall investigation.

The goal of the children's health investigations is to determine if adverse children's health effects, such as respiratory illness and dermal reactions, are associated with living in a travel trailer, park home, or mobile home purchased by FEMA in a storm-damaged region of the U.S. Gulf Coast. CDC has described two health investigations, one well underway, and the other in development:

- CDC has conducted a chart review of available medical records of children who were treated for respiratory illness, skin conditions, or gastrointestinal illnesses in Hancock County, Mississippi. CDC scientists conducted field work in November 2007 with all pediatric health care providers in the county. Data analysis and follow-up interviews have been completed and the report is being finalized.
- CDC is also planning a cohort study of children who were affected by Hurricanes Katrina and Rita and who, as a result, lived in travel trailers and park and mobile homes purchased by FEMA in areas of Alabama,

Louisiana, Mississippi, and Texas. CDC will recruit children from those households who received housing assistance from FEMA in the form of a travel trailer or park or mobile home and will follow participating children for approximately five years. CDC is currently completing the protocol for the study. The protocol will be peer-reviewed prior to submitting it for Institutional Review Board (IRB) approval in April.

Expert Panel Review

CDC convened an independent panel of experts in September 2007 to provide the best scientific knowledge about indoor air quality in travel trailers and mobile homes used as emergency housing. The panel also offered individual advice and guidance regarding the development of methods for CDC's recent testing of travel trailers and park and mobile homes. CDC has posted a summary of the panel's recommendations at:
http://www.cdc.gov/nceh/ehhe/trailerstudy/pdfs/FEMAExpertPanelSummary.pdf
CDC will reconvene an expert panel later this year to discuss the results of the indoor air quality assessments and the protocol for the proposed child health study.

Health Communication

Health education and communication are critical component of CDC's response. The goal of CDC's health communication program is to educate and inform by providing residents with information to help them in making decisions about where to live and how to reduce health risks. In addition to providing health

information directly to residents, CDC has worked closely with FEMA to develop and implement communications strategies to keep residents informed of activities that could affect their health.

Teams of communication specialists from CDC have spent time in Louisiana and Mississippi meeting with community-based organizations, community leaders, and health care providers to better understand the health information needs of residents living in FEMA-provided travel trailers and mobile homes.

CDC has developed a series of printed materials in multiple languages to assist both residents and health care providers. The materials provide information about formaldehyde as well as other indoor air quality issues and help residents assess their level of risk and understand how to reduce it. CDC also has developed messages for radio and other audio distribution. These materials are available online at www.cdc.gov/nceh/ehhe/trailerstudy.

Conclusion

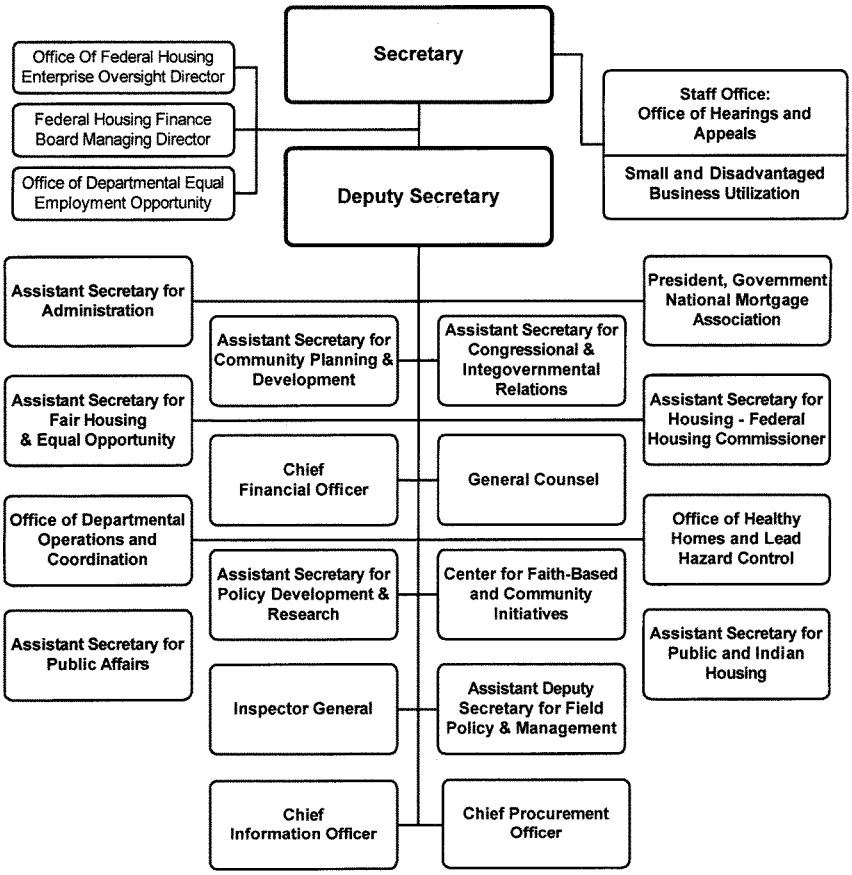
Since receiving the official request from FEMA in July 2007, CDC has responded with a multi-part approach to assess actual exposures, determine whether feasible methods exist to reduce formaldehyde levels, develop knowledge and understanding of health effects in vulnerable populations, and provide residents and health care providers with health information to recognize and reduce health effects potentially related to indoor air quality issues. CDC continues to assess

the health concerns related to the aftermath of the hurricanes along the Gulf Coast, and the larger implications of these concerns.

The interim results of CDC's testing of occupied travel trailers and park and mobile homes purchased by FEMA support the need to move quickly to relocate residents as soon as possible. It is important to note that the findings are based on a sampling conducted only on those units provided by FEMA and currently in use in Mississippi and Louisiana. Therefore, these findings cannot be generalized to include all travel trailers and park and mobile homes. We do not know whether these findings would be representative of findings in a similar study of travel trailers and park and mobile homes in other circumstances. However, we recognize that more needs to be done to understand the health and safety issues for all people living in trailers and park and mobile homes, both in FEMA temporary housing and in other units bought commercially, including not only units used as homes, but also those serving as temporary classrooms and offices. CDC has initiated discussions with FEMA and HUD on these issues. Since some trailer types had relatively low levels, we believe that construction practices are available that could assure safe, healthy conditions. We hope to provide technical input to help achieve that kind of housing for all Americans who live, learn, or work in these units.

We agree with FEMA that displaced residents should be moved into permanent housing. CDC's goal is to help residents reduce risks to their health until then and to protect their health during the process of relocating to permanent housing.

Thank you for the opportunity to provide this testimony on CDC's activities related to health concerns and FEMA-provided travel trailers and mobile homes. I would be happy to answer any questions you may have.


Secretary
Office Of Federal Housing Enterprise Oversight Director
Federal Housing Finance Board Managing Director
Office of Departmental Equal Employment Opportunity
Staff Office: Office of Hearings and Appeals
Small and Disadvantaged Business Utilization
Deputy Secretary
Assistant Secretary for Administration
President, Government National Mortgage Association
Assistant Secretary for Community Planning & Development
Assistant Secretary for Congressional & Integovernmental Relations
Assistant Secretary for Fair Housing & Equal Opportunity
Assistant Secretary for Housing - Federal Housing Commissioner
Chief Financial Officer
General Counsel
Office of Departmental Operations and Coordination
Office of Healthy Homes and Lead Hazard Control
Assistant Secretary for Policy Development & Research
Center for Faith-Based and Community Initiatives
Assistant Secretary for Public Affairs
Assistant Secretary for Public and Indian Housing
Inspector General
Assistant Deputy Secretary for Field Policy & Management
Chief Information Officer
Chief Procurement Officer

De Rosa, Christopher (Chris) (ATSDR/DTEM/OD)

To:	Frumkin, Howard (ATSDR/OA/OD); Sinks, Tom (ATSDR/OA/OD); 'Meiburg.Stan@epamail.epa.gov'; Deitchman, Scott (CDC/CCEHIP/NCEH); Allred, Phillip M. (Mike) (CDC/CCEHIP/NCEH)
Cc:	Fowler, Bruce (ATSDR/DTEM/OD); Murray, Ed (ATSDR/DTEM/ATB); Orloff, Ken L. (OIG); Osterloh, John (CDC/CCEHIP/NCEH)
Subject:	FW: Indoor air formaldehyde

Howie and et. al.,

We should be very cautious about the use of the word "safe" in reference to formaldehyde. Since it is a carcinogen it is a matter of science policy that there is no "safe" level of exposure. DHHS has classified formaldehyde as "reasonably anticipated" to be a human carcinogen." IARC has determined that formaledhyde is "probably carcinogenic to humans" while EPA has determined that formaldehyde is "a probable human carcinogen."

In addition to cancer formaldehyde has been shown to be a reproductive/developmental toxicant and is a skin sensitizer as is evidenced by the reported symptoms of the children in the trailers in Mississippi. These overt symptoms will propably trigger sensitization in some proportion to varying degrees in children.

Nevertheless, there are acute, intermediate and chronic inhaliation MRLs in our toxicological profile as well as intermediate and chronic oral MRLs for non-cancer end points. Since these values have been peer and publically reviewed, I would suggest that they be used as a point of departure for any deliberative process.

Also, please note that it has been demonstrated that formaldehyde potentiates the effects of the triazide monomer found in melamine which is currently a dietary concern being addressed by FDA in consultation with a number of different agencies including CDC/NCEH and ATSDR.

To my knowledge this represents the third time that FEMA has approached NCEH/ATSDR requesting that we specify safe levels of exposure to formaldehyde. In two instances they specifically requested that we limit the scope of our response to short term exposures. Last fall, I was contacted by FEMA in region 4 requesting that I review and approve a modified version of our ToxFaqs sheet. More recently we were contacted through OPTER again requesting guidance for short term exposures only.

For these reasons we should be very cautious in making a public health call on this issue.

Chris

Christopher T. De Rosa, M.S., Ph.D.
Director, Division of Toxicology and Environmental Medicine Agency for Toxic Substances and Disease Registry 1600 Clifton Road - Mailstop F32 Atlanta, GA 30333
(770) 488-7003

-----Original Message-----
From: Murray, Ed (ATSDR/DTEM/ATB)
Sent: Friday, June 01, 2007 4:31 PM
To: De Rosa, Christopher (Chris) (ATSDR/DTEM/OD)
Subject: FW: Indoor air formaldehyde

fyi

Ed

-----Original Message-----
From: Fowler, Bruce (ATSDR/DTEM/OD)
Sent: Friday, June 01, 2007 2:27 PM
To: Orloff, Kenneth G. (ATSDR/DHAC/OD); Murray, Ed (ATSDR/DTEM/ATB)
Subject: Re: Indoor air formaldehyde

A-47-7

Hi Ken: I am sure we can help out. I am copying Ed Murray on this and will ask him to forward the name of our SME on formaldehyde to you. I will also voluinteer if needed. I thought they had stopped using the foam insulation in mobile homes long ago. Wow-lowest bidder.
Best,
Bruce

Sent from my BlackBerry Wireless Device

-----Original Message-----
From: Orloff, Kenneth G. (ATSDR/DHAC/OD)
To: Fowler, Bruce (ATSDR/DTEM/OD)
CC: Cibulas, William (ATSDR/DHAC/OD); Williams-Fleetwood, Sharon O. (ATSDR/DHAC/OD)
Sent: Fri Jun 01 14:00:13 2007
Subject: Indoor air formaldehyde

Bruce,

FEMA and the Department of Homeland Security have requested assistance from NCEH in investigating reported respiratory illness in children who are living in trailers provided by FEMA for families displaced by Hurricane Katrina. As you are probably aware, Scott Wright and Joe Little have written a health consultation that assesses the impact of various ventilation methods on indoor air levels of formaldehyde in these trailers.

As part of its investigation, NCEH has asked DHAC to recommend indoor air levels of formaldehyde that would be safe for residents of FEMA trailers (there are no EPA or federal standards). To respond to this request, I will be chairing a small ad hoc work group of toxicologists and health assessors. I would appreciate DTEM's participation in this workgroup, and I am requesting 1 or 2 DTEM staff to participate in the discussions. This is a fast-track request, and I hope to get a recommendation out in 30-days.

Please indicate if DTEM can participate.

Thanks, Ken

A - 48

Question#:	1
Topic:	housing options
Hearing:	Is Housing Too Much to Hope For? FEMA's Disaster Housing Strategy
Primary:	The Honorable Mark Pryor
Committee:	HOMELAND SECURITY (SENATE)

Question: In the hearing, you mentioned that the National Disaster Housing Strategy would be submitted to Congress by April 1. What types of housing options beyond trailers will it include? Is there a process in place to ensure that it is updated as new emergency housing options are approved? In addition to input from various federal agencies – FEMA, the CDC, and HUD – did the plan seek input from state and local officials who work with these agencies in emergency situations?

Answer: In preparing the National Disaster Housing Strategy (NDHS), we are exploring a wide range of housing options to meet the needs during all phases of housing, from sheltering through the sustainable long-term phase. Many housing options are under consideration, including rental units, the use of hotels and motels, and shelters. The NDHS will be a living document and will be updated annually to include alternative housing innovations and adjust partner roles and responsibilities as appropriate.

Federal, state, and local officials were engaged, as stipulated in Section 683 of the Appropriations Act, 2007, in the initial development of the NDHS and will continue to be involved in the annual review process. All of the identified stakeholders were consulted during the development of the initial draft of the NDHS.

Question#:	2
Topic:	early draft
Hearing:	Is Housing Too Much to Hope For? FEMA's Disaster Housing Strategy
Primary:	The Honorable Mark Pryor
Committee:	HOMELAND SECURITY (SENATE)

Question: I understand that the National Disaster Housing Strategy was under review in summer 2007, but was pulled back after FEMA made the decision to stop issuing travel trailers. However, FEMA and the CDC had known about the formaldehyde problem for almost a year before drafting that strategy. How did that early draft address the travel trailer issue?

Answer: The National Disaster Housing Strategy was drafted to convey a broad, national strategy that defines the roles, programs, and authorities for public (federal, state, local, tribal), private, and non-profit entities with responsibilities in disaster housing. The strategy outlines the phases of the disaster housing process from sheltering to interim and permanent housing. This document discusses factory-built housing in the broad, programmatic sense, and was not intended to discuss the individual types of factory-built housing, such as travel trailers, manufactured homes, and alternative units. The NDHS has undergone further drafting and revision since the summer of 2007 in order to ensure alignment with the National Response Framework, consistency with temporary and permanent changes to FEMA's direct housing program to address formaldehyde concerns, and to further refine roles and responsibilities during all housing phases.

FEMA addressed the use of travel trailers and the public health concerns surrounding formaldehyde in the Interim Direction issued July 31, 2007 and revised March 10, 2008.

Question#:	3
Topic:	legal counsel
Hearing:	Is Housing Too Much to Hope For? FEMA's Disaster Housing Strategy
Primary:	The Honorable Mark Pryor
Committee:	HOMELAND SECURITY (SENATE)

Question: Documents submitted to the House Oversight and Government Reform Committee indicate that FEMA field staff proposed plans to test the trailers as early as March 2006. They were dissuaded from requesting contract bids by attorneys at FEMA headquarters. How much did legal council [sic] opposition impact the decision to delay the testing until December 2007?

Answer: Contrary to the premise of this question, the documents provided to the House Oversight and Government Reform Committee show that FEMA counsel consistently supported formaldehyde testing and stressed that any testing of trailers should be carried out in accordance with a comprehensive response plan and based upon scientifically valid protocols.

As a result of growing concerns that formaldehyde complaints that FEMA received from temporary housing occupants in the Spring of 2006 were not isolated incidents, FEMA engaged the Environmental Protection Agency (EPA) and the Agency for Toxic Substances Disease Registry (ATSDR), Department of Health and Human Services (HHS) to test two methods for reducing formaldehyde levels in these trailers. These efforts began in June 2006, and testing to identify the most effective methods to reduce formaldehyde levels was initiated by the EPA in September 2006 and completed in November 2006. ATSDR issued its preliminary Health Consultation in February 2007. Because there are no applicable residential air-quality standards for formaldehyde levels, these efforts were focused on evaluating the effectiveness of mitigation measures. The February 2007 Health Consultation confirmed that proper ventilation could reduce the formaldehyde levels. In light of the absence of residential air quality standards for formaldehyde, FEMA believed that this guidance was based on the best available published studies and standards. Information and guidance based on the results of the Health Consultation were provided to the residents of the travel trailers.

In May 2007, FEMA also engaged with the Department of Homeland Security's Office of Health Affairs, as well as the experts from the CDC/ATSDR, to better understand the potential health concerns associated with formaldehyde and determine the best scientifically valid approach to further address this issue. Testing of occupied units was scheduled to begin in November 2007, but was delayed until December 2007, to allow for the necessary development of a consensus among public health experts as to how to interpret the testing results in order to provide health advice. FEMA counsel did not make this decision. Preliminary results were released by the CDC on February 14, 2008.

Question#:	4
Topic:	tests
Hearing:	Is Housing Too Much to Hope For? FEMA's Disaster Housing Strategy
Primary:	The Honorable Mark Pryor
Committee:	HOMELAND SECURITY (SENATE)

Question: The CDC/ FEMA tests completed in January of this year tested only 519 temporary housing units. What will be the process and timeframe for testing additional units?

Answer: FEMA is currently testing occupied units in the Gulf States. As of April 25, 2008, FEMA has tested 1,113 additional occupied units in the Gulf Coast as part of the follow-on testing initiative. These 1,113 units are in addition to the 519 Gulf Coast units tested by the CDC in December and January. Additional testing of occupied units continues to progress. Occupants of FEMA temporary housing units who would like to have their unit tested may call 1-866-562-2381. Occupants requesting testing will be provided the results of the air quality test as well as information on health concerns related to formaldehyde and how they can obtain alternative housing arrangements.

Question: When will we have a decision about testing and/or use of the surplus mobile homes languishing in Hope, AR?

Answer: FEMA is currently testing unoccupied manufactured homes in Hope, AR and other facilities. FEMA continually monitors its inventory of housing units to ensure they are capable of being used to provide disaster housing assistance. FEMA has retained an industrial hygiene contractor to test the formaldehyde emissions of the units in inventory as part of this process. As of March 31, FEMA has tested 256 manufactured homes in Hope, AR, and a total of 453 at all FEMA storage facilities. FEMA is in consultation with State officials on the use of manufactured homes currently stationed in Hope, AR to house disaster victims of recently declared disasters in Arkansas and Tennessee. FEMA will not use manufactured homes to house disaster victims unless the unit has been inspected to ensure it is fit for use, the unit has been tested for formaldehyde, and the results of such testing are determined to be acceptable by the State in which the unit is to be placed.

Question: A recent news article mentioned that HUD is considering adopting higher standards for the use of particle board and fiberboard in mobile homes. If that's the case, how would the higher standard affect FEMA's current mobile home stock?

Answer: FEMA has been working with HUD and the DHS Office of Health Affairs since September 2007 to develop a new set of specifications for temporary housing units. These new specifications finalized in January, 2008 remove products such as medium density fiberboard (MDF), luan, vinyl gypsum, and all materials which contain urea formaldehyde. Some of these materials are prone to emit high levels of formaldehyde and other volatile organic compounds (VOC's). FEMA is confident in the new, reduced formaldehyde specifications and has begun to transition out current inventory in favor of the new units.

Question#:	5
Topic:	relocate
Hearing:	Is Housing Too Much to Hope For? FEMA's Disaster Housing Strategy
Primary:	The Honorable Mark Pryor
Committee:	HOMELAND SECURITY (SENATE)

Question: Thirty families in Arkansas lost their homes in tornados last year and are living in FEMA trailers. There are nearly 40,000 families living in trailers in Louisiana and Mississippi. The CDC has recommended that these families relocate before the summer heat causes the formaldehyde levels to increase. What is the plan for them?

Answer: As of April 17, 2008, the population of households in temporary housing units (mobile homes, travel trailers, and park models) in the Gulf Coast has dropped from a peak of almost 143,000 to approximately 27,500. As of April 30, 2008, there were a total of 26,280 households in temporary housing units in the Gulf Coast. The health and safety of temporary housing occupants is of paramount important to FEMA. Since the February 14th release of the preliminary results of CDC's air quality assessment of temporary housing units in the Gulf Coast, FEMA has prioritized relocation of those occupants who have expressed a health concern, those who are most susceptible health risks such as the elderly, households with young children, and those with respiratory challenges. FEMA continues to offer to relocate anyone occupying a temporary housing unit who has a health concern to a rental unit or a hotel/motel. FEMA continues to aggressively search within communities to find available alternative housing options and to offer these units to current occupants of mobile homes, travel trailers, and park models.

In order to ensure the health and safety of disaster victims occupying temporary housing units provided by FEMA, the Agency has also taken the following steps:

- √ Delivered CDC/FEMA flyers to occupants of FEMA-supplied manufactured housing units outlining test results and options for relocation, unit testing, and support services for individuals with health related questions and concerns;
- √ Conducted joint FEMA/CDC community workshops in Louisiana and Mississippi to provide public information on testing results, relocation options, and respond to health related questions and concerns;
- √ Offered free indoor air testing for formaldehyde levels to any resident of a FEMA-supplied travel trailer or mobile home;
- √ Established a team to identify and catalog currently available Federally financed rental resources across the nation. These listings are in turn used by caseworkers providing relocation assistance to manufactured housing occupants.
- √ Established a toll-free hotline staffed with CDC Specialists to respond to individuals with health-related concerns; and

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√ Established a toll-free hotline staffed with FEMA employees to discuss available housing options and track requests for unit formaldehyde testing.

Testing of occupied units is underway in Louisiana and Mississippi. Test results are being conveyed to occupants in person with caseworkers present to provide additional information on test results and offer immediate relocation assistance as appropriate.

There are currently 9 occupied mobile home units in Arkansas as a result of the severe storms and tornadoes that struck the State in April 2006. All of these occupants have been sent letters notifying them of available free indoor air testing and resources for assistance with health-related questions and alternative available housing options. To date, no occupants have requested unit testing. FEMA will continue to work with occupants to identify alternative housing options as appropriate.

More recently, the State of Arkansas has agreed to accept mobile homes from FEMA that have been tested for formaldehyde. These units will be provided to the victims of the major disaster declared in February 2008. Under new procedures recently put in place, FEMA will test all temporary housing units prior to occupancy by disaster assistance applicants and will only provide units determined to be acceptable by the State.

CDC Responses to Questions for the Record
March 4, 2008
Joint Hearing

Committee on Homeland Security and Government Affairs

Subcommittee on Disaster Recovery
and
Subcommittee on State, Local, and Private Sector Preparedness and Integration
United States Senate

***Question 1*:** The Centers for Disease Control and Prevention (CDC) released an interim report on March 3, 2008 identifying Gulfstream, Keystone and Pilgrim as the trailer manufacturers with the highest concentrations of formaldehyde. Did these companies use unregulated materials or have anything in common that would have resulted in their higher formaldehyde levels? Were standards relaxed in order to meet post-Katrina demand?

Answer: CDC does not have information about whether unregulated materials were used or whether standards were relaxed. The occupied temporary housing unit study by CDC was designed to measure formaldehyde levels, not to investigate the possible causes of elevated levels. CDC staff met with the Recreational Vehicle Industry Association and their manufacturer representatives to discuss the findings and any implications for future trailer design and manufacture.

CDC has contracted with the Lawrence Berkeley National Laboratory to conduct a study testing the off-gassing of formaldehyde from a small number of unoccupied travel trailers. Those results will provide additional information about the levels of formaldehyde in the materials used in those trailers and are expected in May 2008.

***Question 2*:** Several manufactured housing and travel trailer industry groups have commented that CDC testing seems to have been somewhat limited. For instance, the tests didn't look for other potentially hazardous substances besides formaldehyde. Will subsequent rounds of testing account for these factors?

Answer: The decision to test only for formaldehyde in the occupied trailer study was made in consultation with FEMA. For the planned children's health study we are considering inclusion of indoor environmental measurements of volatile organic compounds and other contaminants. These measurements will be made on current residences at time of examinations. At this time no testing for other air contaminants in occupied FEMA trailers is planned. However, CDC will continue to research and

investigate the effects of airborne environmental agents on respiratory diseases as appropriate to help assure safe, healthy indoor environments for all Americans.

Question 3: According to the CDC, no outdoor ambient air samples were simultaneously collected and analyzed for formaldehyde during the 519 THU testing. Why was this not done? Since there is a correlation between outdoor and indoor ambient air levels, was there a scientific reason for deviating from standard air sampling procedure and not establishing an outdoor air baseline?

Answer: All sampling was performed according to Method #2016 of the NIOSH Manual of Analytic Methods. While there are many quality control and assurance steps listed in this standard, simultaneous measurement of outdoor ambient air is not part of the method. Based on the current literature, ambient air is not a major contributor of formaldehyde in indoor air. Ambient air levels of formaldehyde were reported as averaging less than 3 parts per billion in the Relationships of Indoor, Outdoor, and Personal Air (RIOPA) study. CDC's unoccupied trailer investigation in Purvis, MS, tested ambient air formaldehyde levels at two locations and found levels at 1.7 and 2.7 parts per billion.

Question 4: Several reports have indicated that the CDC would ultimately like to see a registry developed to monitor children who have been exposed to excess formaldehyde through their residency in U.S. Government provided housing. Are there any plans in progress to develop such a registry? If so, when will it be up and running? If not, what factors argue against developing such a registry?

Answer: The Agency for Toxic Substances and Disease Registry (ATSDR) is currently assessing the methods for identifying and maintaining contact with people who were exposed to formaldehyde from living in temporary housing provided by FEMA. ATSDR staff have been in contact with FEMA to explore the feasible options for accomplishing this work. A number of different issues and options need to be considered to develop such a registry in terms of application, complexity, and eligibility. The time required for implementation of the registry would depend on which options are chosen; however, it is expected that it would require one year, at a minimum, to have a registry up and running. Important factors for implementing a registry include: sustainability, cost, timeliness, locating participants, and verification of information, as well as privacy and ethical considerations.