Brajo, Incorporated

Housing Solution Specialists

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BRAJO, Incorporated

July 8, 2009

FEMA Housing:
An Examination of Current Problems and Innovative Solutions

Thank you, Chairman Thompson and Members of the Committee, for the invitation and opportunity to testify before you today on behalf of Brajo, Incorporated and the American People.

Ladies and Gentlemen, in considering products for use in conjunction with the Emergency Preparedness Program, i.e. Disaster Relief Housing, we made three points our priority:

1. Affordable / Safe / Substantial

In addition to these 3 points, we also recognize the utmost importance of maintaining the continuity of the community. These 3 points played a key role in our decision as to what to bring to the table.

Affordable -- Units will Save the American Taxpayers Money

- Initial Cost – compared to the cost of units currently in use – a substantial savings can be realized
- Reusability – Unit can be dissembled, refurbished and returned to inventory status
- The unit can be incorporated as permanent real estate enhancing the tax base

Safe – It is built with environmentally responsible materials

- **Green**
- **Formaldehyde Free**
- **Class A** Fire Rating

Substantial –

- sound construction of Steel and Structural Insulated Panels (SIPs) meeting 160 mph wind load
- exceeding seismic ratings of 8 on the Richter Scale

To recognize the cost-effectiveness of our design, we address emergency preparedness.

2. FEATURES AND BENEFITS OF THE BRAJO HURRICANE HOUSE

- NON-WHEELED UNITS – Our units promote dignity and pride of ownership
- Recovery / Reuse / Storage Capability for future deployment or conversion to alternate use as an adjacent structure, further increasing tax base

(Reference CRS Report for Congress Order Code RL34087 Updated August 8, 2008 at page CRS-27 and therein referenced bibliography.)

Options – throw it away / back to the warehouse for refurbishing and re-use in the future once again saving money / can be left on site as an auxiliary bldg to the homeowner / can be upgraded to permanent housing where primary structure has been deemed to be irreparable. Up fitting to standard building codes with minimal costs will convert unit into a permanent home, securing acceptance of dwellings at the local government level by qualifying as real property tax base.

The Brajo Hurricane House is designed to be situated when possible on the primary property. This is due to a self-supporting floor frame design which requires minimal terrain preparation in conjunction with simple utility connections when available. Auxiliary utilities must be utilized in the interim.

3. BRAJO PREPAREDNESS PLAN consists of understanding the foundation issue, which is:

CONTINUITY OF COMMUNITY

- The Brajo Hurricane House addresses the need to Maintain and Preserve the ***continuity of the community*** in a disaster situation because of:
- **Maintaining continuity of the community.**
- **Quick Response is imperative to maintaining the continuity of the community. Quick Response.**

- **Method of implementing Quick Response:**

Purposes offers

a) Ease of transition of the dwelling from Quick Response to intermediate and finally to permanent housing which preserves the tax base when possible.

b) Ease of construction using local unskilled labor encourages team effort – people helping people.

Cost of Haste:

(As quoted from CRS Report for Congress Order Code RL34087 Updated August 8, 2008 at page CRS-5 Paragraph 3 and therein referenced bibliography.)

The Katrina Experience.

During their use the ships housed over 8,000 people and served over two million meals to Katrina victims and workers helping in the recovery.[22] While meeting emergency needs, critics questioned the cost of housing victims on the ships. Some doubted the efficacy of the plan, the location of some ships, the cost and length of the contract, and the process used to arrive at the agreement. As one story noted: "The six month contract — staunchly defended by Carnival but castigated by politicians from both parties — has come to exemplify the cost of haste that followed Katrina's strike and FEMA's lack of preparation."

Distinguished Members of this Committee:

We all like the words 'Emergency Preparedness,' however we seem to ignore the requirements. Why do we tend to ignore the requirements? Because with requirements come commitment and commitment costs money. Can we not further our considerations in this effort to the point where we have the issues on the table? In private industry we must identify the points clearly to do a fair comparison. And that is what I am asking you to consider. Rather than saying "No" to spending money upfront, consider the costs of reaction vs. pro-action. We are asking for a proactive decision. Recent history shows us that for every $ not spent upfront, resulted in astronomical costs on the back-end. We all know and are experiencing the cost of recent disasters and I think we can agree that the decision to not spend money on the front end, i.e. little or no preparation in terms of inventory of product, a warehousing program, advance party, etc. results in exorbitant over-runs, financially penalizing the American taxpayer.

- **The Brajo Preparedness Plan is designed to assist FEMA in meeting the crisis head-on by demonstrating the ability to fill the void of the initial impact of the disaster by having product onsite within a 24 hr. period of requirement, creating the time element necessary to gear up to meet the need while cementing good-will with the American People.**

Therefore, we propose the Brajo Preparedness Program, which consists of:

4. <u>Inventory/Warehousing Program</u>

Inventory to accommodate 60,000 people short term and with the capability of transitioning that our U3 Design offers enables going from Quick Response Shelter status to Intermediate Temporary Housing and most important up fitting to PERMANENT HOUSING. THIS CAPABILITY WILL HAVE A MAJOR EFFECT ON THE ENTIRE EFFORT ACROSS THE BOARD. IT ADDRESSES THE FOLLOWING QUESTIONS:

- MUST VICTIMS LEAVE THE AREA? No, THERE IS A REASON TO STAY
- CAN LOCAL VOLUNTEERS SUPPORT EFFORT IMMEDIATELY? YES Quick Response
- ARE THE INITIAL SHELTER UNITS USELESS AFTER CRISIS IS OVER RENDERING ALL MONIES INVESTED A LOSS? NO MONEY LOST

- CAN SHELTER BE UP GRADED TO INTERMEDIATE AND THEN PERMANENT STATUS? YES
- WILL UNIT BECOME REAL ESTATE THEREFORE IMPROVING TAX BASE? YES
- WILL THE UNIT BE ACCEPTABLE BY LOCAL GOVERNMENTS AND QUALIFY FOR LOCAL FUNDING? PERMANENT STATUS MEETS HUD CODE
- IS UNIT AESTHETICALLY ACCEPTABLE AND PEOPLE FRIENDLY? YES

NOTE: The U3 design may be used at the existing site or on the alternate site of the host community. Once again, units will qualify as permanent housing and real property, thus maintaining tax base.

Warehousing Costs

10 Locations=1 inventory site in each of the 10 FEMA Regions
Total number of Flat Pack Modulars = 5,000 Accommodating 20,000 people
Total number of Brajo Hurricane Houses (U3) = 5,000 Accommodating 40,000 people
Total Estimated $150,000,000 up front costs of shelters
Warehousing and Administrative costs to include:

- Warehousing Leases 10 Locations
- Security and Insurance
- Annual Inspections All Containers
- Pest Control Annually
- Training Seminars for National Guard Advance Party Annually Each Site
- Total Lump Sum Annually $5,000,000.

- A low cost outdoor storage facility location in each of 10 FEMA regions tailored to historic disaster demographics.
  Example: Conventional storage of a comparable sized wheeled units requires appx. 5,000 cu. ft. The Brajo Hurricane House, while container based and stackable, requires appx. 1,000 cu. ft. This is a major reduction in inventory cost.
  Please Note: Container-based products allow:
  1. *Ease of security*
  2. *Preventing damage due to vandalism and exposure to the element.*
  3. *In addition, container-based product reduces freight cost because you can ship 8 Brajo Hurricane Houses for every 1 wheeled unit*
  4. *The point to container-based product is the ability to manage the product, whether in <u>inventory, during transition via highway transport and/or onsite</u>*
- Training of National Guardsmen in each of the 10 inventory locations, which is the responsibility of the contract holder, not the government.
- A master inventory site is strongly suggested for a central location adjacent to the "hot zone" for the purpose of rehabilitating our reusable units prior to returning inventory to assigned region.
- A national emergency preparedness program that will assist FEMA in providing an emergency quick response throughout the US enabling FEMA to react anywhere in the continental US within 24 hrs. of notification. This is predicated on transportation infrastructure being intact.
- This plan calls for employment of trained National Guard team leaders (2 Guardsmen on first shipment) to deploy with the units to act as advance party at the disaster site as incident command centers are set up.
- Training and orientation of advance party for each of the 10 locations will be the responsibility of the contract holder.
- Contract management team of the contract holder is on call to receive the request by FEMA to alert the appropriate warehouse operation and the National Guardsmen assigned to that operation simultaneously.

- This program is designed to facilitate the quick response necessary to maintain continuity in the community.

NOTE: It has been our experience and I am sure you all agree that once the continuity of the community is lost, the result is astronomical over-expenditures due to the inherent chaos and confusion that ensues. History tells us that the faster we react the more successful the relief effort becomes. Consequently, we are saving our people, and we are saving the taxpayers' money due to averting outrageous costs overruns.

- Part of the equation that is ever most important is efficiency. While in the onset it may appear that by not making a financial commitment to be emergency prepared, that we are saving money, however, history tells us once again that because of the inability to react in a quick response sense, outrageous and extreme cost overruns are inevitable.

AND LAST BUT CERTAINLY NOT LEAST --

5. A MORTGAGE RECOVERY PLAN FOR DISASTER VICTIMS:

Reference: Congressional Oversight Panel Foreclosure Crisis: Working Toward a Solution – March Oversight Report dated March 9, 2009 Submitted under Section 125(b)(1) of Title 1 of the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343

In an effort to support President Obama's announced homeowner affordability and stability plan intended to prevent unnecessary foreclosures and strengthen affected communities, specifically where disasters are involved, we offer this mortgage recovery plan. This is an attempt to show that by having quick response capability with the correct product foreclosures can be averted.

Purpose:

- Avoid Foreclosure
- Encourage Residents to Remain at Homesite
- Mitigate Loss by Hazard Insurance Companies
- Mitigate Loss by Mortgage Insurance Companies
- Aid Community in Rebuilding Process – People present
- Help Prevent Looting and Crime – People present
- Speed Recovery Process – Keep People local
- Promotes Local Labor Force
- Restores Pride of Home Ownership – hands on by victims
- Encourages Psychological Healing from Loss
- Personal Property Can be Recovered & Secured
- Community Integrity Through Self-Help / Promoting Solidarity & Team-Spirit
- Refurbishing Efforts Will be Expedited, Returning Community to Normalcy

Proposed Plan of Action

- Deliver Brajo Hurricane House to Damaged Property Site
- Clear Site for Erection in Appropriate Proximity to Damaged House
- Pre-Trained Team Leader Arrives with the Brajo Hurricane House
- Team Leader Initiates Erection of Brajo Hurricane House
- Team Leader Enlists Property Occupant and Local Labor to Begin Erection Process
- Approximately 5 Persons Can Erect the Brajo Hurricane House in 1 day
- Connect Brajo Hurricane House to On Site Infrastructure (Water / Sewer / Utilities Quick Connect)
- Progress Toward Rebuilding the Damaged Home and Community Begins

In closing, this product is currently in 23 countries throughout the world and in addition, a pilot project for permanent housing is underway for the Lafayette, Louisiana Housing Authority.

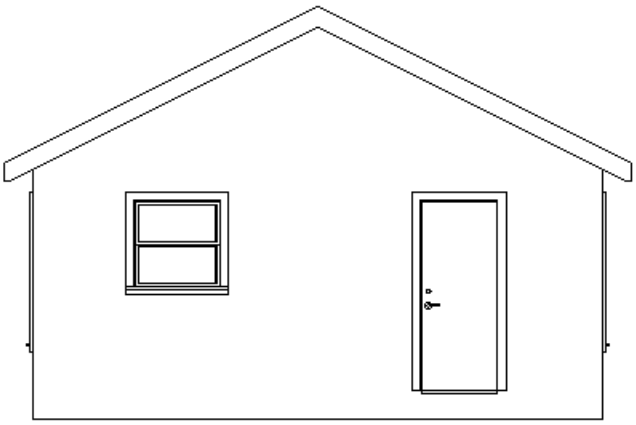
Units are on display at the International Aid and Trade show convention in DC July 9-10 at the Ronald Reagan Building, 1300 Penn. Ave., Washington, DC.

I offer my personal pledge to provide our fullest support to achieve the ultimate goal of this program – the rapid and dignified restoration and recovery of American communities devastated by acts of nature or man.

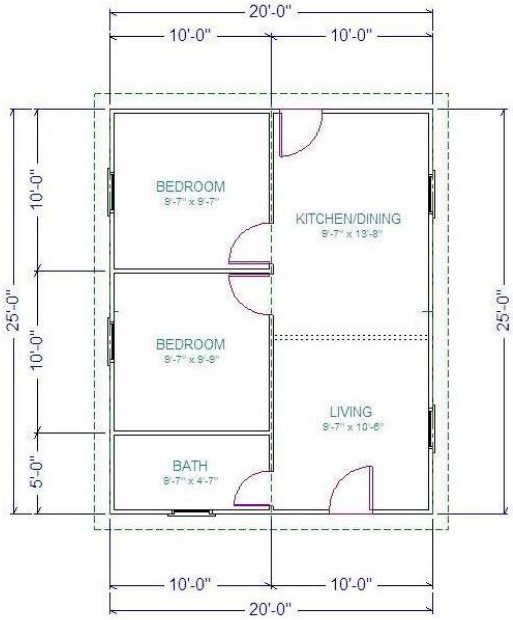
Honorable Chairman Thompson and Members of the Committee,
Thank you.

Exhibit A

2 Bedroom / 1 Bath / 500 Sq. Ft.
Brajo Inc.



Cut-away structure for illustration purposes only

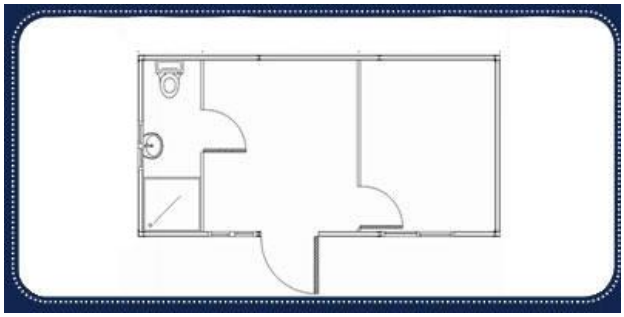


BASELINE SPECIFICATIONS

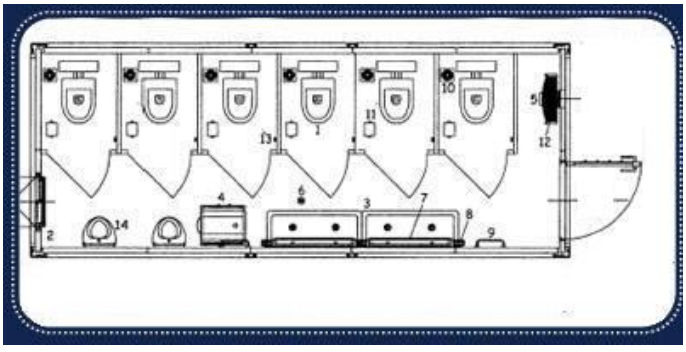
- Exterior footprint 500 square feet
- 8 occupant capacity
- Can be converted to permanent structure
- Unit and components comply with Federal Energy Star Standards where applicable
- Electrical systems will meet UL standard
- Units can be designed to comply with UFAS request
- Unit has Quality Assurance/Quality Control Program
- All building materials are low-emitting or non-toxic with MSDS Sheets included, and all construction materials comply with 3280 308/309 HUD MHC & SST 24
- Unit will comply with Indoor Air Quality Testing Procedures
- Unit includes complete bathroom with shower or tub, toilet and sink
- Unit is equipped with egress windows
- Exterior doors have two independent locks with separate keys and capable of being opened from inside without a tool or key
- Unit exterior doorways and interior hallways meet or exceed minimum clearing with for fire safety
- Units shall be all-electric with no gas or propane appliances
- Units are designed for cold or hot/humid climate zones including proper insulation values, vapor barriers and other protection against humidity and heat and/or cold climate design including proper insulation values, snow roof-load ratings, and other protection against cold weather hazards
- Unit is designed to possess minimal wind speed resistance as prescribed under relevant codes and standards and documentation for design/certification is 160 MPH & Seismic 0.2 seconds spectral response acceleration of 300% g for soil class "E"
- Unit is capable of being delivered and installed by a third party contractor
- Unit will be ready for hook-up to municipal electric, sewage and water
- Unit is easily transported
- Unit can be easily disassembled
- Unit has a minimum two year warranty on structure
- Unit is verified as currently in use as temporary or permanent housing (not a prototype)

Exhibit B

1 Bedroom / 1 Bath / 160 Sq. Ft. Modular Unit
Brajo Inc.



One Bedroom / One Bath / Combination Living Rm-Kitchen



Example of Multi-Use Design Bathroom Modular Unit

BASELINE SPECIFICATIONS

- Exterior footprint 160 square feet
- 4 occupant capacity
- Can be converted to permanent structure
- Unit and components comply with Federal Energy Star Standards where applicable
- Electrical systems will meet UL standard
- Units can be designed to comply with UFAS request
- Unit has Quality Assurance/Quality Control Program
- All building materials are low-emitting or non-toxic with MSDS Sheets included, and all construction materials comply with 3280 308/309 HUD MHC & SST 24
- Unit will comply with Indoor Air Quality Testing Procedures
- Unit includes complete bathroom with shower or tub, toilet and sink
- Unit is equipped with egress windows
- Exterior doors have two independent locks with separate keys and capable of being opened from inside without a tool or key
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- Unit is designed to possess minimal wind speed resistance as prescribed under relevant codes and standards and documentation for design/certification is 160 MPH & Seismic 0.2 seconds spectral response acceleration of 300% g for soil class "E"
- Unit is capable of being delivered and installed by a third party contractor
- Unit will be ready for hook-up to municipal electric, sewage and water
- Unit is easily transported
- Unit can be easily disassembled
- Unit has a minimum two year warranty on structure

Supplemental Sheet

Witness:

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Summary of Full Statement

1. **Disaster Relief Housing Objective: Affordable / Safe / Substantial**
2. **Features and Benefits of the Brajo Hurricane House**
3. **BRAJO PREPAREDNESS PLAN – Emphasis of Continuity of the Community**
4. **Inventory/Warehousing Program**
5. **Mortgage Recovery Plan Associated with Disasters**