

National Building Museum  
Community in the Aftermath Lecture Series  
AHPP: The Mississippi Cottage Project  
April 15, 2009

Patrick Kraich: Good afternoon, everybody. My name is Patrick Kraich and I'm the public programs coordinator here at the National Building Museum. It's my pleasure to welcome you to the museum and this afternoon's program.

Today's program is the third in the *Community in the Aftermath* lecture series. This series is sponsored by the U.S. Department of Housing and Urban Development and the Federal Emergency Management Agency in partnership with the National Building Museum. We are truly grateful for their support and to Dana Bres who is a research engineer with HUD for helping us coordinate this series.

Over the next two years, *Community in the Aftermath* will follow the Federal Emergency Management Agency's Alternative Housing Pilot Program which is a grant program to provide more viable, versatile, readily available, and cost-effective post-disaster housing for the areas affected by Hurricanes Katrina and Rita. Today's speakers are focusing on the challenges of providing post-disaster housing in Mississippi.

The next program scheduled for the fall of 2009 will focus on efforts in Alabama. If you missed the first two programs, the series' transcripts and audio are available on our website

which is [www.nbm.org](http://www.nbm.org). Also, the audio transcript and film of today's program will be posted.

Now, I'd like to welcome Dana Bres who will present an overview of the Alternative Housing Pilot Program and introduce our speakers. Thank you.

Dana Bres: Thank you, Patrick. The Alternative Housing Pilot Program was funded by Congress in 2006 following the storm to basically demonstrate how states could run an emergency housing program, a temporary housing program, to satisfy the housing needs of disaster victims. Four states were awarded grants -- Texas, Louisiana, Mississippi, and Alabama. Today we're going to talk about the efforts in the Gulf Coast of Mississippi, and we have three speakers.

First we'll hear from the Director of the Mississippi Emergency Management Agency, Mike Womack. He is the director of MEMA, and during Hurricane Katrina, he was the state coordinating officer which is basically FEMA's direct counterpart to ensure that the state and federal disaster response was lashed up. He has served in a number of other leadership positions in the Mississippi Emergency Management Agency.

We'll also hear from Dr. Larry Buron who is an economist specializing in housing policy. He is conducting our quality-of-life survey which basically looks at how the improved

disaster housing under the Alternative Housing Pilot Program actually affects the residence of the communities. Because the goal of this is not to build housing, the goal is not to provide different housing for people. The goal is to make our communities, the affected communities, recover more effectively.

Larry has done a number of projects on housing issues for HUD including projects with the HOPE VI program which is a public housing program where we move folks out of public housing into mixed-income, mixed-use facilities.

And third we have Anita Lee who's a journalist with the Biloxi, Mississippi *Sun Herald* where she's worked since 1987. She was the lead reporter on the *Sun Herald's* team that won the Pulitzer following Hurricane Katrina, and she spent a lot of her time focusing on the issues associated with disaster recovery, particularly the interaction between the communities and the individual property owners and the insurance industry, because that's a very, very difficult issue in the Gulf.

At that, I would like to ask Mike Womack up and we will have a question-and-answer session where all three of the speakers will be up here at the end so please hold your questions until the end. Thank you.

Michael Womack: Thank you for having me. I think we're trying to get our presentation back up here. While we're doing it, let me ask, how many of you have seen a presentation

concerning Mississippi's Cottage Program before? Does anyone here know anything about it? Just a few hands out there. I'm going to go ahead while we're trying to get the presentation up and just briefly discuss the process.

Governor Barber, our Mississippi governor, was very concerned about families having to spend extended periods of time in FEMA travel trailers or even more substandard housing, and if we can get the presentation up, I can show you what I'm talking about.

FEMA travel trailer is a great option for six months, a year, 18 months, while a family tries to rebuild their home or rental property becomes available so in most disaster situations, in most hurricanes, it's a very good option. Governor Barber and a lot of the very bright people in Mississippi understood very early on that it wasn't going to be 12 months or 18 months. It was going to be five years or longer before the housing stock was rebuilt. And so he started working with the Mississippi's congressional delegation and the delegations' of other coast states to try to get funding to do this pilot program, and the fortunate thing is that it was ultimately funded; the unfortunate thing is that it took over a year from when the storm hit before the funds were finally made available. But based on his vision and the vision of quite a few other very bright people, we were able to obtain the grant

funding through FEMA and we were able to go into design which was really not that difficult because those bright people that I'm talking about after the storm, they already had great concepts in mind so we went very quickly from that concept into final design, we bid these units out and finally procured them.

But I'm not going to spend a lot of time talking about that part of the process. I'm going to spend most of my time talking about where we are now and what the challenges we face as we're trying to move this pilot program into either demobilization of the units, removing the families and putting them in other housing units or converting to permanency. So, let me get into this presentation.

This gives you an idea of the scope of the disaster in Mississippi. This is not even including the numbers in Alabama, Texas, and, of course, Louisiana. The numbers are just mindboggling when you look at them -- 220,000 that were damaged, 61,381 units that were destroyed and most of them looked like that, nothing but slabs left. And just in the three coastal counties, 62,512 major damage or destroyed, the vast majority were totally destroyed, nothing left to rebuild.

To give you an idea, we only have around 300,000 people in our three coastal counties, and if you figured 2.5 or so per household, you can see that that 50,000 was a very high percentage of the total housing stock on the coast.

I told you that there were huge challenges. The first challenge was getting those travel trailers in place from around the first of September when the mobilization of the FEMA assets started until roughly Christmas; FEMA was able to put up about over 40,000 of these travel trailers in place. Until then, we couldn't get people to leave their property. So by their choice, people were living in tents in many cases or their cars or wherever because they didn't want to leave whatever small amount of property that they still had.

There's a Seabee Base in Gulfport, Mississippi, and the Seabees tried to help out. They built a number of these little villages that has wooden floors, wooden walls, and then a canvass tent that's draped over the top of it. Some families preferred this to the travel trailer. We were very concerned because of the possibility of fire hazard. Having young families, in some cases, children, in these units, you could see what would happen if one of these units caught fire and it could spread very quickly throughout the entire compound. So the people that ran these units were always very careful to try to minimize the threat of fire.

Kind of hard to see this graphic but this gives you an idea of, as I said, over 40,000 FEMA travel trailers and a few mobile homes because primarily travel trailers were occupied at the peak, somewhere around January-February of 2006. Currently

there are 2259 units that are still occupied throughout Mississippi. About 1500 of those units are in the three coastal counties.

For future reference, Hancock County is the county that's depicted here on the bottom left -- or, excuse me, my -- yes, your bottom left -- then Harrison County is in the center and Jackson County is to the right. And then you have the -- the next tier county is Pearl River, Stone and George. But there were units throughout the State of Mississippi because we had hurricane-force winds 150 miles inland but the vast majority were here on the coast.

This gives you an idea of what the FEMA travel trailer looks like and what's called an EGS site or emergency group site. These were locations that FEMA either leased land or obtained land from other governmental entities such as school districts or city or county government, and they established these group sites because the people in the group sites were primarily renters before the storm and their apartment or rental property was destroyed and, therefore, they didn't necessarily have a lot to put their FEMA trailer on so these group sites were established.

As these units were demobilized, they were taken to a staging area in Purvis, Mississippi. There were literally tens of thousands of units that are sitting there that FEMA has not

decided exactly what they want to do with these. There are the issues dealing with formaldehyde and other safety issues with the units. So in my opinion, it's very unlikely this will ever be sold and more than likely most of these will be destroyed. The whole issue of formaldehyde is very complex. What exactly is a safe level, I have my own opinions about that. If you get a variety of scientists, they all have their opinions about it but FEMA's now going to a very, very low level of formaldehyde, in my opinion, it may be a little bit too low.

The reason that I have this slide is to show you -- this is not a prop here. This was a family that had a very nice home that was right on the Mississippi Coast that was destroyed and they couldn't get their home rebuilt very quickly so they were eligible for a travel trailer. The point is these were not just low-income families. This was low-income, middle-income, and wealthy people. Now, this family did rebuild within the first year, year and a half, but you literally had a Rolls-Royce that sat in front of a FEMA travel trailer. And for the most part, the families were very appreciative of what FEMA did to provide them some place to live as they rebuilt their homes.

In 2006, around December or so of 2006, November timeframe, somewhere in there, we were notified that we would be getting this grant. It took us two or three months to work through the process of receiving the grant, and as I said, we went into

final design and procured the units between that January through June timeframe. First unit was occupied the 21st of June. This was one of our one-bedroom units right here. They come in one-, two-, and three-bedroom units.

As you can see, at the height of the program, we had 2829 of these units that were occupied. We are now concluding the temporary phase of the program, and I'll talk about what that means here in just a minute. The one-bedroom unit or park model, approximately 400 square feet, it's hard to tell from this picture but they're very high quality units. You have sheetrock interior walls, painted walls, lap board siding on the outside. That's wood, rail and posts there, nice metal roofs on them. And they were designed in what's called a single shotgun style of housing, which is very typical of the Mississippi Gulf Coast and of Louisiana, city of New Orleans. You will see many homes that were built like this that were in the older neighborhoods of our coastal communities. In fact, many of the older homes like this were destroyed and that's why this design was developed. It was to try to fit in with the architecture of the Mississippi Gulf Coast. We have a two- and three-bedroom unit and you can see the square footage there.

Now, let me talk a little bit about the design of this. I didn't know anything about HUD or modular housing before I got involved in this. I've never been involved in housing before

but I've learned a lot about it and I now know that HUD code is what most people consider to be model home -- or, excuse me -- mobile home, and then you have modular housing which is a different set of codes and standards and it fluctuates from city to city and county to county, state to state. This unit with the wheels and metal frame meets all of the HUD standards as a mobile home. If you remove the metal frame and the wheels and the axles and attach it to a permanent modular foundation that meets the building codes of the community as well as the state, then it becomes a modular unit. So each one of these units are dual coded, built as a mobile home/HUD unit and also as a modular unit. And you guys probably know a whole lot more about that than I do but that was part of the thought process as well because we wanted to be able to move to permanency with these units in the communities that would allow them to be kept there.

We're now down around a little bit less than 2000 families that are still in our cottages. All the cottages that are installed in Mississippi currently are temporarily installed. Now, the only thing that makes them temporary is, in many cases, the utilities are not buried. Everyone that's installed now except for a few demonstration models are installed as mobile homes or HUD sets, therefore, they're on the stacked, dry block and they have straps. In many locations that are zoned for mobile homes, they could stay as long as we just bury the

utilities and that's the process we're starting right now. But in most of the municipalities, they will not allow a mobile home to be left, therefore, we're trying to work through the process of converting some of these units from mobile home to modular sets.

There has been a lot of reluctance in many of these jurisdictions to allow these units, first of all, to be placed at all. Remember, I told you that we didn't get the funding until January-February timeframe of 2007, and so by June when we set our first unit, there were many communities who said, "Well, we're almost two years past the storm. Why are you putting another temporary unit?" We tried to emphasize to them, if somebody had been living in a travel trailer for a year and a half, this was a much better alternative for them. And so ultimately, all of the jurisdictions allowed some cottages to be placed. Some were very open about it and some were very restrictive on where the units could be placed.

We are now, as I've said, in the process of either deactivating the unit, pulling it out of service, or converting it for permanency, and we're, like I say, around a little bit less than 2000 units still have families living in them. Because this was a temporary program, we convinced FEMA to allow us to install these units without elevating them to the flood standards. Because of that, FEMA said, "Okay. But you must pay

for insurance for these units regardless." Because they were temporary units and installed below the flood plain, we had 230 units that were destroyed by Hurricane Gustav, and Gustav just brushed by Mississippi as it went into Louisiana. The point being that none of these units are not going to be installed permanently unless they're elevated, and in some cases, those elevations are eight, ten, 12, 16, 20 feet above the ground. So from a practical standpoint, from an engineering standpoint, we have set as a standard saying we will not install any unit more than five feet seven inches above the ground. If a family wishes to purchase the cottage and do their own elevation, they can do so but we will not do it using our grant funds. But there's a whole series of issues dealing with flood plain ordinances across the Mississippi Gulf Coast, and unfortunately it will mean that somewhere between 800 and 1000 families will either have to move their cottage somewhere else or they'll have to do their own elevations.

Talking about the transfer of ownership, our articles of agreement with FEMA says we can allow the people that are currently in the cottages to purchase them at a reduced rate or we can take people that are in FEMA trailers, if their local jurisdiction will allow them to take their cottage and transfer ownership to them, or we can work with nonprofit organizations. In fact, we're trying to work right now to give Habitat for

Humanity about 40 of our units so that they can use these to house some of the families they work with.

We're going to try to keep everyone as a housing unit converted to permanency, but ultimately, if we cannot do that, any of the units that have to be disposed of will simply be disposed of using the state surplus property which means a sealed bid and then the proceeds from that process either have to be used to help support the program in this permanency phase, transferring other units to permanency, or used for other type of housing, low-income housing, across Mississippi.

Just to give you an overview of currently the FEMA situation. These are not our cottages. We have approximately 2,000 cottages in service right now. FEMA has approximately 2,052 travel trailers, mobile homes, park models, still in service across Mississippi. As I said, about 1,500 of those are in our coastal counties -- Hancock, Harrison, and Jackson County. And to briefly tell you of other housing initiatives of the State of Mississippi, we received a community development block grant money to try to help rebuild affordable housing or workforce housing.

First, there was the homeowners assistance program where if a family was outside of the special flood hazard area, outside of a designated flood zone, pre-Katrina, and did not know that they needed flood insurance, then they were able to get a grant

up to \$150,000 to repair or replace their home and then an additional \$30,000 to elevate if necessary. So that was phase one of the program. \$1.4 billion was provided to Mississippi citizens. Again, these were families that were outside of designated flood zone pre-Katrina and, therefore, they did not realize that they needed flood insurance. Most of those families have now rebuilt or repaired their homes.

And then in phase two, these were families inside of the flood zone but they were low- to moderate-income families that could not afford flood insurance. We have three military bases along the Mississippi Gulf Coast, or we did at the time of the storm, and there were a lot of military retirees still are. And so you had these families that may be living on a very low military retirement. They could be in their 80s and they had let their flood insurance lapse when their mortgage was paid off. And that's really what this phase two was focused on, was those families that just did not have the money to maintain flood insurance even though they were in a special flood hazard area.

We've also had initiatives to rebuild the rental property under the long-term workforce housing and small rental programs but I'm not going to go into detail because these are not my programs but there's a good website you can go to under Mississippi Development Authority and find out the details on

those programs. You just look under Katrina Recovery at MDA's website and it can take you and it talks to you about the small rental and workforce housing.

And I think that's about my time and ready to move to the next presenter. Thank you all.

Larry Buron: Okay. My name is Larry Buron and I'm a contractor, work for Abt Associates, we're the contractor to HUD who received money from FEMA to do an evaluation of the Alternative Housing Pilot Program, and specifically, we're doing evaluation of the quality-of-life changes from moving into an AHPP unit. There's another set of contractors who are doing what we call the building sciences evaluation, looking at moisture levels, stability of the housing, but we're looking at the people side.

We have two sides to our study: One is a process study where we're following the implementation to see what barriers are encountered and trying to implement this program and what can be learned from the ways the states have overcome this barriers, the challenges they faced, the decisions they've made. And the other part which I'm going to talk about today is the survey part where we're surveying residents, participants in the AHPP program about how it's changed their quality of life. And we had a baseline and followup survey, and we just did the

followup survey in the fall of 2008, so we're going to talk about the results from that survey.

It asked about -- first, I'll just tell you a little bit about it. It asked about a variety of quality-of-life domains, it asked about housing conditions, neighborhood conditions, physical and mental health, children's behavior, children's health.

We picked a random sample of people who had moved into an AHPP unit in Mississippi before February of 2008 because we were doing the survey in the fall of 2008 and we wanted to make sure they had at least six months experience of living in the AHPP unit before we interviewed them. We had a very good response rate to the survey, it was 83 percent, so we completed 281 surveys out of the 340 people that we targeted to survey.

So first question is, "Who is getting these AHPP units?" It's mostly white, just like the community that it's surveying, it's almost exactly the same 77 percent of the participants are white and this is almost the same exact percent in the six-county area [sounds like]. Same with the education level, about a fifth are high school dropouts, most of the people are high school graduates and about 13 percent are college graduates. That's the same as the distribution in the six-county area. They're a little bit older than the overall population, a few more elderly. There's a larger percentage of single-person

households; I think 36 percent of the recipients are single-person households and part of that's an artifact of the program, the one-bedroom model was ready before the two- and three-bedroom models and so a slightly higher proportion of the early recipients are single-person households versus the later participants.

More than one-third of the households have at least one disabled person; that's about twice as high as the national average. The households are a little bit less likely to be working, and part of that, we think, that's because of a higher percentage of them are elderly and a higher percentage are disabled. So about 50 percent of the respondents were working at the time of the followup survey, and in that six-county area, about 59 percent of adults are working so it's a little less likely. And they are mostly low- to moderate-income households. About 80 percent of them are below the median in those counties, but as Mike said, there wasn't an income requirement for this program. The requirement was that you didn't have a permanent housing as a result of the storm. So about 20 percent or above the median including some people in our survey were actually, based on self-reported income were actually quite wealthy. But most of the people who didn't have housing at this time didn't have a viable alternative or were low- or moderate-income people.

Six percent of the households or two-thirds were pre-Katrina homeowners. One of the features of the program was MEMA didn't provide land to put up these units so you had to have land to put the unit on so that's why there's so many homeowners in the program. And actually, the homeowners are almost exactly the same as the percentage in the six-county area as well; 71 percent of the area were homeowners prior to the storm and 66 percent of the people that received these units were homeowners.

Almost all of them were living in a FEMA travel trailer or mobile home right before they moved into their AHPP unit, and then the other ones who weren't had lived in a FEMA trailer previously and had moved to another location.

Okay, so some of the things we asked about on housing quality -- and you'd expect housing quality is probably the most direct effect of the AHPP program because it's actually physically changing the unit that you're living in. Even though the one-bedroom units aren't that much bigger in square footage terms than a travel trailer, there're a lot of features that are a lot better. You saw the roofs in the pictures that Mike had, they actually have a lot taller roofs so it gives you a feeling of roominess. The design is nicer. There's actual bedroom in the unit. As you know, in a travel trailer, there's kind of a little cove where you can sleep with a curtain that you pull in front of it so there's no door you go behind. There's a full

stove, four-burner stoves in these, there's an oven, there's a bathtub and a shower; in the travel trailers, there's a two-burner stove and a there's a little shower but there's not bathtub. So, there're a lot of features that make it feel more like at home, and you can see some of quotes on the right-hand side, a lot of the things that people appreciated about it was being able to do some of their normal activities. Some of the things we heard were like, "I can invite company over," "I can play my card game," "I can have someone over for a meal," "I can have my family over. We can all eat a meal at the same time." So, a lot of really basic normalcy [sounds like] things were what they seemed to appreciate.

We asked them to compare the quality of the unit in the baseline survey and in the followup survey and then we asked them to directly compare it in the followup survey, and 90 percent reported that the AHPP unit was higher quality. Nobody reported it was worse quality. The other ten percent said, "It doesn't make a difference. It's not my home. It's the same."

We asked about a lot of different problems that they might have with the units. We asked about mold and mildew, electrical, plumbing, toilets, floors and exteriors, and on every single item that we asked about, they'd had fewer problems in their AHPP, again, pointing to is built with a little higher housing quality. Some of the more extreme changes were before

in the travel trailer, 38 percent said they had problems with -- big problem with the broken lock on their door or their windows, exterior windows, and that was only four percent for the people in the AHPP units.

Big decrease in bad odors. A big decrease in electrical problems. It's not showing up there but that also went. In the travel trailers, 37 percent said they had gone without electricity for several hours because of electrical problems, and in the FEMA units, that was negligible. It was down to -- well, it wasn't negligible. It was down to about 11 percent so it had gone from 37 percent down to 11 percent.

Now, one of the things we were concerned about is some of the people had lived in the -- when we did this survey, people had lived in the AHPP unit from between eight months and about 18 months, and some of the people that lived in the travel trailer had lived there for over two years but we did comparisons where we held constant, how long they have lived in their units, and it still was much smaller reports of problems amongst the AHPP unit people. So it's nothing to do with how long they've lived there. It has to do with the quality of the unit.

Okay, one of the big complaints you hear about the travel trailers is every time the wind blows, it kind of shakes a little bit. People talked about when a truck drives by, the

units shook. So one of the things they really liked about the AHPP unit was it felt much more stable. It felt like a real home. And the tie-downs that they used even for the temporary housing even though it was a temporary installation were to withstand winds of 150 miles per hour. So, when you talked about Hurricane Gustav hitting, there wasn't damage from the winds, it was damage from the water because they weren't elevated. They actually held up really well from the wind. There was no -- as far as I know, there was only negligible, kind of some siding problems with a few units but there was really no wind damage from Gustav. And people were very -- I think that really -- we were a little bit scared because we were doing this survey about a month after Hurricane Gustav so we thought that's going to bring back a lot of issues with the previous Hurricane Katrina and they're going to see some of the weaknesses in these units now that they've kind of lived through a more minor hurricane in the case of the Gulf Coast of Mississippi but we thought this would be a real problem, there'd be a lot more complaints, but actually it seemed to reinforce their belief that these were stronger units rather than making them feel skittish about the units. They've actually reinforced their perception before the storm that it was stronger.

Okay, we asked about physical and mental health. The reasons you might expect on new housing unit, the AHPP unit, to

have an effect on mental or physical health, there were a couple of reasons. One is it might be less stressful to know this is where I'm going to live in, this is where I'll be living for at least the next two years. It feels more like a home so it has these features we talked about. It has more privacy. It has higher ceilings. It has a little porch on the front so it feels more like a home so you would think it is less stressful. They were a little bit bigger so there's also a little bit less crowding. So, there's a bunch of reasons that you'd expect people to have less stress in their life which might lead to physical and mental health improvements.

There's also this travel trailer issue possibly with formaldehyde so we asked about respiratory problems and how those have changed, and interestingly, a very strong result: Of the adults who'd reported respiratory problems prior to moving into the AHPP unit, one-third of the adults reported they had improvements in their respiratory problems after moving in. Now, we can't conclusively say that's because of the AHPP unit because it could be maybe they're getting to see a doctor now more and getting some dealing with their health problems but it seems like there's definitely a correlation with improved respiratory -- decline in respiratory problems.

Of the other people who didn't report improvements, about 50 percent said there was no change. Almost -- no, actually

it's like everybody else except for five percent reported there was no change. About five percent said that their respiratory problems had gotten worse since they moved into their AHPP unit. So, one-third better, 75 percent about the same -- or 65 percent about the same and about five percent said worse.

And these were also backed up, both these physical and the mental health, where we also asked people -- we interviewed some people more in depth and we also asked people on this survey of 281 people, we asked them and the very last question was, how has the AHPP affected the quality of your life, and just let them say whatever they wanted. It was amazing the number of responses that had something to do with, "I feel more normal again," or "I feel less stressful," "There's more space," "I have more privacy so I feel more sane." So a lot of these open-ended answers were all based around kind of a sense of relief and a sense of, "I feel more normal. I feel like my normal life is back again." And so even though you can't say that the AHPP, we don't have the quantitative evidence that it's totally because of the AHPP unit, there is also some back up on what they said qualitatively about why it might've affected their health and improved their health.

Okay. We asked a bunch of questions that's used on, like, the National Institute of Mental Health surveys on mental health about how much of the time do you feel hopeless, how much of the

time do you feel cheery, how much of the time do you feel sad, and these questions, all of them showed improvement after moving into the AHPP unit. One of the biggest ones was prior to moving into the AHPP unit when they lived in the travel trailer, about 30 percent of the people said they didn't feel hopeless any of the time in the previous month. After they moved into the AHPP unit and we interviewed them, 60 percent, they didn't feel hopeless any part of the month. So there're still some issues with mental health but it's both because of time and the recovery time from the storm and after moving into a more stable unit, there seems to be reductions in mental health issues.

Post-traumatic stress disorder, we don't have a baseline on this so we don't have a comparison of before and after but about 17 percent in the fall of 2008 still met the PTSD symptoms, had enough symptoms on the questions we asked that they would be qualified as PTSD. There were other surveys done by other researchers post-Katrina that were done about a year before our survey and they showed about 25 to 30 percent of the people had PTSD. So it's not a perfect comparison group because it is a year earlier, a year closer to the storm, but ours is lower than that, the Kessler Harvard medical studies found. These studies also included all four Gulf States. This one only was interviewing Mississippi people.

That's my last slide. Thank you.

Anita Lee: Hi, my name is Anita. If you all bear with me, I'm used to interviewing people, not talking in front of them.

I sheltered from Hurricane Katrina at the *Sun Herald* building which is a -- what, it's not going?

Male Voice: [indiscernible].

Anita Lee: Okay. Which is a concrete building, and I've always stayed there for storms. If you leave, it's very difficult to get back in, and as a reporter, you need to be able to hit the ground. We had a photographer in the building who insisted on going out before the hurricane passed and I tried to talk him out of it but he went out and he came back ten minutes later and he looked completely shell-shocked, and he was from out of town and he told me, "Your city is gone," and that is the first time I had any inkling of just how bad the storm was.

As soon as the wind died enough, we went out and we saw what he meant. And along the waterfront, the Mississippi sound, which spills into the Gulf of Mexico, everything was pretty much flattened for at least two blocks back; sometimes the damage went six to ten blocks inland depending on the elevations. These numbers are from our newspaper and these are Mississippi numbers alone; Louisiana's not in there.

I lost my home in the storm, and let me tell you, when you see body bags on the sidewalk, that kind of puts it in perspective for you, that it's just but nonetheless, you're

working every day and wondering where you're going to be staying that night. I moved six times in three months and did not wait on FEMA to get a trailer because I had no idea when they might bring it. The Mississippi Home Corporation had some trailers and I managed to get a travel trailer and put it on our lot. A lot of renters ended up in these FEMA trailer parks.

One of our big issues after the storm was insurance. There was a lot of financial insecurity. The major insurance companies, State Farm, Nationwide, Allstate, USAA, the Military Insurer, decided that they would not cover wind damage that was a part of their policies where water contributed to loss which left us without money and left us with mortgages on destroyed homes so it was very hard to try to plan or rebuild or move when you were paying a mortgage on nothing. We managed to get enough money from our insurance company to pay off the mortgage on our modest home and go ahead and move because it is scary staying near the water in a travel trailer and having a wind of 50 miles per hour or more, the trailer starts rocking, and if it gets much harder than that, they want you to evacuate, and that's real difficult to do when you're trying to work every day.

So we did move up the street. And a lot of people faced with the financial uncertainties didn't do that, and in a way it was smarter to wait. Insurance went up after we moved, wind insurance. We had to go into the state wind pool, and our

insurance escrow now costs more per month than our mortgage did before the storm, and so that's a real issue for folks in the coast.

This is on Admiral and Mrs. Lisenby [phonetic] in Pascagoula. We have 11 localities in three coast counties including the counties and the cities in those counties, they lived on the waterfront there on the Mississippi sound in Pascagoula and this is the home they lost. Admiral Lisenby used to oversee military ship construction at Ingalls Shipbuilding. This is their home after the storm. They were fighting with their insurance company, USAA, over wind damage. You could see they did have a lot of water damage but they had wind damage as well, and their case is still in court. It has not been resolved to this day.

This is where they stayed during the trial, and let me tell you, they were -- as Mike said, some people who lived in Katrina cottages were not poor and they certainly aren't but they were so happy to have this cottage. Mrs. Lisenby had put some antiques in it from her home in Washington and they had their computer, and you really can move around in these better than travel trailers so they were quite comfortable there during a very stressful time in their lives.

These are the cottages as they were being brought in, and they are on wheels and that's why the jurisdictions tended to

treat them like trailers when it came to zoning issues which is unfortunate because they're very well built little cottages. And you can see one coming into a neighborhood here with a travel trailer.

You'd be amazed even though you lose all your things how fast you can accumulate stuff. People want to give you clothes and household items and the bunk beds in the trailers end up being closets and it gets pretty cramped pretty quickly.

Gustav came and there was a mandatory evacuation. A little over 1400 of the cottages are in flood zones, and that is just the nature of the beast when you're dealing with hurricanes and disasters. The temporary housing is in places where homes were destroyed and water really does destroy a house.

This is the point in Biloxi, the Mississippi Sound is to the south, the Back Bay of Biloxi is to the north. During Katrina, those bodies of water met somewhere in the middle and wiped out the whole peninsula of East Biloxi, but cottages came back into the area and you could see the water, this one.

And then this is Waveland, Mississippi where the eye of Katrina hit and you see that cottages pretty well going under but look at that roof, how well it's holding up, and the siding. I was out in Gustav because it was a category three but it really wasn't that bad on the Mississippi Coast, and I was particularly anxious to see how the cottages did, and they were

all holding up beautifully. And aluminum roofs do real well in storms; they did well in Katrina, I wish I had one. And that's just another shot of Gustav and our photographers from the *Sun Herald* took this.

Now, some people had to leave their cottages. The ones that got water were condemned and they were not able to keep them and they put these -- they found these notices on their doors when they got back after evacuating from Gustav.

This couple did not want to leave their cottage. They were building a house here on a lot. Now, why they put the cottage at the back of the lot by the canal, don't ask me, but that's where it was. They tore the foam insulation under the cottage that got wet, they took it out and they said that was all that got wet. The rest of the cottage was dry and they wanted to keep it, it was condemned, so they got a public adjuster to come over, and he's an engineer, Lewis O'Leary [phonetic], and he inspected the cottage and found it had stayed dry. And there you could see the waterline where there's bits of trash or grass. So I hope they got to keep their cottage; I think they did.

One big thing with the program is building community acceptance and this was a very good idea; in Ocean Springs, they put up a demonstration cottage after they were approved. People would go through and tour them. And when we first moved into

the travel trailer, it seemed like a mansion after us staying and having one bedroom to live in in a friend's mobile home, it seemed very large. We first fogged in it [sounds like] but not after a while. At any rate, this is more like home and I think the reason that people like these cottages, and I'm not surprised by the survey results, is that this cottage and the design of it gives people a sense of place. The design architecturally fits in with our community and many of our homes, while maybe a little larger, looked a lot like this.

This is also Ocean Springs and this is Cottage Square. It's a demonstration project. They have put 14 cottages in here and they're mixed use. They have some leased one-bedrooms and then the others are used for businesses, and they're planning on bringing in more. It's been very successful. It's half a mile east of downtown so it's within walking distance of grocery shopping, and we're really trying to focus more on mixed-used development and walkable communities as we rebuild. This is a cottage being placed on a permanent foundation from the trailer.

And this is the mayor of Ocean Springs, Connie Moran, and this fellow here holding his hand out is Gerald Blessy. He was instrumental in getting these cottages approved for permanent placement in localities across the three coast counties. We have 11 jurisdictions there, and in the end, only one, Long Beach, Mississippi refused to allow cottages to stay within

their borders. And again, there's a lot of "nimbyism" about the cottages, "not in my backyard," I think probably because of the size, but Governor Barber appointed Blessy to be housing director and he's looking at a lot of housing options and did a lot to go talk to the boards about allowing permanent cottages. This is just another cottage being placed on the foundation.

And this is Sammy Montefort [phonetic]. I got involved in covering the fight to keep the cottages in neighborhoods. This particular one did take place in East Biloxi which is traditionally a community of immigrants. Biloxi is over 300 years old as a city and it was settled by Slovenians and fishermen, and our latest wave of immigrants have been Vietnamese fishermen. So it's a very old community and Sammy grew up here. This is his mom's cottage, she was in the hospital when we took this picture, and he was going to the Biloxi Planning Commission and City Council to try to get them permanently placed. They did allow them in East Biloxi. The lot sizes there are very small and many of the homes, while a little larger than these, were low- to moderate-income homes before the storm so they fit well in this community.

Ms. Montefort's neighbor had settled right in. This was before they were even allowed permanently and planted themselves a lovely garden, and people really do feel at home in these cottages.

You see, they won't work in some areas. This is Front Beach. The lots are larger here and so are the houses so they're not going to be staying in these areas.

This is a Habitat project. Habitat wanted -- was trying to get this concept going of using the cottages and expanding them. It's much cheaper for them than starting from scratch with a stick-built home, and they did the numbers on it and they could've saved a lot of money like this but, unfortunately, the restrictions in a lot of communities aren't going to allow it. The community leaders were scared developers would want to buy up cottages and bring them in and create these cottage communities so a lot of them said this must be occupied for permanent placement. The person requesting the permit must've occupied it. They must own the land and so forth so I'm sure Habitat is still trying to work on that. You could see what they ended up creating -- and this is a pilot project in Diamond Head, Mississippi -- it looks a lot nicer than a lot of the homes that were standing before the storm, and what's more, this home is up to code, and a lot of the homes standing before the storm were not; they were older homes.

People have made themselves right at home where they've been allowed to keep these. This lady customized her cottage. We did a home feature on it. This is a kitchen, I don't know

that it's necessarily hers, and you see the personal touches that make this just like a home.

And I'm going to close this, let Mary Rose Lahey [phonetic] close this out here. She's a very direct woman who lives in East Biloxi, and she as much as anyone was probably responsible for the cottages being allowed there, and I'm going to let her tell you about her Mississippi cottage.

[Video presentation]

*Mary Rose Lahey: Who is going to deny this child a right to play in her own yard, right?*

*Anita Lee: Right.*

*Mary Rose Lahey: Right. This child's got to play.*

*Anita Lee: And how did you end up in a Mississippi Cottage?*

*Mary Rose Lahey: Well, I stayed with my daughter for a while then I stayed in a tent for a while, then I got a trailer.*

*Anita Lee: Did you stay in the tent here on the property?*

*Mary Rose Lahey: Yes, I did.*

*Anita Lee: And you were waiting on your trailer?*

*Mary Rose Lahey: Yes.*

*Anita Lee: How long did it take?*

*Mary Rose Lahey: Three months. And the reason it took three months was when I filed, I filed in Jackson County but she said it didn't make any difference because it all went to a*

central computer. And I was living in that tent so people came by, it was right around Thanksgiving, and it was two women from Seattle, I believe, they were firefighters, and they were going around looking for people living in cars and tents and whatever, and trying to get their trailers before the cold weather set in. And so they got to work, and the reason it took me so long to get my trailer was they had never put it in the computer for Harrison County. So thank goodness for those girls that they called and got on a stick and I got my trailer the day after Thanksgiving.

Anita Lee: Tell us, you were one of the main people who fought to keep the cottages in Biloxi. Tell us about that time and what happened and why it was frustrating, you say.

Mary Rose Lahey: Well, it was very frustrating that the powers that be, the administration, the council, could not see the advantage of us having these cottages. I think it's gotten a little bit better now about being able to get a contract, but right after the storm, I mean, if I had had a million dollars to build, could I have even gotten a contractor to build because they were like hen's teeth, everybody was after them. The fact that this was already built -- I'm an older person and I don't have much patience, so by having this already built, it took the stress off of me of having to deal with a contractor and getting

*all the things done that would need to get done from a ground-up structure.*

*As I said, especially for older people, I just think it was a Godsend. I don't know why these people couldn't see the advantage of it and, yes, I did work real hard. I called people by name and had no qualms about challenging them in public at the council meetings or whatever as to why they did not want us to have these cottages. So, I don't know how long it was but it was a long time, and finally it was decided that we wouldn't be able [indiscernible].*

*Anita Lee: Well, what would you like to tell this audience that will be seeing the video in Washington? What it is that you'd most like them to know about the cottages?*

*Mary Rose Lahey: All right, should -- I mean, I know disasters are occurring all the time -- but should another disaster like Katrina occur where people actually need houses, these are wonderful. And I don't think that they cost any more than what the trailers did with the leasing or the purchasing or whatever, but they certainly are cost effective. So that instead of wheeling up a trailer to some property, they could wheel up these cottages, and then right then and there, the people should be -- or soon after, the people should be canvasses to see whether or not they would like to purchase*

*them. Then that way, people can get on with their lives rather than a transition from this to that to whatever.*

*So, as far as the cottages, I mean, you couldn't ask for a better -- yes, there's a lot of little things that could have been better, but when we're talking about the major -- the things that really make a difference in your life, you could not ask for better. I mean, the refrigerator, the stove, the microwave, the bathroom fixtures, all I had to do was move in and start my life again. So that was really such a relief, such a relief. And now that it's mine, I just can't wait until it's my roof over my head. I mean, you know, as old people, I'm not known not to ever have a home. The 105-year-old house was my childhood home and I didn't know what it was not to have a home, but when you don't have a roof over your head, trust me, it's hard to live with.*

*Anita Lee: Thank you so much for talking with us, Ms. Lahey.*

*[End of video presentation]*

*Anita Lee: Ms. Lahey was going to have eight people over for Easter that Sunday in her one-bedroom cottage.*

*I have some cost here I did want to give you all and this is from MEMA. On a 396-square foot one-bedroom, the cost on that was \$34,500, and on an 840-square foot three-bedroom,*

\$51,200, and I don't think they were any more expensive than the trailers. Thank you all.

Patrick Kraich: Okay, if we can get the panel to reconvene on the stage so we can do a little Q&A with the audience, please. And please remember that we are recording so if you have a question, wait for me to bring you the mic. Anyone, any questions? No questions whatsoever?

Female Voice: Just a quick clarification on those numbers, that's \$34,500 to build or to buy it?

Anita Lee: That was the cost of construction, I believe.

Female Voice: Okay.

Anita Lee: They were being sold based on income, and some people were paying as little as \$600 for the cottages, although MEMA didn't want to talk about that too much publicly but -- they said.

Michael Womack: Well, we tried to gear the cost of procurement to be very similar to a cost of the public housing rental and, therefore, we were allowed by FEMA, and it took a special act of state law because these are state property now but we are allowed to sell them at very heavy discounts. But if you've got a lady like this lady that we just saw up here, I don't know what her income level is, but if she's living off of Social Security, she can't afford much more than \$1000 or so. Our biggest challenge is the cost of insurance, quite frankly,

because these families are required to keep insurance for two years, and as Anita has already said, the cost of insurance is extremely high. So just the insurance and taxes, it's probably going to cost you \$400 or so a month, and so that in itself can price that out of some family's reach.

Male Voice: Maybe you mentioned this already but where were the cottages manufactured and how far did they have to travel to get to the locations? And, how was the utility hookups done?

Michael Womack: There were eight companies and 11 manufacturing facilities. Again, using Governor Barber's vision, he said this is a pilot program. We're trying to demonstrate something that could potentially replace the travel trailer for the next disaster, therefore, we want a variety of different manufacturing facilities having experience doing this. So we went out for competitive bid on all of the units and we elected to use two to three vendors for each one of the sized cottages, and therefore -- I think if you were to mass produce these -- I don't think we went more than \$250 units with any one manufacturer, but if you went with one large manufacturer and gave him an order for 2000 or 3000 units, I think the prices of these units would be substantially lower.

To answer your question about the utilities, we agreed initially that none of the cottages would remain permanently

unless the local governments wanted them do so. Therefore, when we installed the units initially, all utilities were above ground, water and sewer was laid above ground and the power was hooked up as a temporary connection on a pole. And now, any units that are going to remain permanently, we are going to have to go back and transition that, to bear those utilities, change out the power service.

Female Voice: Firstly, congratulations on such a successful pilot program. I have two questions to direct to Mr. Womack. The first is, I'm interested in hearing your impressions or planning that's been conducted since the pilot program. After having launched such a successful pilot program, what lessons have you learned in Mississippi that you are factoring in to your planning for any future housing mission that you may need to conduct in facing any future catastrophic events?

My second question relates also to the pilot nature of the program and wondering how confident you are in that the lessons you're learning in Mississippi are being heard by other states and that other states will benefit from your experience and also the federal government.

Michael Womack: One of the things that I would like to see come out of this pilot program is to emphasize that we need a housing unit that can be transitional to permanency and that

local governments need to address this idea of permanency early on. A lot of money was spent setting these units as temporary units and then 230 of them were destroyed because they were set as temporary units. If we could have gotten local jurisdictions to buy into permanency when we started setting these units, then these families would be so much further along in their lives. I hate to see families that have to go through another transition to another housing unit, but some of these families will have to do that.

It's just not practical in our opinion to put a cottage, a 400-square foot cottage, 12 or 15 feet or higher in the air. There are all sorts of issues. First, that \$30,000 cottage may take \$50,000 to be installed that high. And then you start working -- you cannot do one for a family that's not ADA without doing the same thing for an ADA family. And if you do that, then you're starting to get into lifts and things of that nature so there are all sorts of complex issues, but this whole idea of permanency needs to be addressed very early on in the disaster.

The other question, I think, you asked about other states and do they know much about it, I'm not sure that they do. I try to talk about the cottage every chance I get but I don't know if the story's getting out or not.

Female Voice: [indiscernible].

Michael Womack: The program's not over yet. I mean, just because two years into the program it seems to be relatively successful, we've got another couple of years to evaluate the program so I think it's too early for FEMA to be trying to integrate anything from this pilot into their housing strategy, but I don't want to speak for them either.

Male Voice: I have a technical question on how you got them there. The Katrina cottages are taller than what's permitted to go down the roads, wires, bridges get in the way. How did you manage to get them to the sites?

Michael Womack: Well, they are -- because of the weight of the units, they're under the same classification as a mobile home as far as the weight is concerned. Actually, our one-bedroom unit is just about as heavy as a conventional mobile home, very strongly built, but they're not higher than the standards to be pulled in the state of Mississippi. Now, there were some locations where local roads, we had to go in and have someone hold wires and things of that nature. But it does take the same permit as if you were moving a mobile home. You cannot move this with a pickup.

Anita Lee: I wanted to mention that governing.com has an article on the cottages this month, I think, if anybody wants to look at that, and mississippirenewal.com is another site that has more info.

Larry Buron: I just want to add to the question about FEMA learning lessons, there are two evaluations going on that they're going to create their own document from these evaluations as to what lessons they've learned, and they have a lot of people on the ground that are learning things firsthand too, but there is going to be a written evaluation that will have lessons learned in at that. One of the examples I got is sometimes these programs are real high profile for a while and maybe there won't be a major disaster for a while and everybody forgets and then they want to recreate another program like this ten years from now but no one remembers what we learned from the program we tried ten years ago so there'll be written records, and FEMA is, I think, going to take the documents and reports that are provided on the building sciences technical side and on the people side and try to pull together what they've learned from this as well as their own experiences.

Michael Womack: You've got another complex issue. Legally, FEMA cannot do permanent housing. The Stafford Act does not allow FEMA to go in and replace housing. They give grants to the homeowners up to \$27,000 or so now but it is not within their authority to give someone a permanent housing solution so it's going to take legislative action if we truly want to do something like this, either through FEMA or through

HUD or some other entity. This was a special program. It's not under the Stafford Act which governs FEMA.

Male Voice: I was curious what some of the exclusionary zoning, how are they blocking the permanent siting of these houses, and did anyone ever file a lawsuit on that or try to litigate it at all?

Michael Womack: First of all, there were some jurisdictions that had minimum square footage requirements in place before the storm -- 1000 square feet, some jurisdictions 1200 square feet. So they can simply restrict those that can stay permanently by that action. There was one lawsuit that was filed in the city of Waveland where you saw the cottage that was destroyed and we were able to reach a compromise -- we, meaning the city, MEMA, and the people that had filed the suit -- and now Waveland is allowing some permanency, but very complex issues on what authorities a government has as far as restricting a specific housing unit versus other types of modular housing.

Male Voice: Because they meet the code, right?

Michael Womack: They exceed code. Code in most places are 130 miles an hour; these are 150 miles an hour. They're built to that and they're strapped into that and we're staying with that. It is a full modular unit built in a lot of ways better

than traditional stick built. I wish you could see them. They're very, very sturdily built.

Female Voice: I have a quality-of-life question. In your slides, you noted that about a third of the residents were people with disabilities, and we saw a lot of trailers with ramps and a lot of cottages with ramps, and I'm not questioning the accessibility of the cottages but I am questioning the accessibility of the surrounding communities and what impact the elevations, the huge increase in elevations in particular, have on the quality of life of the occupants with disabilities when they want to participate in community activities, visit neighbors, et cetera. Do you have any feedback from people on that?

Larry Buron: No, I mean, because the elevation hasn't happened yet so we don't have feedback on that and, as Mike said, that would be a whole another set of issues because you'd have to have lifts and things because they're so high. But as far as the FEMA units themselves, we asked a lot of questions about accessibility within the unit, with the use of the bathroom and getting inside of the unit, and 97 percent of the households with a mobility-impaired person said full access. We asked them at the same time about when they lived in the trailer and about 75 percent say they had full access at that time, so 97 percent people with mobility impairment said that they could

move around the units and the bathroom's fine, can get into units fine but that would be harder when they actually have to meet the flood plain code.

Michael Womack: Twenty percent of our units are ADA compliant units, or UFAS units, I guess, is the new term. That exceeds the standards as I understand it. Anytime you do a public housing, you're supposed to go ten or 15 percent or something of that nature so we tried to exceed the minimum standards. The reason we have such a cross-section of population in the units is because we used a random selection process to determine who got a cottage.

When we started the process, there were still 5000 or 6000 families in FEMA trailers, and we knew we didn't have enough money to procure cottages for all of them so we used the computer-generated random selection process, and I think that's one of the reasons you have such a good cross-section of the public because disaster housing needs to be provided to everybody that needs assistance, and in a catastrophic event, you have to understand that you're going to have wealthy people who are going to have to have time to rebuild their homes just like you do with the people that are less fortunate.

Larry Buron: And even people who had options to live maybe with a family member an hour or two away, they were very uncomfortable living away from their property both because of

the familiarity and availability of, maybe, their job but also because they're afraid as they were re-building, they wouldn't be there to protect it.

Anita Lee: It's funny how many elderly people did have to stay away from their homes after the storm and how many died, just mourned themselves to death, basically, we think. I mean, we don't have any hard numbers on that, they're not counted in the death statistics but it does seem to be a factor.

Michael Womack: I totally agree with that; 231 deaths or so, I think, was on the screen. It shortened the life of many people afterwards, and this doesn't have anything to do with housing or very little to do with housing. I think one of the biggest shortfalls of this response and recovery was the fact that there was not more funding for mental health care professionals to do counseling. It's a huge issue for not only the elderly but the entire community.

Patrick Kraich: I was going to jump in actually with a question for the panel. In the design of the cottages and also in your research, Anita, you're talking about folks on the ground, did you get a sense -- was there an attempt to, in some of these cottages, include sustainable building elements? Was that ever brought up? Was that requested or do people just -- this was thinking about more emergency housing and that was an afterthought? So, just curious what your thoughts are on that.

Michael Womack: Well, there's a gentleman that lives here in D.C. now by the name of Joe Hagerman who was part of the initial concept team and he has been a consultant for us since the program started. There are a lot of features in the cottages that are environmentally friendly. All the appliances are spec'ed out that way. We tried to use low-emission materials in the building of the units, so we did look at that as part of the program. The slide said \$280 million. It was actually \$275 million was provided for these cottages.

There's another program that they have not even really gotten started on pass [sounds like] design and it's called the eco cottage and it's going to carry those same concepts even further. Quite frankly, we're not going to purchase the cottages until we've got some place to put them permanently. We don't need another temporary cottage. That's something I want to emphasize to everybody. The temporary phase of this program is over. If you can't keep your cottage permanently, we're going to have to move it. And another point I wanted to make, renters were a problem. We had to, for the most part, use mobile home parts to try to take care of those families but we've got a lot of families that are going to buy their cottages and keep them in mobile home parks.

Male Voice: I think you had mentioned that the cottages that people aren't keeping, there's some move to build a Katrina

Village or something, did I miss something there, no? The extra pieces at the end, when you're done, is there any urban planning looking at how to deal with these and building it in a community that's accessible even [cross-talking] feet in the air.

Michael Womack: Anita showed you some pictures of one of these projects within the city of Ocean Springs --

Anita Lee: Cottage Square.

Michael Womack: And it's already complete with some cottages there. As part of the grant program, we were given permission to provide up to \$1.5 million to private, non-profits to develop villages, and we've got two private, non-profits -- Mercy Housing of the Coast and a private, non-profit called EVAC, Every Victim a Cottage, and they're going to develop two villages based on us donating the cottages plus using that \$1.5 million to develop these.

It is -- one of the most frustrating aspects about this is getting these local jurisdictions to buy the concept of having nice little neighborhoods with either cottages as infill or just a pure cottage neighborhood. There's a huge resistance to it by a local government.

Patrick Kraich: Well, folks, if we don't have any other questions for the panel, let's give them a round of applause, and please visit our website for updates on upcoming AHPP

programs, and also look forward to our next program in the fall  
of 2009. Thank you.

[End of transcript]