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Report to the Honorable
Ernest F. Hollings, U.S. Senate

May 1991

DISASTER ASSISTANCE

Supplemental Information on Hurricane Hugo in South Carolina



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**Resources, Community, and
Economic Development Division**

B-242801

May 21, 1991

The Honorable Ernest F. Hollings
United States Senate

Dear Senator Hollings:

As agreed with you on March 6, 1991, we are providing additional information to supplement our report entitled Disaster Assistance: Federal, State, and Local Responses to Natural Disasters Need Improvement (GAO/RCED-91-43, Mar. 6, 1991). This information pertains only to South Carolina and includes: (1) the Federal Emergency Management Agency's (FEMA) efforts to provide temporary housing assistance to the victims of Hurricane Hugo, which struck South Carolina on September 22, 1989; (2) South Carolina counties' local emergency management officials' responses to our disaster assistance survey; and (3) cost-sharing arrangements between FEMA and state and local governments to fund public assistance projects in South Carolina.

In a federally declared disaster, FEMA can provide grants directly to victims for housing needs while other requests affecting the general population such as water, generators, and debris removal are made by local governments. In South Carolina, the state emergency operations plan directs that local governments channel their assistance needs through the county to the State Emergency Preparedness Office established for that purpose. The state can fully respond to some requests and may request assistance from FEMA to meet other needs. Under a cost-share arrangement with state and local governments, FEMA can also provide funds for the restoration of publicly owned facilities damaged or destroyed by a federally declared disaster.

Results in Brief

To assist victims of Hurricane Hugo, FEMA provided temporary housing assistance to about 30,000 victims in South Carolina, which included providing grants to homeowners and renters or providing mobile homes. FEMA met many of the requests for temporary housing assistance within 1 week after it began accepting applications. For example, FEMA provided disaster victims with grants to rent housing or make repairs to their homes. Some families began occupying FEMA mobile homes about 1 month after the disaster was declared. FEMA continued to move families into mobile homes until April 1990.

As part of our review, we contacted county emergency management officials in the 24 South Carolina counties declared as disaster areas to determine how well their disaster-related needs were met. Most of the officials said that their counties' needs were met. However, an official from one county told us that a slow response by the state greatly hindered the county's ability to respond. In this case, the state government did not promptly respond to a request for assistance to clean up a gasoline spill. Further, officials of five other counties told us that slow or unfilled requests placed with the state somewhat hindered their abilities to respond to the disaster.

None of the county emergency management officials we interviewed indicated that their requests for public assistance (requests to restore publicly owned roads, buildings, or other similar facilities) were delayed or deferred because they could not pay their share of the cost of such projects.

FEMA's Response to Disaster Victims' Requests for Temporary Housing Assistance

Hurricane Hugo destroyed or damaged extensive amounts of housing in South Carolina. As you know, FEMA is authorized, under section 408 of the Stafford Act, to provide temporary housing assistance to individuals displaced by a disaster. In accordance with its legislative authority, FEMA responded to disaster victims' requests for temporary housing assistance in a number of ways, including providing grants to homeowners and renters and providing mobile homes.

FEMA provided housing assistance to the victims of the hurricane in South Carolina at a total cost of over \$31 million. FEMA received over 42,000 requests for temporary housing assistance from South Carolina residents. FEMA determined that nearly 30,000 residents, or about 70 percent who applied, were eligible for some type of temporary housing assistance. FEMA provided grants to over 8,500 applicants to rent housing and to over 21,000 disaster victims to repair their own homes. FEMA also provided about 100 victims with transient housing, such as hotel accommodations (generally limited to 30 days), until they could find more permanent housing. FEMA began issuing temporary housing checks to eligible disaster victims by October 2, 1989—5 days after accepting the first assistance applications.

FEMA determined that about 30 percent of the 42,000 requests, or about 11,600 applicants, were not eligible for temporary housing assistance because (1) property damage was not sufficient to qualify for assistance (over 5,000 requests), (2) housing needs were satisfied by other means

such as their homeowners' insurance (over 3,000 requests), and (3) damaged property was not the applicants' primary place of residence (over 1,000 requests). The remaining requests were not eligible for other reasons.

Table 1 provides information on temporary housing assistance requested from and provided by FEMA.

Table 1: Disposition of Temporary Housing Assistance Requests in South Carolina (As of Feb. 1991)

Disposition	Number
Applications received	42,656
Applications ineligible	11,606
Applications withdrawn	1,070
Applications eligible	29,980
Type of assistance provided to eligible applicants	Families assisted
Existing resources ^a	8,664
Minimal repair program ^b	21,072
Mobile homes	243

^aUnder existing resources, FEMA provides grants to disaster victims to (1) rent locally available government owned or assisted properties, or private or commercial properties; (2) acquire transient accommodations; or (3) stay with family or friends.

^bUnder the minimal repair program, FEMA provides grants (generally limited to \$5,000) to victims to make repairs to their homes to quickly restore habitability.

Source: FEMA.

FEMA Provided Mobile Homes to Disaster Victims

Mobile homes were requested from and provided by FEMA to 243 families. According to FEMA, mobile homes are the least preferred option in providing temporary housing assistance because of the time it takes to move mobile homes to needed locations, and the time needed to develop suitable sites. In addition, most disaster victims consider mobile homes as a last resort to meeting their temporary housing needs. As of January 1990, about 97 percent of the families who had applied for temporary housing assistance requested monetary payment (checks). FEMA identified about 3 percent of the applicants for its mobile homes.

FEMA took several steps to begin placing families in mobile homes. To more quickly determine the number of mobile homes that would be needed, FEMA established a priority-processing procedure based on the extent of damage to disaster victims' homes. By mid-October 1989, FEMA transported 95 mobile homes to Shaw Air Force Base, which was used as a staging area. In addition, FEMA identified about 1,700 suitable sites for

mobile homes should they be needed. The first family occupied a FEMA mobile home on October 19, 1989. In April 1990, FEMA provided a mobile home to the last of the 243 families who had requested one.

Placement of Mobile Homes in Flood-Prone Areas

In early October 1989, FEMA met with Charleston County Council members to discuss the temporary housing program. The Council pointed out that most of Charleston County is flood prone, and that alternatives would need to be developed before mobile homes could be used because FEMA restricts mobile home placement in flood-prone areas. In response to such concerns, in mid-October 1989, FEMA granted a 6-month waiver for the temporary placement of mobile homes donated by religious groups in certain flood-prone areas, such as parts of Charleston County, if the mobile home foundation pier was 3 feet above the natural ground level. In addition to the 228 mobile homes FEMA provided in South Carolina, FEMA officials told us that about 30 mobile homes had been donated by a religious group.¹

County Preparedness and Response Survey

Because requests for assistance usually originate at the local level, and because officials at this level are among the first to identify the nature and extent of the damage, we contacted local emergency management officials in each of the 24 counties that was declared a disaster area. South Carolina's state emergency operations plan specifies that local assistance requests are to be channeled through the county emergency management directors to the State Emergency Preparedness Office established to handle these requests. The state can fully respond to some requests, but when it exhausts its resources, it can request supplemental assistance from FEMA. We asked county officials if, after their counties had been declared disaster areas, they received the assistance they had requested from the state on a timely basis.

Most of the officials surveyed said their counties' requests had been met. However, the following are examples of counties' requests to the state for assistance that were not met on a timely basis. In some instances, the lack of a response or an untimely response hindered the counties' ability to respond to the hurricane victims. For example, Lee County reported that its request for assistance to clean up over 25,000 gallons of spilled gasoline was not handled by the state until 3 months after the request was made. Horry County reported that its request for

¹FEMA provided four large families with two units. Also, some homes were reoccupied once they were vacated by the first occupants.

water/sewer bypass pumps was not handled, which somewhat hindered its disaster response. York County reported that its request for water was not handled, but said that water service was quickly restored. Finally, Orangeburg and York Counties reported that their requests for debris removal were delayed for up to 6 days, which somewhat hindered their ability to respond to the victims of the disaster.

County emergency management officials from nine counties—Charleston, Chester, Darlington, Dorchester, Kershaw, Lancaster, Orangeburg, Richland, and Sumter—told us that in addition to the counties' emergency management officials asking the state for assistance, some local or other county officials made requests without going through the county emergency management officials as the plan specified. For example, they requested assistance directly from the Governor's office or from state or federal legislators. Items requested included generators, batteries, diapers, and National Guard personnel.

Cost-Sharing of Public Assistance Projects

FEMA can provide funding and technical assistance to state and local governments and certain private, nonprofit institutions for repairing or replacing properties damaged or destroyed by a federally declared disaster. Among these are the restoration of publicly owned facilities (such as roads, bridges, and buildings), debris removal, and other emergency protective measures. Public assistance funding is provided on a cost-sharing basis, in which FEMA normally provides at least 75 percent of the eligible costs, and the state and local governments provide up to 25 percent.

On October 5, 1989, the Governor of South Carolina alerted local officials that they would have to share in the nonfederal portion of public assistance projects, with the state paying 13 percent and the local government paying 12 percent of the costs. The Governor also informed local officials that on October 4, he had requested a waiver of the state and local governments' combined 25-percent share of public assistance costs. On October 6, the President waived the normal 25-percent share and instead required state and local sources to pay a total of \$8.25 million (\$6.6 million had been paid as of March 1991). This amount was based on \$2.50 per capita for each resident of South Carolina. As of March 1991, the \$8.25 million was less than 4 percent of about \$221 million in public assistance project obligations at that time. However, FEMA expects that the amount of eligible obligations will continue to increase as pending insurance claims are resolved, which will further

decrease South Carolina's percentage of the overall costs. In effect, after the \$8.25 million is paid, FEMA will pay the remainder of the costs.

There were allegations that the state's notice to local officials relative to this cost-sharing arrangement had prevented some of them from applying to the state for FEMA public assistance because they could not afford their share of the costs. We reviewed information discussing this matter that mayors and county officials sent to the Governor in early October 1989. Although these officials expressed concern over the cost-sharing issue and a need for 100-percent federal funding, we found no evidence that the cost-sharing arrangement had prevented them from applying for the assistance they believed was needed. Also, of the county emergency management officials we interviewed during our survey, none indicated that their requests for assistance had been delayed or deferred by the cost-sharing provisions.

Information discussed in this report supplements our report entitled Disaster Assistance: Federal, State, and Local Responses to Natural Disasters Need Improvement (Mar. 6, 1991). Information for that report was obtained from our analysis of FEMA data; review of FEMA legislation, regulations, and operating procedures; interviews with FEMA, and with state and local officials in South Carolina; and a survey of local emergency preparedness officials. We performed our detailed audit work for our March 1991 report between October 1989 and September 1990. We updated through April 1991 some of the information dealing with South Carolina contained in this report.

We trust that this additional information will be useful to you. However, should you need any further information, please contact me on (202) 275-5525. Major contributors to this report are listed in appendix I.

Sincerely yours,



John M. Ols, Jr.
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