

**THE EVIDENCE BASE ON HOW CDBG-DR WORKS FOR STATE AND LOCAL
STAKEHOLDERS**

**Statement of
Carlos Martín*
Senior Fellow, Urban Institute**

**before the
Subcommittee on Oversight and Investigations
Committee on Financial Services,
United States House of Representatives**

**COMMUNITY DEVELOPMENT BLOCK GRANT-DISASTER RECOVERY
PROGRAM: STAKEHOLDER PERSPECTIVES**

May 17, 2018

*The views expressed are my own and should not be attributed to the Urban Institute, its trustees, or its funders. I thank my colleagues at Urban Institute who have been involved in some of the studies referenced here, particularly Brett Theodos and Brandi Gilbert, who also commented on this testimony.

Summary

Chairwoman Wagner, Ranking Member Green, and Members of the Subcommittee, thank you for the opportunity to highlight the evidence base regarding stakeholders' perspectives on the US Department of Housing and Urban Development's (HUD) Community Development Block Grants for Disaster Recovery (CDBG-DR) program. My name is Carlos Martín, and I am a senior fellow in the Metropolitan Housing and Communities Policy Center at the Urban Institute, a nonpartisan research organization based in Washington DC. The views I express today are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

My research focuses on the recipients of CDBG-DR grants—both the state and local government entities implementing the grants and the households and communities using the grants to rebuild after disasters. My colleagues and I have examined the many challenges in administering the program and its benefits. The pre-disaster capacity of the grantee's staff, the severity of the disaster, and the clarity of community post-disaster recovery goals are all local factors that pose challenges.

Yet, two characteristics of the CDBG-DR program itself also pose consistent challenges: CDBG-DR's final position in the sequence of federal post-disaster response, and CDBG-DR's lack of permanent statutory authority.

Snapshots from this year's devastations reflect what our research suggests. This month, HUD has approved, is reviewing, or is awaiting the submission of Action Plans—a CDBG-DR requirement of eligible grantees before awards—worth billions of dollars for recovery from disasters including Hurricanes Harvey and Maria. Recovery activities are transpiring amid ongoing questions regarding federal assistance and unresolved decisions about jurisdictions' long-term goals, land use decisions, and infrastructure plans.

CDBG-DR has increased in importance within US disaster response since its first use in 1993, as demonstrated by its inscription into the 2011 National Disaster Recovery Framework. CDBG-DR plays a unique role in that response by contextualizing recovery within longer-term planning and housing needs. At its best, CDBG-DR is a bridge from the shock and chaos of disaster back to the path of prosperity and development on which all communities across the US travel. Yet, that bridge has always been temporary.

Communities that have just experienced a disaster are tasked with piecing together resources to put their residents, economies, and cultures back on their collective feet as their residents do the same for their families and neighbors. Each set of federal resources brings with it a slew of different requirements, regulations, and stakeholders that can test even the most sophisticated and well-resourced state and municipal officials. As the federal backstop for recovery, CDBG-DR accommodates all previous programs' constraints after many response and rebuilding decisions have already occurred and when communities' expectations are fraying. The burden on state and local governments' capacities at this point in their recovery is particularly heavy. However, it is made heavier by the fact that they did not necessarily know the full regulatory parameters and magnitude of the assistance that CDBG-DR provides, nor whether Congress will appropriate and HUD will approve that assistance in the days after disaster struck.

Future disasters are certain. Equal certainty in the federal response to these disasters will improve how our communities recover, quantitatively and qualitatively.

Context

CDBG-DR has played a critical role in federal disaster management since its first use in 1993.¹ This role is unique, and it stands in contrast to other roles filled by the Federal Emergency Management Administration (FEMA), the Small Business Administration (SBA), the US Army Corps of Engineers, and several other agencies with longer histories of disaster-related functions. CDBG-DR is a backstop for any remaining unmet needs in the most severely impacted communities, and a bridge between acute disaster relief and long-term community planning and housing needs.

On the whole, CDBG-DR assumes the regulatory framework of the broader CDBG program, itself a product of bipartisan authorization in 1975.² Over two-dozen activities are eligible through that authority, though most grant funds are spent on housing repairs, rebuilding, and acquisitions. There are four research observations in particular that I would like to note.

CDBG-DR's Role as the Federal Disaster Recovery Backstop Has Increased

CDBG-DR has become a critical and indispensable component of federal disaster response: in the 2017 appropriations cycle, over a quarter of all disaster-related funds was designated to CDBG-DR.³

Over time and owing to precedents like Hurricane Katrina, the total dollars appropriated to CDBG-DR have approached the size of its parent CDBG program—making CDBG-DR as important in the housing and community development arena as it is in disaster management. At the same time, CDBG-DR staff size and other administrative resources remain smaller proportional to regular CDBG within HUD's operations. For grantees, CDBG-DR's growth has been marked by grants that have increasingly moved from small allocations for local governments to larger recovery programs typically funded and administered at the state level.

The Timing of CDBG-DR Appropriations from Disaster to Appropriation Varies Widely

Congress generally provides funds for CDBG-DR through special appropriations following major, presidentially declared disasters. On occasion, Congress has funded groups of disasters (such as those for an entire fiscal year) through a single appropriation. As a result, the time from any one disaster event to the ensuing special appropriation has varied from a few days to a year (figure 1)—time that adds to executing CDBG-DR grants and helping communities recover.

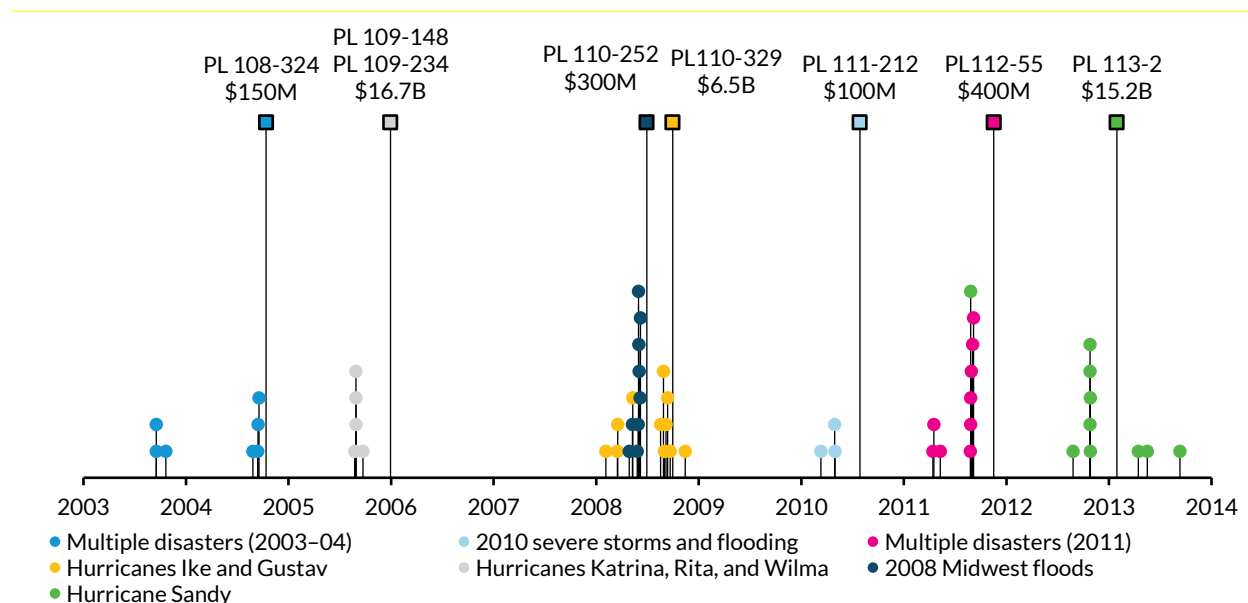
¹ Mary Comerio, *Disaster Hits Home: New Policy for Urban Housing Recovery* (Oakland: University of California Press, 1998).

² Charles J. Orlebeke, and John C. Weicher, "How CDBG Came to Pass," *Housing Policy Debate* 24, no. 1 (2014): 14–45.

³ William L. Painter, "2017 Disaster Supplemental Appropriations: Overview," R45084 (Washington, DC: Congressional Research Service, 2018).

FIGURE 1

Timeline of Disasters and CDBG-DR Special Appropriations for Grants Awarded in Fiscal Years 2005–15



Sources: Urban Institute tabulation of FEMA declaration data and HUD CDBG-DR grantee Action Plans.

Note: Squares represent appropriations; circles represent disasters covered by similarly colored appropriations.

CDBG-DR Grant Activities' Outcomes Vary Widely

The outcomes from the execution of these activities has varied widely and are difficult to assess even in relation to the original definition of unmet needs. Differences in grant values, in grantees' selected activities, and in the regulatory frameworks and guidance provided by HUD challenge comparisons across grants as well.⁴ Though HUD maintains the Disaster Recovery Grant Reporting system and provides training for its use, grantees choose the classifications for activities they report on, and the quality of reporting fluctuates.

In fact, only a handful of studies have documented the breadth of factors that likely contribute to the quality, speed, and costs of CDBG-DR implementation. Factors related to the specific disaster include the disaster severity and type and magnitude of damage, the preexisting state of housing quality and land use planning, and the quality of immediate relief and response efforts before longer-term recovery activity. Factors associated with the CDBG-DR grantees include the organizational and staff capacity of local jurisdictions and the pre-disaster coordination between its emergency management and housing and community development functions (the latter typically understanding regular CDBG regulations more).⁵ Grantee priorities for activities and designs for recovery programs also shape outcomes.⁶

⁴ Jennifer Turnham, Kimberly Burnett, Carlos Martín, Thomas McCall, Randall Juras, and Jonathan Spader, *Housing Recovery in the Gulf Coast Phase II: Results of Property Owner Survey in Louisiana, Mississippi, and Texas* (Washington, DC: US Department of Housing and Urban Development, 2011).

⁵ Laurie A. Johnson and Robert B. Olshansky, "The Road to Recovery: Governing Post-Disaster Reconstruction," *Land Lines* 25, no. 3 (2013): 14–21.

⁶ Jonathan Spader and Jennifer Turnham, "CDBG Disaster Recovery Assistance and Homeowners' Rebuilding Outcomes following Hurricanes Katrina and Rita," *Housing Policy Debate* 24, no. 1 (2014): 213–37.

Despite these obstacles, the time for completing CDBG-DR grant activities has improved over time. Our research suggest that HUD has shortened the time between appropriations and allocations significantly over the past decade, and the time between funding allocation and completion has declined by an average of 7.2 percent per year from 2005 to 2015.⁷

Within the same sample of grants, housing activities on average take 4.7 years to complete from the time a disaster is declared, and overall grants (including non-housing activities) on average take 5.1 years. Grantees typically take 9–12 months after an Action Plan is approved (which typically occurs within months of HUD allocation notice) to hire staff, procure contractors and consultants, and develop management and information systems.

Elected officials have called to shorten these recovery times, spurred by attention from media and households' frustrations with delays. However, the time frame for certain CDBG-DR activities, such as large-scale infrastructure projects, cannot be reduced easily. Grantees also disagree about whether the start-up period for other activities, like housing recovery, can be shortened; several grantees report that attempts to decrease the start-up time may increase the intensity of the start-up and reduce program performance later. As reported by grantee stakeholders, a more paced ramping up might reduce staff turnover and allow the program to better process applicants. Having some certainty about unmet damage needs and federal resources could also lead to a more ideal recovery time.

CDBG-DR Authority Is Pieced Together from Other Statutes through Supplemental Appropriation

A core reason for the above three phenomena is CDBG-DR's lack of permanent statutory authority. The program's authority comes from dozens of *Federal Register* notices that HUD issues with clarifying guidance, waivers, and alternative requirements for state and local grantees after Congress's special supplemental appropriations to CDBG (authorized by the underlying Housing and Community Development Act) that defines eligible activities.

Under that authority, the eligible activities that a state, entitlement community, or other unit of general local government undertakes with its CDBG-DR grant funds typically satisfy CDBG's national objective of meeting particularly urgent community development needs where conditions pose a serious and immediate threat to the public. Other national objectives of CDBG, specifically the focus on low- and moderate-income people, are also integrated into CDBG-DR, often by allocating a share of the funds to activities that primarily benefit these households (often 70 percent). In practice, however, regulatory provisions are often waived under the belief that recovery scenarios require flexibility.⁸ The opportunity to waive provisions is more pronounced because of the supplemental authorization and varying allocations.

⁷ Carlos Martín, Brett Theodos, Brandi Gilbert, Dan Teles, and Christina Plerhoples Stacy. *Improving the Speed of Housing Recovery after Severe Disaster: A Mixed-Methods Analysis of HUD's Community Development Block Grant Disaster Recovery Program* (Washington, DC: US Department of Housing and Urban Development, forthcoming).

⁸ Eugene Boyd, *Community Development Block Grant Funds in Disaster Relief and Recovery*, RL33330 (Washington, DC: Congressional Research Service, 2011).

What the Research Says about CDBG-DR Challenges

The program's ability to effectively and cost-efficiently produce outcomes among its state and local grantees is partially determined by two characteristics:

1. the chain of federal and local governmental entities that precedes CDBG-DR in the recovery time frame; and
2. the supplemental nature of CDBG-DR statutory authority, combined with the regulatory framework inherited from CDBG.

I focus my testimony on the program's critical role in the federal disaster response *despite* its supplemental authority, and how these characteristics shape stakeholder's capacity and outcomes.

1. As the Federal Backstop, CDBG-DR Inherits Other Agencies' Decisions and Outcomes; State and Local CDBG-DR Stakeholders Must Reconcile Them

The National Disaster Recovery Framework sets forth the primary federal, state, and local functions associated with disaster management, from mitigation and preparedness to response and relief to recovery.⁹ Response efforts start in the first days of a disaster, and relief efforts support communities in the weeks beyond. By design, programs and assistance for recovery functions are meant to occur months or even years after a disaster occurs.

CDBG-DR is one of the largest, if not the largest, long-term recovery programs in the federal government as measured only by appropriations. But CDBG-DR staff within HUD and, later, among grantees' designated coordinating offices are often unable to become involved in early federal and local decisions and information sharing soon after disasters.

In many cases, this inability is caused by the fact that CDBG-DR may not have received congressional appropriation for a given disaster at the time that the other disaster response functions are activated. Even when this has not been the case, HUD must wait until the dust settles and unmet needs are estimated before it can allocate funds accordingly. In all cases, however, this staging of functions leaves little room to integrate CDBG-DR applicants, rules, and regulations early enough to streamline state and local stakeholders' interaction with the federal government.

CDBG-DR grantees inherit the regulatory frameworks from previous assistance and must reconcile them with HUD and CDBG regulations.

There are competing regulatory frameworks that require coordinated understanding and in some cases multiple compliance requirements by the CDBG-DR grantee. Some regulations and requirements—for example, mitigation standards for housing—provide benefits that outweigh the costs of compliance. However, variations in environmental regulations, labor laws, procurement standards, and other conditions unique to each federal agency complicate grantees' implementation and may increase compliance costs and time without the purported benefit. The last agency to interact with the jurisdiction is seen as the culprit.

⁹ US Department of Homeland Security, *National Disaster Recovery Framework—Second Edition* (Washington, DC: GPO, 2016).

CDBG-DR allocations are based on other agencies' data collections and damage estimates, which are not necessarily aligned with other HUD planning resources (such as Consolidated Plans) and desirable community conditions (such as inclusive communities, increased rental housing needs, and so on).

In most disaster scenarios, FEMA and local emergency management come in after first responders to assemble data on damages and assess the needs and characteristics of applicants for FEMA Individual Assistance. FEMA's damage assessments, Individual Assistance application decisions and records, and verified loss assessment drive much other federal decision-making. This information is essential for recovery officials at HUD and CDBG-DR grantees, and could serve as the basis for many subsequent eligibility and aid determinations. However, the information in FEMA's assessments and records is often limited and does not include information that HUD might need later to monitor program efficiency and to evaluate programs against federal laws (such as fair housing and related civil rights and environmental justice laws).

Combining FEMA information with complicated data from other sources, including private insurance claims payments and possibly charitable assistance, HUD must make tough decisions about remaining unmet needs for the most impacted areas. CDBG-DR grantees must produce Action Plans with data that are often inaccurate or insufficient, whose collection is dynamic, and whose collection methods vary substantially between disasters and disaster-affected places.

Of the dozens of Action Plans that I have reviewed in my research, in virtually none has a grantee explicitly tied recovery activities to the long-term visions and needs a community had before the disaster. The flexibility provided by CDBG-DR due to the urgency of the community's condition could lead to misguided decisions that subject recovery programs to the same local politics and priorities that have driven non-emergency CDBG activities.¹⁰ For example, post-Katrina grantees allocated funds disproportionately to homeowner properties than rental properties.¹¹

Ultimately, all grantees in our studies have noted the need for both better data coordination and centralization of disaster damage data and assistance receipt and for additional data collection related to possibly eligible households' individual case needs. Congress is acknowledging this need by proposing further study in the 2018 Disaster Recovery Reform Act, (H.R. 4660) and in the FAA Reauthorization Act of 2018 (H.R. 4). Almost as much as FEMA's damage information, these data are critical for effective program design and successful launch. They could improve case management preparation, minimize the burden on households for information requests, and produce better designed recovery activities.

CDBG-DR grantees are tasked with extensive documentation of benefits to prevent duplication of all previous assistance sources.

Though FEMA, SBA, and other sources may provide HUD with information about assistance they have provided to individual households, CDBG-DR grantees must ensure that the program's benefits do not

¹⁰ Brian K. Collins and Brian J. Gerber, "Redistributive Policy and Devolution: Is State Administration a Road Block (Grant) to Equitable Access to Federal Funds?" *Journal of Public Administration Research and Theory* 16, no. 4 (2006): 613-32.

¹¹ GAO, *Federal Assistance for Permanent Housing Primarily Benefited Homeowners; Opportunities Exist to Better Target Rental Needs*, GAO-10-17 (Washington, DC: GAO, 2010).

duplicate the other assistance programs that preceded it—putting an additional burden on HUD and its grantees to receive documentation from households, to document benefits, and to coordinate repayments where applicable while they are often pressed by local expectations to expedite plans and programs. CDBG-DR grantees' administrative costs are more constrained than CDBG's grantees are, despite an intensive amount of management that is necessary after a disaster.

There has been no research to my knowledge regarding the comparative costs and benefits of one type of assistance over others in household recovery outcomes or examining the administrative burdens associated with one or another program. To date, the research only sheds light on the confusion for property owners regarding the types of assistance and the application and regulations associated with them, on the lack of guidance by federal entities regarding eligibility, and on the burden on grantee governments to make sense of the various assistance programs and demonstrate to HUD that they are not duplicative.

CDBG-DR grantees often must have eligible recipient households (including low-income and other limited-resource families) undergo duplicative information requests and produce extensive paperwork in support of the assessment of benefits duplication—likely leading to increased attrition, inequitable assistance delivery, and delayed recovery.

In some cases, there have been reported inconsistencies in interpreting duplication and precedent. However, the critical problem related to this issue is the effect on beneficiaries. All study grantees (as well as much local media coverage) have noted that people affected by disasters are not aware of where and when different sources of federal assistance will arrive. Households also are often not made aware of options for future assistance programs with federal funding for which they might be eligible. For example, a household applying to FEMA Individual Assistance is not fully aware of the SBA loan and CDBG-DR housing recovery programs that may follow. Again, in some cases, this absence of information is intentional: Congress may not have appropriated funds for CDBG-DR at the time that a household is interacting with FEMA, so descriptions of possible assistance may be premature. In other cases, though, the lack of full household information is mere oversight.

Households seeking assistance are caught in the middle. They often grow frustrated by perceived delays, by the volume of documentation required (often repeatedly), and by resulting assistance values. These effects are likely most felt by the low- and moderate-income households that CDBG-DR is intended to assist, and whose verified losses have proportionally more impact on their livelihoods and well-being than other households. Low- and moderate-income households require special assistance and funding that many grantees are often not prepared to handle. Thus, some households could be slipping through the gaps in federal coordination. These gaps are most apparent by the time CDBG-DR is able to assist.

2. The Supplemental Nature of CDBG-DR Statutory Authority Constrains Its Sustained Integration into the Federal Emergency Response and, in Turn, State and Local Stakeholders' Incentives and Capacity to Build a Permanent Capacity to Implement CDBG-DR Grants

Without a permanent authority, HUD is limited in its ability to produce and standardize permanent regulations and guidance on CDBG-DR. In one known case, this caused confusion and poor interpretation

on a grantee's part, leading it to design a housing recovery program HUD later rejected.¹² This delayed the implementation of a revised program by almost 12 months.¹³

Numerous state and local grantees—including those whose communities have suffered from several disasters that received multiple CDBG-DR grants—have described interacting with CDBG-DR as “reinventing the wheel” after each disaster.

The variable timing of supplemental appropriations after a disaster declaration likely affects the ensuing speed and quality of CDBG-DR programs.

The full timing of post-disaster assistance and programming significantly influences the speed and quality of recovery.¹⁴ This is true for the timing between the disaster and the ensuing appropriation of funds noted earlier as much as for the period from the appropriation of funds to the start of assistance delivery.¹⁵ This is particularly a challenge when an appropriation is issued for several disaster declarations including those that occurred up to a year before the appropriation, and when a declaration receives multiple appropriations over time (typically, the more severe disasters where needs are the largest).

These variations in appropriation timing are exacerbated by fluctuations in the appropriation value, which is not necessarily tied to a specific damage assessment estimate or monetized recovery need. The inability to plan around a specific dollar value of federal assistance at a specific time typically causes a significant amount of uncertainty and confusion for grantees and suboptimal housing recovery program designs.

Supplemental appropriations produce inconsistent waiver issuances and varying regulatory frameworks across grants.

CDBG-DR applies the regulatory framework of regular CDBG (24 CFR 570), plus any special waivers as allowed by the appropriation, original allocation, and subsequent notices. Whole and partial waivers are commonplace due partly to the supplemental nature of the program's authority and ensuring allocations. Particularly notable are waivers of low- and moderate-income beneficiary requirements, waivers allowing compensation versus rehabilitation programs, and waivers on the application of environmental regulations.

In some cases, waivers are reasonable because disaster recovery requires different functions and fill different needs than non-disaster community development. Waivers have often led to undesired outcomes for specific CDBG-DR grants.¹⁶ Across grants, though, the inconsistent use of waivers has led to confusion

¹² Timothy F. Green and Robert B. Olshansky, “Rebuilding Housing in New Orleans: The Road Home Program after the Hurricane Katrina Disaster,” *Housing Policy Debate* 22, no. 1 (2012): 75–99.

¹³ GAO, *Gulf Coast Disaster Recovery: Community Development Block Grant Program Guidance to States Needs to Be Improved*, GAO-09-541 (Washington, DC: GAO, 2009).

¹⁴ Gavin Smith, *Planning for Post-Disaster Recovery: A Review of the United States Disaster Assistance Framework* (City: Island Press, 2012); Robert Olshansky and Stephanie Chang, “Planning for Disaster Recovery: Emerging Research Needs and Challenges,” *Progress in Planning* 72, no. 4 (2009): 200–09.

¹⁵ Martín et al., *Improving the Speed of Housing Recovery after Severe Disaster*.

¹⁶ Kevin Fox Gotham, “Reinforcing Inequalities: The Impact of the CDBG Program on Post-Katrina Rebuilding,” *Housing Policy Debate* 24, no. 1 (2014): 192–212.

and unintentional violations. Codifying a single disaster recovery program in regulations would ensure that a permanent formal framework is in place for future disasters, reduce the volume of *Federal Register* notices used and other informal forms of guidance for each disaster, and mitigate time delays in implementing assistance for future disasters—important for HUD, but just as important for recipient grantees and, in turn, eligible households. A permanent authority with clear and consistent regulatory framework could motivate grantees to prepare and respond accordingly (for example, adopting federal procurement standards).

CDBG-DR's special authority constrains ongoing, comprehensive capacity building among state and local grantees in practical ways.

State and local governments' capacity to plan, prepare, and mitigate before disasters and their operational ability to implement programs after disasters link directly to recovery speed and quality.¹⁷ The grantee office staff's levels of expertise and program management were repeatedly identified in studies as potential sources of program challenges and time delays. Grantee capacity can be constrained for numerous reasons, including the availability of skilled staff or financial resources. Repeated experience with post-disaster recovery programs, however, is often overlooked as a source of capacity building. Yet, few state and local grantees have developed internal expertise and experience on CDBG-DR due in no small part to the sporadic nature of its funding and variations in its regulatory framework across supplemental appropriations.

A consequence of HUD's lack of consistent authority is that grantees do not sustain capacity to design and implement CDBG-DR funds efficiently and with substantial program experience, like other Community Planning and Development programs in HUD. Grantees tend to ramp up with numerous consultants and contractors and rely on local development corporations and regional planning authorities to manage the one-time CDBG-DR grant—even if the grantee has been subjected to multiple disasters and received multiple grants over time. This implementation is likely not efficient or cost-effective.

Many grantees noted the help they received directly from HUD staff starting from congressional appropriation has dramatically improved in just the last five years, but that there is still much more room for improvement with regard to when they can access it. However, they noted that HUD staff with extensive familiarity with CDBG-DR are often spread too thinly. This scenario is exacerbated when there are multiple disasters in an appropriation at a given time.

Another key, early decision that happens among CDBG-DR grantees is determining the coordination agency in the jurisdiction. Our work notes four organizational types. In some cases, the agency that typically handles CDBG (if an entitlement community) is charged with coordinating the CDBG-DR effort. In others, an emergency management or planning entity designs and implements the effort. Some grantees, like states or cities with very large grants, create a single recovery office charged with the program's activities. Others choose to distribute grant funds to regional, county, and municipal governments for administering. In different ways for each organizational type, the lack of experience with CDBG-DR and its roles for both disaster recovery and community development force grantees to go up the learning curve after each event.

¹⁷ Thomas A. Birkland, *Lessons of Disaster: Policy Change after Catastrophic Events* (Washington, DC: Georgetown University Press, 2006).

Ironically, the lack of consistent statutory authority has increased CDBG-DR's federal influence in the eyes of some federal disaster stakeholders.

CDBG-DR's flexibility has been harnessed for many recovery ends. In numerous cases, CDBG-DR has encouraged higher standards for recovery beyond rebuilding.¹⁸ HUD has also set aside special funds for resilience efforts.¹⁹ Just last month, HUD set aside \$12 of the \$28 billion in CDBG-DR allocations from PL 115-123 for mitigation activities among eligible grantees for disasters that occurred between fiscal years 2015 and 2017.²⁰

Though far from covering the full monetized costs of the nation's hazard mitigation needs, CDBG-DR's funding in this area supplements FEMA's Pre-Disaster and Hazard Mitigation Grant Programs. The proposed Disaster Recovery Reform Act has also reinforced and expanded the importance of mitigation programs within FEMA. With permanent authority, CDBG-DR's programs for mitigation could duplicate those in FEMA, but with fewer staff that are less versed in the engineering of these activities.²¹

No studies have compared the delivery of similar assistance to local governments and households across these agencies (and there are many methodological challenges in doing so), so there is limited evidence about differences in agency outcomes.

Conclusion

Coordination across agencies as described in this testimony has been a noted challenge by scholars, practitioners, and policy stakeholders for some time.²² Clarity about HUD's role in this area will help reduce conflicts regarding cost-shares and implementation differences between HUD and FEMA.²³ More broadly, it could also clarify how CDBG-DR's housing and infrastructure recovery programs should be better integrated into FEMA's Individual and Public Assistance programs, respectively; how CDBG-DR's economic development programs could be better integrated with disaster programs in the US Department of Commerce's Economic Development Administration; and how all disaster recovery assistance should work with FEMA's National Flood Insurance Program and state insurance commissioners to have consistent incentives for hazard, property, and casualty insurance.

¹⁸ Justin Gundlach and Channing Jones, "Integrating Climate Change Resilience into HUD's Disaster Recovery Program," *Environmental News Reporter* 46 (2016): 10282–90.

¹⁹ Carlos Martín et al., *Evaluation: Rebuild by Design Phase 1* (New York: Rockefeller Foundation, 2014); and Carlos Martín et al., *Preliminary Outcome Evaluation: The National Disaster Resilience Competition's Resilience Academies* (New York: Rockefeller Foundation, 2017).

²⁰ "HUD Awards \$28 Billion in CDBG-DR Funds," US Department of Housing and Urban Development, April 11, 2018, accessed May 12, 2018, <https://www.hudexchange.info/news/hud-awards-28-billion-in-cdbg-dr-funds/>.

²¹ Smith, "Disaster Recovery Funding: Achieving a Resilient Future?" White paper prepared for the National Academy of Sciences, Institute of Medicine Committee on Post-Disaster Recovery of a Community's Public Health, Medical, and Social Services. Institute of Medicine, *Healthy, Resilient, and Sustainable Communities after Disasters: Strategies, Opportunities, and Planning for Recovery* (Washington, DC: National Academies Press, 2015).

²² GAO, *Disaster Recovery: Selected Themes for Effective Long-Term Recovery*, GAO-12-813T (Washington, DC: GAO, 2012).

²³ GAO, *Gulf Coast Disaster Recovery*.

Any discussion about CDBG-DR's statutory authority should consider its specific role, its order within the funding priorities of recipient grantees and within the menu of benefit options for eligible households, and the resources that HUD needs to accomplish CDBG-DR's designated role. The regularizing of CDBG-DR allows for decisions to be made that require trade-offs. Grantee and household stakeholders in CDBG-DR need a consistent national approach to disaster management that is "clear, concise, and consistent to help minimize misunderstandings, confusion, and program delays."²⁴

CDBG-DR permanent authority could also help define the program's role vis-à-vis regular CDBG and other CPD programs. With or without a permanent long-term disaster recovery function in government, some centralization, consistency, and the perception of a seamless transition across the relevant federal programs is in order—at least from the disaster-affected citizen's perspective—whether it be through a single new federal entity charged with the disaster emergency continuum or the better coordination described earlier. Acceptance of this continuum would break the traditional model of disaster interventions beyond the relief-and-response stages and link long-term community planning and development goals with disaster preparations based on accurate and scientifically produced evidence.

Communities would have better knowledge about existing housing, household conditions, and their local housing construction and rebuilding markets before a disaster in order to quickly recovery after. The advances in coordination that have occurred in the past decade including HUD's guidance for using existing entitlement grant funds for disaster planning (HUD 2017) and FEMA's guidance on disaster planning have built on the lessons learned from Hurricanes Katrina and Sandy.²⁵ Yet, there are many more lessons to be learned, particularly given the likely increases in future disaster rates.

Other scholars have defined effective recovery as one that provides the best fit between the needs of local communities, the funding and design of recovery programs, and the capacity of organizations at all levels of government and sector to harness the funding and program designs to meet communities' needs.²⁶ As a researcher in this field, I am encouraged by your interest in resolving the limitations with CDBG-DR. If your goal is to redefine CDBG-DR to better serve state and local stakeholders' needs, my research suggests doing so with any eye towards reconsidering the broader federal role in disaster response in this new era. Barring a reorganization of the entire national recovery management, ensuring that CDBG-DR is on equal and predictable statutory footing as the other components is a step in the right direction.

²⁴ GAO, *Gulf Coast Disaster Recovery*, p. 33.

²⁵ "Notice CPD 17-06: Using Community Planning and Development Program (CPD) Funds for Disaster Response and Recovery," US Department of Housing and Urban Development, June 1, 2017, accessed May 11, 2018, <https://www.hudexchange.info/resource/5337/notice-cpd-17-06-using-cpd-funds-for-disaster-response-and-recovery/>.

²⁶ Philip Berke and Timothy Beatley, *After the Hurricane: Linking Recovery to Sustainable Development in the Caribbean* (Baltimore, Johns Hopkins University Press, 1997).