



Cypress Cottage Partners

**TESTIMONY TO THE HOUSE COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY**

**FIELD HEARING ON “SOLVING THE AFFORDABLE HOUSING CRISIS IN
THE GULF COAST REGION POST KATRINA: WHY NO PROGRESS AND
WHAT ARE THE OBSTACLES TO SUCCESS?”**

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Introduction

I am Ben Dupuy, I am a native New Orleanian, and I am the Executive Director of Cypress Cottage Partners. I would like to thank the committee for conducting this hearing, and I would also like to thank Governor Blanco and the LRA for their support for the project my testimony describes.

Shortcomings of Existing Housing Options

The shortcomings of FEMA's emergency housing options allowed for under current law are well known. The Inspector General of the Department of Homeland Security has reported that some of FEMA's group sites on the Gulf Coast will be operating for five or more years and that some are already plagued with violence, drugs, and gang activity. The Inspector General has also reported that this situation is "a recipe for human tragedy and a brewing public relations nightmare for DHS and FEMA." The cost of a FEMA trailer is nearly \$60,000 for an 18-month period. With 70,000 trailers in use in Louisiana, that amounts to a cost of \$4.3 billion in this state alone. Using \$4.3 billion for temporary housing that has no hope of becoming a suitable permanent solution is clearly not in the best interests of displaced citizens, affected communities, or taxpayers.

The Alternative Housing Pilot Program

The combination of the unprecedented demand for disaster recovery housing and the shortcomings of existing options prompted Congress last year to appropriate \$400 million to FEMA for the Alternative Housing Pilot Program, or "AHPP," to: one, identify new solutions for disaster recovery housing and, two, transition displaced Gulf Coast families

into housing more appropriate for long-term use. The legislation included a one-time waiver of the Stafford Act so as to make it possible for homes built under this program to be occupied for longer than 18 months. The five Gulf Coast states submitted a total of 29 proposals to FEMA for review, and FEMA selected five, including one proposal in Louisiana that will receive \$74 million. It is noteworthy that Mississippi received \$281 million despite the fact that Louisiana had a far greater number of homes destroyed. The selected proposal for Louisiana was the Cypress Cottage Partners solution to build homes that transition from temporary housing to permanent communities, or what we call “temp to perm.”

Cypress Cottage Partners

The homes we will build are affordable; permanent; quickly constructed; appropriate for various sizes of families; able to withstand winds of up to 140 miles per hour; and easily adaptable to local zoning, building codes, and architectural patterns.

We will build several models of single-family homes, ranging in size from two to three bedrooms. We will also build single-story, multi-family buildings with units ranging from one to four bedrooms.

A significant problem that FEMA encountered on the Gulf Coast was the placement of group sites. Many communities, not wanting to be saddled with trailer parks that they feared could become permanent, prohibited the building of group sites. In contrast, our temp-to-perm model appeals to local governments in several ways, including aesthetics,

size, speed to construct, and ability to transition to permanent communities. Our homes will carry a higher initial cost than trailers; however, their total life cycle cost certainly will be lower given that the State will own a permanent and appreciating asset at the end of the two-year pilot program. Most importantly, our homes will enable displaced citizens to move more quickly into housing appropriate for long-term use. If all of the trailers in group sites in the New Orleans area were instead temp-to-perm homes, the city's affordable housing crisis likely would not be as severe as it is today.

We plan to build our homes at four sites in southern Louisiana, each of which has formally expressed its support. In the City of New Orleans, in conjunction with Providence Community Housing, we plan to build homes in the Treme neighborhood near the Lafitte Housing Project. The State of Louisiana, which is currently developing its guidelines for this program, has indicated a willingness to prioritize former residents of the Lafitte Housing Project for residence in our homes in the Treme neighborhood.

Additional Funding for Gulf Coast Recovery Housing

204,000 homes in Louisiana experienced major or severe damage from Katrina and Rita, and there is much greater demand for permanent homes like the ones we are building than can be delivered through Louisiana's \$74 million grant. Several solutions exist. First, at the end of the two-year pilot program, the State could use proceeds from the sale of these homes to create a revolving fund that could be used to build additional units. Second, Congress could dedicate part of the funds from the proposed GSE Affordable Housing program to the appropriate agencies in Louisiana and Mississippi to build

additional units. Third, as Governor Blanco and members of Louisiana's congressional delegation have advocated, Congress could appropriate additional funds to a federal agency for this purpose. Finally, Congress could consider ways to make permanent Congressman Richard Baker's changes to the Stafford Act in the DHS FY 07 Appropriations bill that allows for the federal government to build permanent housing in the wake of disasters.

Conclusion

In conclusion, in future disaster situations, the federal government should have among its available solutions the ability to deploy temp-to-perm housing that enables displaced citizens to return quickly to their communities and prevents the prolonged purgatory of life in temporary group sites. The Cypress Cottage Partners model seeks to be that solution. Thank you for the opportunity to testify today.