

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

STATEMENT OF

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On

Temporary Housing Units



FEMA

BEFORE THE

COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON COMMERCE, TRADE, AND CONSUMER PROTECTION
U.S. HOUSE OF REPRESENTATIVES

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Introduction

Good morning Chairman Rush, Ranking Member Whitfield, and other distinguished Members of the Subcommittee. I am David Garratt, Associate Administrator for Mission Support within the Federal Emergency Management Agency (FEMA). I appreciate this opportunity to talk with the Subcommittee about how FEMA is producing, employing, and disposing of temporary housing units.

Within the FEMA vernacular, a temporary housing unit is a manufactured home, recreational vehicle, or other readily fabricated dwelling. These dwellings include mobile homes, park models, travel trailers, and various types of alternative housing. While all temporary housing units are distinguished by their ability to be delivered, installed, and inhabited within a relatively short timeframe, not all temporary housing units are designed to be inhabited for lengthy periods of time.

FEMA provides temporary housing units under our Individual Assistance program when such assistance has been specifically requested by a Governor and authorized by the President as part of a major disaster or emergency declaration. Whenever Individual Assistance is authorized, the program is 100 percent federally funded.

Generally, FEMA provides temporary housing units when sufficient fair market rental units are not available within the affected area. Temporary housing units can be provided in two types of settings - on private property or in community sites.

- Installing temporary housing units on private property is preferred. It keeps disaster survivors on their own property, providing proximity to the damaged home that they wish to repair. It also allows adults to remain near their places of employment and children near their schools. Further, it helps physically and

financially stabilize traumatized neighborhoods and contributes to faster recovery. However, because most private sites are relatively small, they often cannot accommodate mobile homes, which are designed for long-term habitation. FEMA will only install smaller travel trailers on private sites if the damaged structure can be repaired to the point of re-habitation within six months.

- Community sites are employed when private site installation is not available to disaster survivors, such as when large numbers of apartment renters are displaced and insufficient fair market rental resources are available. In such rare cases, FEMA must obtain access to land capable of supporting multiple mobile homes and/or park models or other forms of alternative temporary housing. If existing sites are not available, FEMA may build a community site from scratch, to include providing the supporting utility infrastructure. FEMA will not install travel trailers in community sites.

Prior to and during the response to Hurricane Katrina, FEMA procured temporary housing units that were manufactured to prevailing industry standards. While mobile home construction was and is regulated by the Department of Housing and Urban Development, recreational vehicles, such as park models and travel trailers, are not.

On February 14, 2008, the Centers for Disease Control and Prevention issued its interim report that found that many of the Katrina-era purchased units tested possessed higher than typical indoor background formaldehyde levels, and that the levels of formaldehyde in many of these units could affect health. Though no federal guidelines existed for residential air quality levels, FEMA invoked construction specifications for all new forms of manufactured housing that dramatically reduced formaldehyde levels to well below standard commercially produced units. FEMA's new requirements were rigorous—so rigorous, in fact, that manufacturers were uncertain whether these

standards could be met. Through our persistence, we successfully obtained units built to these exacting and unprecedented standards.

All temporary housing units currently being purchased by FEMA must meet extremely rigorous air quality specifications. FEMA requires that every unit must test below 16 parts per billion (“ppb” or 0.016 parts per million (“ppm”)), which is lower than the residential formaldehyde emission levels established by any of the fifty states. Further, FEMA requires that any recreational vehicles that it purchases contain air ventilation systems that are comparable to a mobile home, further contributing to a sustained reduction in formaldehyde levels. These new FEMA units continue to surpass any commercially available manufactured housing unit in air quality.

Although all the temporary housing units that FEMA is now commissioning for production and providing to disaster survivors meet FEMA’s stringent air quality specifications, FEMA has also been storing, at multiple sites across the country and at considerable cost, tens of thousands of used legacy units left over from the Katrina era. These legacy units include mobile homes, park models, and travel trailers.

FEMA strives to be a fully accountable steward of government resources and ensure that taxpayer funds are used responsibly. Accordingly, following the removal of court-ordered restrictions on their disposition, FEMA began working to responsibly dispose of these units through the General Services Administration (GSA) sales program. FEMA’s ability to dispose of these units is dictated by the Stafford Act, which authorizes FEMA to dispose of units in one of only two ways: either by sale to anyone (including the occupant), or by transfer, donation, or sale to a jurisdiction or voluntary organization. However, the latter disposition option can be employed only when the unit will be used to provide housing to disaster survivors.

GSA's Federal Management Regulation (FMR) §102-36, §102-37 and §102-38 contain the regulations regarding excess, donation, and sale for disposal of federal property. According to §102-36.35, "[p]ersonal property is excess when it is no longer needed by the activities within your agency to carry out the functions of official programs, as determined by the agency head or designee." The approximately 144,000 temporary housing units purchased and used following Katrina, which were returned to FEMA following their occupation, no longer satisfy FEMA requirements for housing disaster survivors. The cost of storing and maintaining FEMA's inventory of previously used units has approached \$130 million dollars per year.¹

Members of Congress from both chambers and sides of the aisle have sent letters and introduced bills requesting or requiring that FEMA rapidly dispose of the units and more expeditiously recoup our investment.² FEMA chose large-lot GSA auctions to both accelerate the disposition process and save additional taxpayer funds. As of April 26, we have completed sales for 81,422 units through the large-lot auctions. As of that date 22,635 units remained to be sold through large-lot auctions.³

FEMA and GSA implemented rigorous measures to ensure that these units would not be used as housing. As my GSA colleague will discuss, FEMA and GSA placed restrictions on the use of the travel trailers as housing and required that all buyers fully convey those usage restrictions to subsequent buyers or recipients. Buyers must certify that they understand that there may be formaldehyde emissions and that travel trailers

¹ Senate Report 111-23, June 1, 2009. Note: The program has been downsized since the end of FY09, as we move from 14 sites with approximately 120,000 excess units and approximately 2000 Ready for Deployment units, the cost total storage and maintenance has decreased.

²For example, S. 713 would "require FEMA to develop a plan for the storage, disposal, transfer, or sale of excess temporary housing units in the disaster housing program in order to reduce the expense of storing excessive numbers of temporary housing units." Senate Report 111-23, June 1, 2009.

³ FEMA has disposed of units through other means as well, including GSA's utilization and donation program and donation to Tribes pursuant to PKEMRA.

are “...commercial recreational vehicles and are not intended to be used as housing,” and that subsequent owners must continue to similarly inform subsequent buyers for the life of the unit. This certification is a binding legal document, drafted with assistance from GSA’s Office of General Counsel, and includes a statement that the certification is made in accordance with and subject to the penalties of Title 18, Section 1001 of the Crime and Criminal Procedures section of the United States Code. Prospective bidders can read the certification through a link provided in the sales description, and they must sign the certification prior to submitting a bid. On March 2, 2010, GSA notified buyers of travel trailers reminding them of the requirements of the certification. As GSA becomes aware of any possible violations, it refers them to GSA’s Inspector General for investigation.

No aspect of recovery is more critical to the timely and sustainable revitalization of a disaster-impacted community than the return of its citizens and workforce; and no aspect of recovery is more critical to supporting their return than the availability of housing, both permanent and temporary. States have made it unequivocally clear that they want and expect travel trailers to remain a part of our inventory because, in many cases, a travel trailer is the only unit that will fit on suburban private property. We have heeded that call by partnering with the industry that manufactures these units, leading the design and production of travel trailers that achieve greatly improved air quality levels. We will continue to work with our partners in and out of government to improve temporary housing capabilities.

Thank you. I look forward to your questions.