

FEMA Individual Assistance and the Condemnation of Mobile Homes

Report on the Actions Taken Following the Floods of 2011 and Recommendations for Future Disasters

Prepared by the Vermont Department of Housing, and Community Development
September 12, 2013

Introduction

On August 28, 2011, Tropical Storm Irene left a trail of destruction through Vermont. It was the worst natural disaster to hit the state in nearly a century. Every county in the state was declared a disaster area by President Obama. Hundreds of Vermonters lost their home and hundreds more were left with major damages. Mobile homes were disproportionately impacted. Comprising seven percent of the homes in the state, mobile homes equaled 15% of those damaged or destroyed by Irene. In addition, many mobile homeowners were still struggling to recover from damage caused by the flooding in the spring of 2011.

Federal, state and local officials, volunteers and others worked to assist these survivors. It soon became apparent that the lack of a clear and ready authority to condemn destroyed mobile homes was limiting the amount of assistance survivors received from FEMA. A multi-agency effort was undertaken to find a solution. This report describes the actions taken to address the problem and makes recommendations for future disasters.

Background

More than 500 mobile homes were damaged in the floods of 2011.¹ Hundreds of mobile homeowners applied to FEMA for help through the Individual Assistance Program (IA). Within days of when survivors registered for IA, FEMA officials inspected their mobile homes to determine the extent of the damage. In the vast majority of cases, FEMA's initial inspection determined that a mobile home was repairable. FEMA's criterion to determine that a mobile home was 'destroyed' meant every phase of construction, in other words from the frame to the roof, had to be compromised. Some mobile homes were completely washed away and their owners received the maximum IA grant of \$30,200. Few others, however, even if water damage was severe, met the destroyed standard. As time passed, it became clear that once the mobile home was wet inside, the likelihood that it could be repaired was in fact very low, especially if mold developed.

Survivors had the ability to appeal FEMA's decision but needed to show FEMA evidence that the damage was more extensive. While FEMA would accept a report from an official with authority to issue a 'condemned to be destroyed' letter as proof that the home was destroyed, it was not clear at the local or state level who had that authority. Some town

¹ 2011 flooding included disasters 1995 (April: Lake Champlain), 4001 (May, storms), 4022 (August, Irene)

health officers issued what they thought to be condemnation letters, but they did not meet FEMA's standard that the home must be condemned "to be destroyed." In other words, FEMA would authorize the maximum grant of \$30,200 only when it was certain that the home could never be reoccupied and the survivor had no choice but to replace it.

The only other recourse available to mobile homeowners was to hire a contractor to provide estimates to rebut the FEMA inspection. It was simply not feasible for many victims of Tropical Storm Irene to obtain and pay for a contractor to perform such an inspection within the deadline. Thus, many mobile homeowners were left with an uninhabitable mobile home and little or no money to remove or replace it. In most instances, survivors received approximately \$5,000 in IA assistance.

Unfortunately, a number of mobile homeowners also went ahead with removal of their damaged mobile homes, or sold them to sometimes unscrupulous buyers before getting a final decision from FEMA. As a result, they were ineligible for any further assistance from FEMA because it could not provide additional assistance once the mobile home had been removed or sold. In addition, other Vermonters unwittingly bought used mobile homes that were mold-stricken or otherwise compromised by water damage.

Actions Taken

Many individuals and agencies worked to bring additional assistance, in several phases, to Vermonters who had lost their mobile homes.

Phase 1 – Fall 2011

Lt. Governor Phil Scott and Commerce and Community Development Secretary Lawrence Miller realized that many mobile homeowners did not have resources to remove their destroyed homes. The estimated cost to remove a mobile home was up to \$6,000. Mobile home survivors could ill afford to pay for this expense. Nearly half (235) of the damaged mobile homes were located in parks. Therefore, Lt. Gov. Scott and Secretary Miller developed a plan to remove mobile homes in bulk and reduce the cost to the owner to \$1,500. Eventually, the project reduced the cost to zero, covering the entire cost of removal. DHCD participated in planning meetings for this deconstruction project and the Mobile Home Program of CVOEO, Associated General Contractors of Vermont, and the Vermont Community Foundation were partners in this effort.

The deconstruction project ultimately raised close to \$300,000 from private donors and removed 68 mobile homes from six parks. Several more mobile homeowners received reimbursements up to \$1,500 toward their out-of-pocket costs of removing their mobile home themselves.

While reducing costs to owners, removing these homes did not result in additional assistance from FEMA due to its standards for determining whether a mobile home was destroyed.

A group including DHCD, the Governor's Counsel, the Irene Recovery Office, the Department of Public Safety, the Department of Health and the Mobile Home Program and case managers resolved to find a solution. Eventually, it was determined that the Governor's emergency powers gave him the authority to issue condemnations that would meet FEMA's requirements for a 'condemned to be destroyed' letter.

FEMA agreed to reopen and review cases for which it received the Governor's condemnation letters. Using information from FEMA and CVOEO, DHCD and the Governor's Counsel prepared and issued condemnation letters for the uninhabitable homes removed through the deconstruction project. In most instances, FEMA then provided additional IA benefits to the survivor bringing the total to the maximum.

- ✓ 68 condemnation letters issued for mobile homes removed through the deconstruction program.

This process was not used for stick-built homes, largely due to the relatively small number of owners of uninhabitable stick-built homes who had trouble receiving their maximum IA grant for lack of a "condemned to be destroyed" letter.

Phase 1.5 – Late Winter 2012

Using lists provided by FEMA and CVOEO, DHCD identified 36 mobile homes that were confirmed destroyed, but were not yet condemned and did not participate in the deconstruction project. The DHCD forwarded the information to the Governor's Office for condemnation letters.

- ✓ 36 condemnation letters issued for mobile homes confirmed destroyed and removed, where the owner did not participate in the deconstruction project.

FEMA and the State wanted to ensure that every mobile homeowner received the maximum grant assistance that they were eligible for, and that Vermonters were not occupying mobile homes that were in fact uninhabitable and not safe. They worked together to identify every survivor that could possibly be helped by a condemnation.

Phase 2 – Spring 2012

DHCD formally requested a list of all survivors who registered with FEMA and lived in mobile homes. FEMA provided a secure list containing information on 453 mobile homeowners who filed claims due to flooding in 2011. DHCD identified 282 who had not previously received a letter and were candidates for inspection and condemnation. It created a web-based intake form to gather required information from the mobile homeowner. DHCD sent 282 outreach letters on behalf of Sue Minter, Irene Recovery Officer, requesting that these mobile homeowners contact the Department if their mobile home was substantially damaged and could not be safely occupied after the flooding. Subsequently, FEMA provided a list of 85 mobile homeowners that were not on the original list. The DHCD reviewed the additional names and sent another 81 outreach letters. The

Department also contacted the Long Term Recovery Committees and disaster case managers and asked them to refer candidates for condemnation.

As survivors contacted the Department, it did intake and forwarded potential cases to the Department of Public Safety (DPS) Division of Fire Safety for inspection. DPS inspectors visited the homes and reported back to DHCD within a few days. If the inspection report indicated that the mobile home was uninhabitable, the DHCD notified the Governor's Office so that a letter of condemnation could then be issued and referred the mobile homeowner to CVOEO for assistance with removal of the mobile home. The Governor's Office sent the letters to FEMA, which reviewed the cases, contacted the survivor to confirm and typically sent additional IA benefits.

If a survivor contacted the Department and his or her situation was not appropriate for condemnation, DHCD referred the case to a disaster case manager and the Vermont Disaster Relief Fund. In some cases, this was because mobile homeowners reported that they no longer owned the mobile homes and were not eligible for additional FEMA assistance. Renters were also not eligible.

- ✓ Outreach letters mailed to 363 mobile home owners
- ✓ 50 intakes completed by DHCD
- ✓ 17 mobile homes inspected by DPS Division of Fire Safety (+ 1 inspected by a town)
- ✓ 23 condemnation letters issued
- ✓ 12 mobile home residents referred to case managers for assistance

Phase 2 Process

- DHCD intake to collect basic information from mobile homeowner and initial determination of whether mobile home is a candidate for condemnation.
- If mobile home was vacant and believed to be uninhabitable, DHCD requested inspection by DPS Division of Fire Safety, and referred mobile homeowner to CVOEO for assistance with removal.
- DPS Division of Fire Safety inspectors submitted inspection reports to DHCD.
- DHCD requested Letter of Condemnation and CVOEO assisted with contractors and asbestos testing, if needed, and removal costs as funding allowed.

Case managers continued working with mobile homeowners who for a variety of reasons had not found permanent housing or became ready to have their damaged mobile home removed into the fall of 2012. When they vacated the mobile home and were ready to have the mobile home removed, the case manager referred them to the DHCD for intake and possible inspection and condemnation. Although all of the funds from the deconstruction project were spent, the Vermont Disaster Relief Fund was able to make grants for removal. CVOEO continued to assist in finding contractors, coordinating asbestos inspections, and scheduling removal of mobile homes.

Results

March 1, 2013 marked the end of the 18-month period during which survivors could receive IA benefits from Tropical Storm Irene. At the end of the period, FEMA has issued additional benefits totaling \$985,228.45 directly to survivors. Condemnation letters were issued for 130 mobile homes. Nearly all (125) were for homes destroyed by Irene. Five were flooded in the spring of 2011. FEMA reported that without the Governor's 'condemned to be destroyed' letters, 82 of these mobile homeowners would not have received additional IA funds. Also as a result of the case review, FEMA determined an additional \$44,769.31 was due to three survivors, although not directly as the result of the letters.

Owners of destroyed mobile homes received a total of \$1,029,997.70 in additional FEMA IA benefits as a result of the condemnation effort. And many received assistance from CVOEO and the Vermont Disaster Relief Fund for the removal of their destroyed homes.

Summary

Having a viable, clear condemnation process in place at the time of a disaster can greatly enhance the level of assistance available to owners of destroyed mobile homes.

FEMA provides IA benefits based on an estimate of the cost to repair and make a damaged home safe and habitable. In most instances following Tropical Storm Irene, this meant mobile homeowners received approximately \$5,000. FEMA provides a higher level of assistance, often the maximum of \$30,200, if it was certain that a home could never be reoccupied and must be replaced (i.e., completely demolished or washed away). FEMA would not accept a determination by the local health official or mobile home dealer that a home could not be repaired. It would accept a letter from an authorized official declaring the home was "condemned to be destroyed." FEMA considered these condemnations as proof the home was uninhabitable and could not be repaired and must be replaced. However, immediately following the storm, it was not clear to survivors, municipalities and those assisting them who had the authority to condemn homes. As a result, few survivors initially received the maximum grant for their destroyed homes.

Condemnation authority does exist at the local level. Municipalities also have the ability to amend their charters to include this authority. Some municipalities currently have language regarding condemnation authority within their charters.²

² The City of Rutland is one example: § 9-3.1. Powers of the City of Rutland The City of Rutland has the power to receive by gift, grant, devise, bequest, purchase or condemnation any real or personal property, and to hold in fee, hold in trust, lease or convey any such real or personal property within or without the limits of the City of Rutland as the purpose of the corporation may require; to borrow on the credit of the city in the mode and subject to the restrictions hereinafter provided; to contract, to sue, prosecute and defend; to have, make use and alter at pleasure a city seal; to have and to exercise all other rights, powers, privileges and immunities conferred upon towns of the State of Vermont by law or necessary to carry out its corporate functions and duties....

Municipalities can also enact rules through their local health boards to permit greater condemnation authority that would allow them to assist their citizens following a disaster. 18 V.S.A. § 613 sets forth condemnation authority of local health boards.³ They are, however, only able to make and enforce rules approved by the Commissioner of the Department of Health that relate to the removal of public health hazards. Further statutory changes may be needed in Title 24 to address condemnation of private properties. In addition, Town Health Officers may not be sufficiently qualified to determine whether a building is structurally sound or safe from fire hazard.

As no one government entity has the skills and the resources to conduct state-wide condemnation inspections, future collaboration is needed. The Department of Public Safety's Division of Fire Safety has experience in electrical and structural safety, the Vermont Department of Health has experience in identifying public health hazards, and municipal building inspectors and private contractors have experience in assessing the safety of building structures and knowledge of local conditions. Together, representatives of each of these groups could work together in teams during emergencies to efficiently make condemnation determinations. Importantly, such teams should be provided a uniform assessment checklist to use during site visits.

Recommendations

- 1) ACCD, the Department of Health, the Department of Public Safety work together with the Vermont League of Cities and Towns, the Mobile Home Program of CVOEO, and other stakeholders to develop a workable, potentially team-based, approach.
- 2) Consider legislation that would allow for this approach to be successfully utilized.
- 3) With the Vermont League of Cities and Towns, determine the number of municipalities that currently have condemnation authority in their charters. Clarify for municipalities and local health officers that they can use this authority following a disaster, and that in appropriate cases, local officials can condemn property to be destroyed.
- 4) Include condemnation guidance in disaster training and education for local health officers.
- 5) Include information about condemnation and the FEMA Individual Assistance program in disaster preparedness guidance documents to mobile home and park owners as well as municipal officials, disaster case managers, long term recovery committees and throughout the recovery network.

³ 18 V.S.A. § 613. A local board of health may make and enforce rules and regulations in such town or city relating to the prevention, removal or destruction of public health hazards and the mitigation of public health risks, provided that such rules and regulations have been approved by the commissioner. Such rules and regulations shall be posted and published in the same manner that ordinances of the municipality are required to be posted and published.

Conclusion

Mobile homes are more vulnerable than other types of housing to natural disasters, particularly flooding. Mobile homeowners also often have few resources with which to recover and rebuild their lives. Without ready condemnation authority and resources, mobile homeowners are typically able to secure only a minimal benefit through FEMA's Individual Assistance program. The need for a viable process for the condemnation of mobile homes is one of the most important lessons of Tropical Storm Irene.

Attachments

FEMA Summary

Sample Outreach Letter

DHCD Intake Form

Sample Inspection Report

Sample Condemnation Letter