

STATEMENT  
OF  
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U.S. DEPARTMENT OF HOMELAND SECURITY  
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“Oversight of the Federal Emergency Management Agency’s Response to the Baton Rouge  
Flood Disaster: Part II”

Submitted

By

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## **Introduction**

Good morning, Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee. I am Bob Fenton, Acting Administrator of the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). Thank you for this opportunity to testify today regarding FEMA's response to the August 2016 flood disaster in Baton Rouge, Louisiana.

## **Impacts of the Storm Event in Louisiana**

In 2016, Louisiana had two historic flood events – occurring in the months of March and August – that resulted in 56 of the state's 64 parishes receiving a federal disaster declaration. Nearly 22,000 households sustained flood damage during the March event, alone, forcing more than 13,000 evacuations and 2,780 rescues. Furthermore, the March floods caused extensive damage to infrastructure and businesses; estimates for damages to roads and bridges totaled more than \$20 million.

In August 2016, an unprecedented seven-trillion gallons of rainwater fell in what the National Weather Service categorized as a once in a millennia event; which does not mean that this rain only happens once every 1,000 years, but rather statistically means that a flood of this magnitude had only a 0.1 percent chance of happening in any given year. The total amount of rainwater was more than four times the amount of water contained in Lake Pontchartrain and resulted in the flooding of more than 91,000 households.

In addition, there were approximately 30,000 search and rescues performed in the month of August, with nearly 11,000 citizens sheltered at the peak of the flood. An estimated thirty (30) state roads washed out and 1,400 bridges required inspection, along with more than 200 highways that closed during the event – sections of Interstates 10 and 12 were closed for several days. All told, the August storm claimed thirteen (13) lives.

FEMA provided leadership and the situational awareness our federal partners needed to anticipate and plan for the short-term, intermediate, and long-term needs of residents and the communities that support them. Expedited damage assessments resulted in a Presidential Disaster declaration on the same day as the Governor's request. The first Individual Assistance grant received approval within two days of the disaster declaration, and within the first week FEMA approved more than \$1 million in National Flood Insurance Program (NFIP) advance payments.

Although FEMA's proactive stance hastened the response, the storm created unique challenges that strained the combined resources of the state, local and federal government agencies supporting the response and recovery efforts.

## **Whole Community Assistance Provided**

Hundreds of volunteers and local responders provided short-term shelter to more than 10,500 displaced survivors at the peak of the flooding, and hundreds more helped to clean up debris and

muck from flood-damaged homes. FEMA and the State of Louisiana supplemented sheltering needs by placing thousands of survivors in hotels and motels. An additional 10,853 households returned to their homes with minimal repairs provided through the state-run shelter-at-home program. Roughly \$1.2 billion in low-interest, SBA loans and \$751 million in grants were provided to survivors to aid with home repairs, rental assistance and other disaster-related needs. To date, FEMA paid \$2.4 billion in National Flood Insurance Program (NFIP) claims.

The severity of the incident proved to be beyond these short- to intermediate-term solutions, and available rental options in and around the affected communities were quickly depleted. The utmost priority is to ensure survivors have a safe, clean and secure place to live. FEMA implemented the Multi-Family Lease and Repair Program to make available additional rental units in the affected areas and approved the state's request for manufactured housing. The disaster situation proved challenging for this housing mission because of the lack of available space for suitable group sites, and FEMA made every effort to keep people with their families and in their communities, resulting in an unprecedented number of manufactured housing units placed directly on disaster survivors' properties.

## **FEMA Housing Authorities**

Legislation resulting from lessons learned has enabled FEMA and the federal government to expand the universe of housing options available to survivors in the wake of a disaster.

Following the devastation of Hurricane Katrina in 2005, FEMA conducted the largest housing operation in our country's history. In addition, the Post-Katrina Emergency Management Reform Act (PKEMRA) provided FEMA with new authorities that have improved outcomes for countless disaster survivors since Hurricane Katrina.

PKEMRA provided clarity to Public Assistance authorities by allowing them to fund temporary housing options that cover the gap between sheltering and the return of survivors to more permanent housing solutions. These expanded authorities included the Transitional Sheltering Assistance program allowing survivors to stay in a hotel or motel temporarily; housing survivors in repaired existing rental units; and, providing a mechanism to perform minimal emergency repairs to enable survivors' homes to serve as shelters until more permanent repairs could be made.

In 2012, FEMA published the Catastrophic Housing Annex to the 2012 Federal Interagency Operations Plan - Hurricane, identifying considerations necessary to implement large scale sheltering and temporary housing options in the most efficient and effective manner possible in the event of a catastrophic disaster.

Hurricane Sandy was the first major use of PKEMRA housing authorities and led to the passage of the Sandy Recovery Improvement Act in 2013 (SRIA). FEMA utilized SRIA's authority during the August floods to lease multifamily rental units and provide them to individuals or households for use as direct temporary housing where cost effective.

FEMA continues to build on lessons learned from recent disasters, such as Hurricanes Sandy. In particular, leveraging new partnerships and collaborations that help build capabilities to meet disaster housing needs.

## **Housing and Sheltering Solutions**

In the aftermath of the 2016 flooding in Louisiana, FEMA has continuously worked with the State of Louisiana to ensure flood survivors get back into their homes or have a safe place to stay while they are repairing and rebuilding. As you know, FEMA disaster assistance is not the primary recovery tool. Survivors rely on insurance and low-interest disaster loans to fully recover. For those individuals and families who are not insured, or who are underinsured, the collective resources of our private-sector, non-profit, faith-based, local and federal assistance programs assist them in getting on the road to recovery. FEMA supports various options available to survivors whose homes were flooded and are now uninhabitable.

- **National Flood Insurance Program (NFIP):** Flood insurance is the best financial protection against the impacts of flooding. FEMA authorizes advance payments to provide expedited relief to insured survivors. Providing early payment of up to 50% of the estimated covered loss allows the policyholder the ability to proceed with recovery efforts while negotiating the proof of loss with the adjuster. To date, the NFIP provided advanced flood insurance payments of more than \$361 million to expedite home repairs for survivors, with \$300 million of these payouts occurring in the first 30 days of the response to the Louisiana floods in August 2016.

FEMA continues to transform the NFIP customer experience through efforts such as simplifying the claims process through improved Proof of Loss and other forms; and, modernizing the underwriting process by building a new risk rating process that will advance our actuarial and underwriting practices.

- **Transitional Sheltering Assistance (TSA) Program:** Under this sheltering initiative, disaster survivors may be eligible to stay in a hotel or motel for a limited period of time and have the cost of the room covered by FEMA under the Public Assistance program. The hotels/motels are directly funded by FEMA. This initiative is intended to provide short-term lodging for eligible disaster survivors whose homes are either uninhabitable or inaccessible due to disaster-related damages. At its peak on August 18, 2016 this form of assistance provided more than 2,900 families with lodging as a short-term sheltering alternative to congregate sheltering.
- **Shelter at Home Program:** This is a State of Louisiana-run program with costs reimbursable as emergency sheltering costs through the Sheltering and Temporary Essential Power (STEP) Pilot, which was authorized for the August flooding under the Public Assistance program. Shelter at Home allows the state to contract for short-term repairs to ensure survivors can shelter in their home safely while completing more permanent repairs to their home. This program has kept residents in their communities and near work, schools, and other local services. As of April 3<sup>rd</sup>, 10,826 survivors have

had emergency repairs completed on their homes through the Shelter at Home program in Louisiana.

- **Small Business Administration (SBA) Loans:** Through the SBA, homeowners in declared disaster areas were able to borrow up to \$200,000 at an interest rate as low as 1.56 % for a term of up to 30 years, to repair or replace their primary residence, and up to a \$40,000 loan is available for renters/homeowners to replace their contents. To date, the SBA has approved low-interest disaster loans of more than \$1.2 billion to help businesses, private nonprofits and homeowners and renters recover from property and economic losses due to the March and August 2016 flooding in Louisiana.
- **Financial Housing Assistance:** FEMA’s Individuals and Households Program offers financial assistance to pay for housing solutions for eligible homeowners and renters.
  - **Rental Assistance:** This form of assistance under the Individuals and Households Program provides financial assistance to pay for short-term rentals for eligible homeowners and renters whose homes are deemed by an inspector to be unlivable or inaccessible due to the disaster. As of April 3rd of this year, FEMA has approved more than \$139 million in Rental Assistance for 66,851 disaster survivors in Louisiana. While FEMA’s initial payment to the survivor is for two months of rental assistance, FEMA can continue providing rental assistance if still needed for up to 18 months. For the August flooding in Louisiana, FEMA increased the rental assistance rate to 150% of the HUD Fair Market Rent (FMR) to make additional rental housing available to survivors.
  - Financial housing assistance includes **Home Repair Assistance** for homeowners provided through the Individuals and Households Program. Financial assistance, provided directly to the homeowner, enables them to make a damaged home safe, sanitary, and functional. The repairs could include replacing drywall, repairing a damaged roof, or replacing a damaged furnace. FEMA has approved more than \$457 million to help more than 34,858 survivors make repairs to their home.
- **Multi-Family Lease and Repair (MLRP):** This program allows FEMA to enter into lease agreements with owners of multi-family rental properties located in disaster areas and make repairs or improvements to provide temporary housing to disaster survivors. In order to qualify, the properties must have been previously used as multi-family housing and must be located in an area included in a major disaster or emergency declaration. Furthermore, the value of the repairs and improvements cannot exceed the value of the lease, and must be cost effective compared to other types of temporary housing.
- **Manufactured Housing Unit (MHU):** MHUs are manufactured homes constructed in accordance with the U.S. Department of Housing and Urban Development (HUD) regulations and FEMA contract requirements for ruggedness and weather. This is used when other resources have been exhausted or have been determined to be infeasible. FEMA may provide this form of direct temporary housing assistance in the form of MHUs on sites with utility access that meet the needs of the household, and comply with

applicable state, local, territorial, and tribal government ordinances. Approved sites must also meet federal floodplain management and Environmental and Historic Preservation requirements. FEMA selects locations based on the cost-effectiveness, timeliness, and suitability of each potential site. Sites may include private, commercial, and group sites. FEMA sends inspectors to the property to determine if it is feasible for placement. The decision depends, in part, on appropriate permits from local/parish governments and available utilities. Inspectors then complete site assessments. If the location is feasible, a work order is issued to haul and install a unit at the site. Local officials provide permits before MHUs are installed. Availability and connection of utilities (power, sewer, and water) are secured. If the location is in a Special Flood Hazard Area, the MHUs must be elevated to the fullest extent practicable up to the base flood elevation and adequately anchored. Furnished MHUs, ranging from one to three bedroom units, are provided based on the applicant's pre-disaster household composition.

As survivors in Louisiana seek to address their longer term housing needs, FEMA is working with its federal, state, local, tribal, private sector, and voluntary agency partners to coordinate resources that the federal government may make available to meet those needs.

Long- term recovery support for communities impacted by disasters, such as those in the Louisiana floods, was initially addressed in 2011's National Disaster Recovery Framework (NDRF). The NDRF defines the overall process by which communities can capitalize on opportunities to rebuild stronger, smarter, and safer. The NDRF identifies core capabilities and new Recovery Support Functions, which are the federal coordinating structures for delivering those core capabilities.

HUD serves as the lead agency for the Housing Recovery Support Function. HUD serves as the housing expert for the federal government and is tasked by Congress with the responsibility of establishing national housing standards. HUD coordinates and facilitates the delivery of Federal resources to implement housing solutions that effectively support the needs of the whole community. FEMA has strengthened its partnership with HUD to identify housing solutions to meet the needs of states and tribes with residents displaced by disasters.

## **Manufactured Housing Units**

While every disaster is unique, common threads and lessons are learned from previous disasters. In the aftermath of a major disaster where numerous residential dwellings are damaged or destroyed, FEMA works closely with partners across the whole community to assist disaster survivors in finding ways to meet their disaster-related housing needs. In rare circumstances, this may include providing temporary housing with FEMA purchased manufactured housing units. These units comply with HUD standards and provide a place for families to live until permanent repairs are made or permanent housing is acquired. MHUs are designed to support the needs of survivors after a disaster and are equipped to promote safety and accessibility, including residential sprinklers and features for survivors with access and functional needs.

More durable construction, higher standards, more built-in safety and accessibility features, and a variety of sizes based on the household's needs contribute to the increased cost of a

manufactured housing unit. However, FEMA's top priority is to provide survivors with safe, clean, and durable temporary housing.

In Louisiana, FEMA worked closely with the Governor and his Office of Homeland Security and Emergency Preparedness (GOHSEP) to discuss the range of housing assistance FEMA could make available to the State of Louisiana to speed recovery. Early on, the State identified a need for MHUs to meet the needs of survivors. As a result of the State request, FEMA began relocating MHUs from Cumberland, Maryland and Selma, Alabama to staging areas near the impacted communities.

Once a survivor is determined eligible for a MHU, FEMA works to: find a suitable location for the MHU; ensure that placing an MHU is consistent with local zoning laws and ordinances; deliver the MHU to the agreed upon location from the staging site; and ensure proper site preparation. When the survivor moves into the unit, FEMA provides a maintenance hotline and initiates a monthly maintenance schedule to ensure the MHU continues to be a safe place to live.

On October 25, 2016, FEMA was notified of a fatality that occurred in an overheated MHU and that the heat in that MHU was running uncontrolled despite the thermostat being in the "off" position. FEMA immediately assembled a team, including contracted engineers to begin an investigation. The team identified the thermostat as the probable cause of the uncontrolled performance of the heater. On November 3, FEMA engaged the Consumer Product Safety Commission (CPSC) and began gathering information from all ongoing housing missions to identify if there were similar failures. This effort took about two weeks.

Simultaneously, FEMA directed the replacement of all pre-2016 thermostats because of the uncertain cause and potential contributing factors such as manufacturing defect or damage. FEMA also continued a review of maintenance records across all active disaster housing missions to determine the possibility of a systemic problem. This review found no systematic issue which could have provided FEMA advanced warning of the thermostat issue.

The CPSC investigation issued its final report on November 17, 2016 that came to the same conclusion our contracted engineers found in the field. First, the thermostat in question was configured incorrectly for a heat pump system. Second, this configuration caused the heating strip to heat continuously independent of the thermostat settings.

The investigation performed by FEMA's advisory and assistance service contractor surmised that if the thermostat would have been programmed to a conventional system, and not a heat pump system, the electric heat would not have stayed on continuously.

With these conclusions, FEMA undertook a series of mitigation activities:

- Disaster survivors were (and continue to be) advised to immediately report HVAC problems. HVAC problems are dealt with as emergency work requests and the FEMA MHU maintenance contractor is required to respond within two hours.

- The pre-2016 thermostat replacement effort initiated on November 1, 2016 ensured that new, properly configured thermostats were installed and operated the HVAC systems correctly.
- FEMA contacted all MHU manufacturers reinforcing the requirements to configure thermostats to match the supported HVAC unit.
- FEMA's advisory and assistance contractor (the Institute for Building Technology and Safety), which conducts quality assurance oversight in the MHU manufacturing facilities directed its field inspectors to ensure that thermostats are being installed consistent with manufacturer instructions.

Additionally, FEMA will issue a technical bulletin to the MHU manufacturers to require non-configurable thermostats, designed for their units, in order to remove the possibility of misconfiguration.

## **Conclusion**

In conclusion, the flooding disaster that impacted Louisiana was a historic disaster event displacing thousands of survivors from their homes. FEMA, working closely with our partners in the State of Louisiana, moved quickly to deploy all the tools available to address the sheltering and housing needs of survivors. While MHU's are one form of temporary housing provided, many survivors' needs were met through their insurance, SBA loans, or a combination of federal, state, and partner assistance. FEMA is always looking at the effectiveness of our programs and taking steps to continuously improve coordination and ensure that survivors affected by disasters are returned to safe, secure, and functional housing options as soon as possible following a declared disaster.

Thank you.