

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1806**

The Hon. Craig Fugate  
Administrator  
Federal Emergency Management Agency  
500 C Street, SW  
Washington, DC 20024

September 20, 2016

Dear Administrator Fugate:

Thank you for agreeing to the concept behind Louisiana's Shelter at Home program. Louisiana's Shelter at Home is modeled after a pilot program that was carried out in the aftermath of Hurricane Sandy and provides for work to be carried out to make a flood victim's home habitable, which can shorten the amount of time away from home for displaced residents. This alternative to hotels, shelters, trailers and other options in the wake of a disaster, if implemented correctly, has the potential to result in significant cost efficiencies while placing a priority on the fundamental goal of all recovery efforts – getting our community back into their homes and neighborhoods as soon as possible. Importantly, Shelter at Home is designed to make complementary investments in long-term recovery. Rather than spending thousands of dollars on traditional temporary housing options, Shelter at Home can also help to defray long-term recovery costs of our homeowners.

Weeks ago, we commended the Federal Emergency Management Agency (FEMA) and the State of Louisiana for pursuing this innovative effort, but we also cautioned that an appropriate implementation strategy would be key to the success of the initiative. Unfortunately, as we have learned more about the details of the Shelter at Home program, it seems that our concerns have been realized through slow implementation and inefficient use of funding.

While we appreciate FEMA's approval of the Shelter at Home concept, the parameters of the current program are not positioned to efficiently address the goal of long-term recovery. Our frustrations and concerns include:

- 1) Wasting money on bureaucracy: The use of a program management contractor, general contractors, then subcontractors creates multiple levels of administrative costs that cuts directly into the value, quality and extent of work done on flood victims' homes. While the program approves up to \$15,000 per home, the reality is that the average home is estimated to have only \$7,000 or less of actual work done on that home. The value added of these multiple layers is a waste of money.
- 2) Inappropriate cap: While FEMA agreed to a \$15,000/home cap, sheltering alternatives prove significantly more costly. For example, current estimates of Manufactured Housing Units (MHUs or trailers) include acquisition costs of \$65,000/unit, transportation costs of \$20,000/unit, storage costs of \$2,000-\$10,000/unit, setup and operating costs of \$8,000-

\$15,000/unit. It is clear that a single use of a MHU incurs a cost of at least \$100,000 per trailer/residence. The long-term value increasing the cost per home for the Shelter at Home program is significantly more cost effective. In fact, some preliminary research suggests that the overall lifecycle cost of one MHU could exceed \$300,000. Opting for trailers when \$50,000 work could be done on a home using the Shelter at Home concept is simply an inefficient use of limited recovery funding and impedes our long-term recovery.

- 3) Forcing the use of certain contractors: Louisiana has hundreds of licensed and approved contractors. The Shelter at Home program should not be forcing homeowners to wait until an approved Shelter at Home contractor is available to carry out work. Allowing homeowners the flexibility to use credible, licensed contractors would expedite the recovery process and get flood survivors back in their home quicker – preventing the need for FEMA to fund interim hotel or other sheltering options.
- 4) Rejecting the Do It Yourselfers: Following the flood disaster our community stepped up by taking care of themselves. The Cajun Navy rescued stranded survivors, the Cajun shelters provided a roof over heads, Cajun chefs provided countless meals, the Cajun Army stripped and gutted homes and many other selfless actions helped to serve our community and assist in recovery efforts. Rather than throttling back our recovery and ignoring the capabilities of our community, the Shelter at Home program should provide the option for homeowners to buy specified construction materials (dry wall, paint, nails, flooring, plumbing, electrical fixtures, etc.) from local hardware stores against a credit linked to the approved home. This would expedite recovery efforts and help stretch the recovery dollars.
- 5) Transparency: The Shelter at Home program should have greater transparency as to criteria for access to the Shelter at Home program, the cost of each layer of the process and the ultimate amount of money actually spent on home remediation. As in many other FEMA programs, we have witnessed a lack of transparency in the process and what appears to be inconsistent treatment of homeowners in terms of eligibility and assistance under various disaster response programs.

I urge you to immediately begin working to address these issues. Tens of thousands of home and business owners are in a state of limbo, and in many cases bankruptcy and foreclosure could be the only option. Your personal engagement in what is projected to be the fourth most costly flood disaster in U.S. history is urgently needed. Continuing on the current path simply will not result in an efficient or full recovery of our region.

Sincerely,



Garret Graves  
Member of Congress

cc:

The Hon. Jeh Johnson, Secretary, U.S. Department of Homeland Security

The Hon. John Bel Edwards, Governor, State of Louisiana

House Committee on Transportation and Infrastructure

House Committee on Appropriations

House Committee on Oversight and Government Reform