

ASSISTANT SECRETARY PAMELA HUGHES PATENAUDE

HURRICANES KATRINA AND RITA:

OUTSTANDING NEED, SLOW PROGRESS



**TESTIMONY BEFORE THE COMMITTEE ON HOMELAND
SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE**

JANUARY 29, 2007

Thank you, Mr. Chairman. On behalf of Secretary Jackson, I am pleased to appear before this Committee. My name is Pamela Hughes Patenaude and, as the Assistant Secretary for HUD's Office of Community Planning and Development, I am responsible for the administration of \$16.7 billion in Community Development Block Grant disaster recovery funds for the Gulf Coast Region.

On December 30, 2005, President Bush signed legislation providing \$11.5 billion in CDBG disaster recovery funding. Within one month, Secretary Jackson allocated these funds based on unmet needs for disaster relief and long-term recovery to the five Gulf Coast States. Last June, after the President signed legislation providing an additional \$5.2 billion, the Secretary promptly allocated these funds among the affected states.

In both of these emergency supplemental spending bills, Secretary Jackson allocated the maximum amount of money allowed by law to the State of Louisiana, -a total of \$10.4 billion.

Yet, even before Congress appropriated these emergency funds, HUD staff was in constant contact with state officials throughout the Gulf as they worked to design their individual housing, economic development, and infrastructure programs with existing resources. It should be noted here that the recovery and rebuilding effort is one that requires all partners: States, local officials, Gulf Coast Rebuild, HUD and all federal agencies, to work together effectively.

While parts of New Orleans were still under water, HUD granted an unprecedented number of waivers increasing flexibility of the HOME and CDBG programs to address the urgent needs of hurricane victims.

Within three weeks of the first CDBG disaster supplemental, HUD cut red tape to expedite funding, so the Gulf States could begin to put their recovery funds to work.

With citizen participation, the states developed creative solutions and submitted initial disaster recovery action plans for HUD's approval.

Under Secretary Jackson's leadership, we promptly reviewed these plans, issuing necessary waivers, so states could execute their programs as quickly as possible.

During implementation, states continue to revise and amend their disaster recovery programs to make them more effective in meeting the needs of their communities.

HUD has approved disaster action plans totaling \$10.5 billion. Gulf Coast States have spent approximately \$1.2 billion in CDBG disaster recovery funds. These funds are intended to help those who have lost their homes, to restore needed infrastructure, and to promote long-term recovery.

Here are some examples of the progress made to date with these funds:

- Under the Mississippi Homeowner Assistance Program, more than 10-thousand families have received checks to help compensate them for their losses and assist them as they rebuild their lives.
- Mississippi has also used critical CDBG recovery funding to complete a master plan for infrastructure that develops long-term regional solutions to water, sewer, and storm drainage needs of Gulf Communities. This master plan is a necessary first-step in the redevelopment of existing neighborhoods and the creation of new, safer communities.

Mr. Chairman, we recognize the enormous challenges that lie ahead, particularly for Louisiana. Having said that, it's been nearly a year-and-a-half since these storms hit, and like many of you here today, Secretary Jackson is not satisfied with the pace of recovery here in Louisiana.

The Secretary has met and continues to meet with officials administering the Road Home Program and, together, we have identified obstacles that impede progress.

As Louisiana, Mississippi and the other Gulf Coast States develop solutions to their challenges, HUD will continue to offer guidance and assure compliance with the law, including the prevention of waste, fraud, and abuse.

Congress was clear in its intent: The Federal Government would not dictate to local communities how their recovery must go. The Gulf States and their governors are designated with the principal responsibility for the design, implementation, and performance of their rebuilding efforts.

Mr. Chairman, Members of the Committee, Secretary Jackson and I understand that people need help now. Secretary Jackson is committed to using our full authority to assist these families to recover, to stimulate economic development in the Region, and to restore hope to communities throughout the Gulf. Thank you and I welcome your questions.