

## Written Statement for the Record

### Transportation/HUD FY 2019 Member Day Hearing

April 18, 2018

Chairman Diaz-Balart, Ranking Member Price, Last year, the United States taxpayers spent over \$180 billion in disaster recovery. The storms of 2017 were of record magnitude; however, the totality of government intervention and taxpayer dollars for disaster recovery tops \$1.5 trillion since 1980. There have been 230 weather and climate events during this time costing at least \$1 billion each and many costing significantly more. It is clear that disasters and the associated costs are staggering, creating a burden on the fiscal soundness of our nation, as well as endangering the lives and safety of our citizens.

I am here before this Committee today, a year and a half after the catastrophic flooding that hit Louisiana's Capital Region, to speak to the experiences and current state of the Community Development Block Grant program, its role in disasters, and how we can make smart legislative reforms to address the lessons we've learned in Louisiana going forward for future disasters.

Bureaucracy and red tape continue to interfere with recovery. Well intentioned, or not, government regulations have contributed to a delayed and crippling rate of getting CDBG-DR dollars out to the homes and communities where it is needed most. From August 11 – 15, 2016, more than seven trillion gallons of water fell on South Louisiana, now considered a 1,000 year rain event. Over 110,000 households were flooded and entire communities were devastated. In September of 2016, we had our first allocation of CDBG-DR funding in the amount of \$437.8 million, then in December, Louisiana received an additional \$1.243 billion in CDBG dollars. With approximately, \$1.7 billion in total CDBG-DR dollars received for the Louisiana floods of 2016, twenty months after the flood, only \$60.5 million has been disbursed and being put to use for recovery and rebuilding. That is unacceptable. Many of the requirements of receiving this money are duplicative and create delays. One such policy, the National Environmental Policy Act (NEPA), requires individual environmental assessments. These assessments have tremendous costs, create unnecessary delays, and slow down rebuilding. We need to find a common sense approach to balancing the priorities of the community and compliance with environmental regulation.

One of the most significant obstacles to recovery in administering the CDBG-DR funds has been a punitive policy under the Stafford Act. Section 312 requires agencies to prevent a duplication of federal resources on the same project or activity. Duplication of Benefits is a policy, and we believe wrongly interpreted by FEMA, which prohibits anyone receiving an SBA loan from also receiving a grant from the CDBG-DR program. Individuals were instructed to file an application for an SBA loan following the flood; unfortunately, many who did as they were told and are no longer eligible for any of the grant money Louisiana has received. Neighbors, both in similar positions in the aftermath of the flood, are now placed in disparate situations in recovery. One will receive an outright grant and be made whole while the other will be paying back an SBA loan, often on top of a mortgage. This is not right. If the funding has been made available, the state should have the flexibility to disburse as it sees fit. Fortunately, this is an issue that enjoys bipartisan support. Members on both sides of the aisle ensured this critical provision was

included in H.R. 4460, the Transportation and Infrastructure-passed “Disaster Recovery Reform Act” with unanimous bipartisan support. Ultimately, the House included these provisions in our disaster relief package that passed in December. Today, we unfortunately continue to wait for the Senate to address this inequity in disaster policy.

It’s clear that the nation continues to spend and administer great sums of money in responding to disasters. Communities, like those in Texas, Florida, Louisiana, the U.S. Virgin Islands and Puerto Rico, rely on Congress to appropriate funding and for HUD to oversee and administer the CDBG-DR dollars. We recognize how critical these dollars are to recovering communities but we recognize that dollars given to communities must be part of a larger rebuilding, recovery, and resiliency strategy. We must be smart about how we spend the dollars, in removing unnecessary regulation and red tape, and reevaluate the criteria that accompanies HUD administered recovery dollars. We know the significant value of mitigation and resiliency efforts, with cost-benefit analysis in very conservative studies showing a 4:1 savings, and as high as 54:1 for a Mississippi River and Tributaries Project. We need to ensure that recovery is coupled with mitigation efforts, to avoid future loss of life, property, and taxpayer dollars which is why the most recent appropriation of \$28 billion to HUD for mitigation purposes is a step in the right direction.

We look forward to working with you as you appropriate funds for the reforms we enact here in Congress that will make our nation safer, more resilient, and a better steward of taxpayer dollars.