

Written Testimony of Reese C. May
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“An Assessment of Federal Recovery Efforts from Recent Disasters”
Subcommittee on Economic Development, Public Buildings, and Emergency Management

Good Morning. I would like to thank Chairwoman Titus, Ranking Member Meadows and other members of the committee for the opportunity to testify today and to share some of the challenges that Americans face when recovering from disasters. My name is Reese May, and I am the Chief Strategy and Innovation Officer for SBP.

Today I will break my testimony in to three main parts. First, I will provide background and historical information about our organization and the abject human suffering that first inspired and continues to drive our work. Secondly, I will share a brief overview of SBP’s expansion over the last thirteen years. The conditions we’ve witnessed will give context to the bright spots and areas for improvement I will share in the third section.

I’ve spent as much time working in US disaster recovery as I spent as a US Marine. I am often thanked for my military service, but I know well that the reform of disaster recovery in America is far more important to America and to Americans than either of my tours in Iraq. America’s system for disaster recovery is slow and unpredictable and routinely fails to meet the challenges of devastated communities and survivors with no hope. Indeed, disaster survivors have died while still on waiting lists for housing assistance that simply failed to reach them in time. I appreciate this opportunity to share these experiences with you on behalf of those still waiting in communities around the country.

Part I - History and Background

SBP is a nonprofit disaster preparedness and recovery organization with the mission of reducing the time between disaster and recovery. We serve low-to-moderate income homeowners who are at-risk or have recently been impacted by natural disasters. We achieve this mission via five strategic interventions that I will explain in a few moments. But first, I’d like to start with our genesis and our mission.

SBP began six months after Hurricane Katrina when our founders, Zack Rosenburg and Liz McCartney, a DC-based criminal defense lawyer and educator, visited New Orleans to volunteer and were shocked by the lack of recovery progress. Homes were not yet being rebuilt at scale and families were losing hope. There were few resources and almost no organization and, as a result, disaster survivors were experiencing unnecessary suffering and being pushed beyond their breaking point.

Survivors like Mr. Andre, a proud American WWII veteran who owned his home before Katrina. For months he lived out of the back of his Ford Ranger pickup truck, eating community meals served from a tent in St. Bernard Parish. He applied repeatedly for assistance quietly, driving each morning and night to a remote government lot to ask for a FEMA trailer. He repeated the process every day for months and was repeatedly denied assistance. Eventually he broke down to his fellow survivors over dinner at the food tent - ashamed that he needed help, that he could not continue on his own. Eventually, eight months after the storm, Mr. Andre got a FEMA trailer which was delivered to his property without a key. He still had no truly secure place to lay his head or keep his belongings. Nightmares like this one play out in disaster-impacted communities all over the country causing needless human suffering and pushing survivors beyond their breaking point.

This notion of the breaking point is central to SBP's work. While different for every individual, we all have one. After disasters, an individual's breaking point is determined by three critical factors:

Time - the amount of time it takes to make a full recovery. Predictability - does a survivor have a clear path to recovery or are they staring into an abyss of uncertainty? Access to Resources - Are survivors able to access the resources they need to fully recover and to survive while they do so?

Imagine for a moment constituents in your district: hardworking families who achieved the American dream of home ownership until a tornado, flood, or hurricane erase it all in an instant. It's not hard to imagine, it's happened in almost all of your home states within the last two years. For some of you, it is happening right now. How many of your most vulnerable families could survive a two year wait for HUD funds? How many could handle the unpredictability of applying separately to three different federal agencies for assistance, only to apply again to state and local programs years later? How many families in your district, who pay their taxes, who are current on their mortgage, could self-fund a \$35,000+ flood repair because they didn't live in a mandatory flood zone and so were not required to have flood insurance? These are the families SBP serves. When disaster recovery is protracted and unpredictable, and when families are unable to access resources, they are at increased risk of being pushed beyond their breaking point.

Beyond the breaking point we lose hope. We lose our ability to be productive members of our community. We lose the ability to focus on our work and care for our families. In communities across the country I have seen this hopelessness manifest in the form of domestic violence, drug and alcohol abuse, and worse. SBP's mission is to reduce the time between disaster and recovery because in doing so we can prevent needless human suffering and fortify our fellow Americans against their breaking point.

In New Orleans in 2006 SBP began rebuilding homes one or two at a time. We partnered with local and national businesses, schools and churches to bring additional resources and volunteers. We later partnered Toyota to help make our building model more efficient and to great effect. We reduced our construction time by 48%, cutting in half the amount of time it took us to return families to their homes. To keep costs low and reach even more families we partnered with AmeriCorps to enlist service-minded individuals to help recruit and lead volunteers on construction sites conducting high-quality, low cost home repairs for families unable to afford market rate contractors. I began with SBP as an AmeriCorps member in New Orleans. After completing two tours in Iraq as a U.S. Marine, disaster recovery became my new mission.

Part II - Expansion and Interventions

In 2011, after an EF-5 tornado devastated Joplin MO, community leaders contacted SBP to ask if we could share what we had learned. A partnership was formed and SBP began work in Joplin. In late 2012, Hurricane Sandy impacted New York and New Jersey and SBP began partnership and direct service operations in New York City and along the Jersey shore. We continued our expansion to South Carolina, Texas, Florida, Puerto Rico and other impacted communities to help begin rebuilding more quickly and to mitigate human suffering however possible.

Our operational expansion was not only geographic. It did not take long to recognize that while each disaster and community are unique; the ways that disasters affect communities are often the same. If we really wanted to speed the time between disaster and recovery, and fortify humanity against the breaking

point, we would need to do more than rebuild homes and so we crafted our five strategic interventions aimed at increasing the efficacy of the disaster recovery “industry”.

Today we **build** homes quickly, efficiently, and affordably using volunteer labor and Toyota Production System-inspired workflows and processes. We **share** our model and our resources with other organizations to increase the capacity of partners and raise the capacity of other groups. We help communities and individuals **prepare** for disasters through a variety of trainings and guides. We **advise** state and local disaster leaders on the most effective tactics, techniques, and procedures for administering federally funded long-term recovery programs. Finally we **advocate** for changes to federal policy and regulation that will positively impact the lived experience of millions of disaster impacted Americans each year. These strategic interventions are aimed at reducing time, increasing predictability, and making resources more widely and easily accessible thereby ensuring that fewer Americans are pushed beyond their breaking point

Part III Successes and Challenges

My first person experience in more than a dozen communities has given me a clear look at long-term recovery efforts around the country. I have had the great privilege to meet some of the most thoughtful and deeply dedicated government employees from FEMA, HUD, SBA, and others as well as hundreds of servant-leaders in state and local governments who rise to the needs of their community. I have met thousands of volunteers who cannot be categorized in any way other than profoundly American. They do not seek to help survivors of any specific political party, race, or religion. They simply give freely of themselves, their time, their energy, their expertise, and their dollars to help their fellow citizens in need. I say the following in the spirit of continuous improvement: America’s system for disaster recovery does not currently match the immediacy, the heart, or the will of our citizen volunteers.

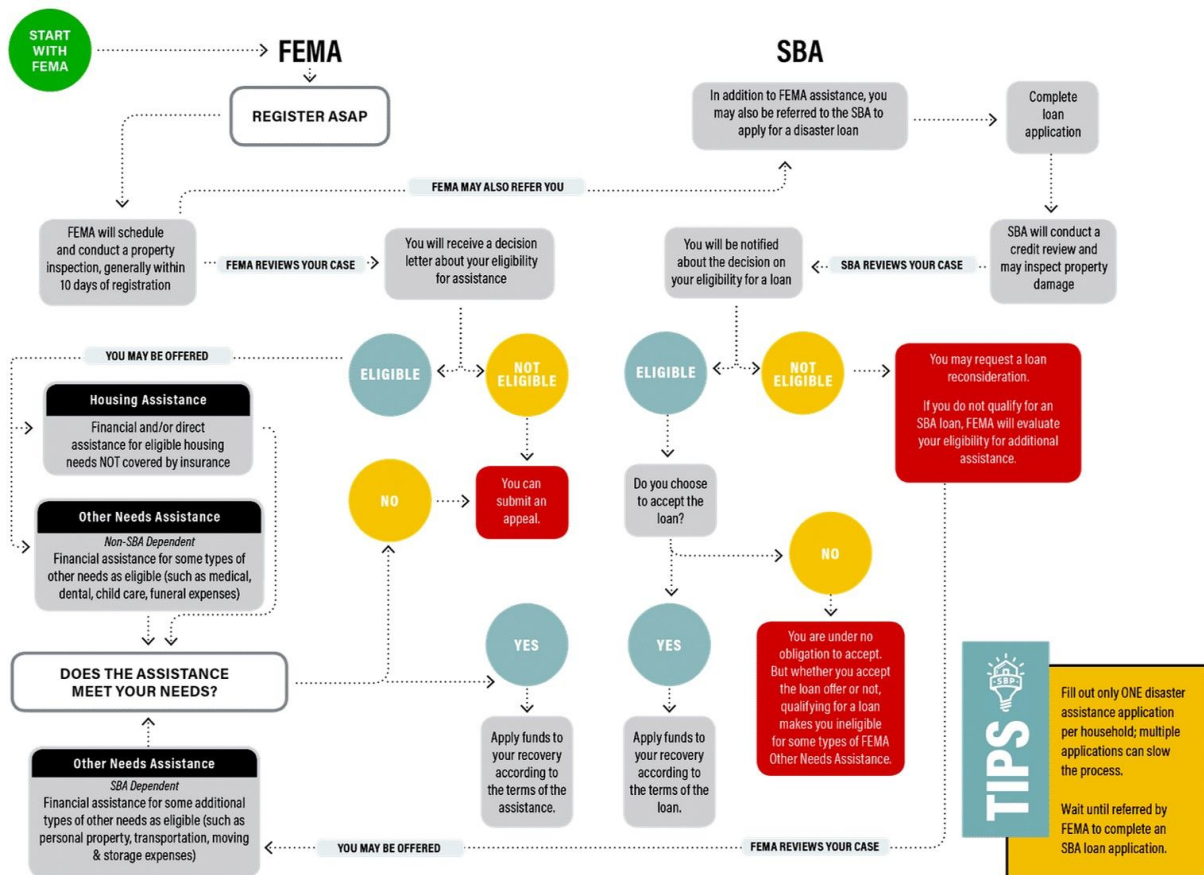
For an example of typical delay and lack of predictability consider long-term recovery CDBG-DR funds that flow from HUD to impacted communities. When disasters occur, Congress must first appropriate funds, then HUD must issue a federal register outlining the regulations for the use of those funds, then state and local governments must produce action plans, then HUD must approve these plans, and only then are disbursements made to state and local governments. The state and local governments then begin long and complicated procurement and contracting procedures to hire contract teams that take still more time to scale up and reach capacity. The result is that it routinely takes two years for substantial long-term recovery assistance to reach the first eligible families. It can take six years or more to reach the majority of eligible applicants and, all too often, not all eligible applicants are served as many fall through the cracks of local programs. Others self select out before receiving assistance because they are unable to deal with the uncertainty and delay. America built the transatlantic railroad in six years but somehow we struggle to deliver long term housing assistance to our most vulnerable citizens whose lives have been upended by natural disasters.

But change is not impossible. Indeed, the changes made by the Disaster Recovery Reform Act with leadership from this committee and from FEMA are a promising start. FEMA and Puerto Rico’s forward thinking and creative approach to STEP programs and difficult ownership verification are bright spots that show how innovation can drive better outcomes and results for survivors, taxpayers, and government at every level. South Carolina’s HUD-funded disaster recovery office has led one of the most efficient and productive housing recoveries in the last twenty years. CDBG-DR funds made it to citizens in month thirteen and services have been provided effectively, efficiently, and predictably throughout. It is rightly held up as a model for other state and local governments to replicate.

Today, I'd like to offer three recommendations that could further improve disaster recovery and prevent more Americans from passing their breaking point.

Single Application for Disaster Assistance

Disaster survivors are often required to complete duplicative applications with multiple federal, state, and local agencies, many of which require identical information that is often already in the hands of other government agencies. A survivor is expected to know that they must apply to FEMA and that they can appeal FEMA's initial decision if they disagree. Survivors are expected to know that if FEMA refers them to SBA the attendant loan application is something they need to fill out regardless of their ability to repay - because denial from SBA may make them eligible for additional assistance from FEMA and is an important factor in determining an individual's eligibility for long term assistance from HUD. They'll also need to apply again to a state or local program years later when HUD funds arrive. I've been looking at this process for years and I still don't understand the logic. Think of the proud, hard working citizens, in your district. Folks who identify as givers and are loath to ask for help. How can we expect them to navigate this labyrinth in their most difficult days? A single application for assistance can simplify this process help reduce the burden of application for those most in need.



FEMA Damage Assessment and Technology

Following large-scale disasters FEMA currently deploys teams of individual inspectors to assess damage to homes one at a time using paper and pen or tablet devices. After Hurricane Michael in Florida, SBP

worked with FEMA Individual Assistance Data and aerial imagery provided by the National Insurance Crime Bureau to compare individual assistance awards amounts to visible destruction in the images. Based on a very small sample of that data in one community, local officials asked and FEMA reinspected seven properties where all but one received additional assistance and one award went from \$1100 to \$34,000. Imagine the impact of this at scale. When actual damages are underestimated, families are deprived of much needed assistance, and required to navigate the complicated appeals processes I've described in the flowchart and paragraph above. Meanwhile, private sector actors are deploying modern drone, AI and other technologies to develop more accurate and timely damage assessments. FEMA should pilot the use of this technology and analysis with private industry, NGOs, and state and local governments to improve the speed, accuracy, and consistency of its damage assessment capabilities.

Recovery Acceleration Fund

Across the Hurricane Harvey impacted areas in Texas, thousands of homes have already been rebuilt by nongovernmental organizations and volunteers while HUD funds are just beginning to reach survivors through state and local government programs. According to the Texas General Land Office's latest report construction has been completed on fewer than 200 homes more than two years after Hurricane Harvey made landfall though more than 13,000 have applied for assistance. The real limiting factor here is available, usable funding.

Under today's post-disaster federal funding model, non-FEMA federally authorized funds take at least 24 months to reach affected communities. However, eligibility for these funds is knowable as soon as HUD publishes the federal register. HUD and state governments should work together with NGOs and investors to create a marketplace where private and social impact capital can be deployed to quickly repair homes for qualified low to moderate-income survivors. Private funds can be reimbursed with CDBG-DR funds when they ultimately reach the affected community. This 'reimbursement' pathway is common in state and local action plans for survivors who can self-fund repairs, but no such mechanism exists for low to moderate-income families using private or charitable assistance.

Such a mechanism would effectively transfer delay and suffering from vulnerable families to investors' balance sheets. Families like Ms. Benjamin in Houston, TX who is 81 years young and disabled. Her daughter and granddaughter live with her in the family house. Before Harvey, with a household income just under 80% of the area median income, they had enough income to get them by and they were living a happy, normal life. After Harvey, they have struggled to recover. She used FEMA funds and savings to make repairs but there is still more than \$6,000 worth of work left to do. Though she is eligible for CDBG-DR assistance, her family - like so many others - cannot afford to wait any longer on local programs to deliver assistance. If the Recovery Acceleration Fund were implemented today nonprofit organizations could scale up their assistance efforts and more funding would be available immediately. Overall repair costs would be reduced because houses wouldn't sit untouched falling into further disrepair. Most importantly thousands of fewer American citizens would be pushed beyond their breaking point.

These ideas could drastically reduce the time between disaster and recovery preventing unnecessary suffering in the process. These improvements could also bring recovery outcomes in line with American values and the efforts of those leaders at every agency and level of government who selflessly serve impacted communities each day.

Thank you again for your time and for this opportunity.

