

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410**

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Hurricane Sandy: Getting the Recovery Right and the Value of Mitigation

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Chairman Carper, Ranking Member Coburn, and Members of the Committee, thank you for the opportunity to testify today regarding the ongoing effort to rebuild in the region impacted by Superstorm Sandy.

Because Sandy was one of the most devastating and costly natural disasters in our history, the President recognized that the response required an additional focus on rebuilding efforts coordinated across Federal agencies and State, local, and Tribal governments in order to effectively address the enormous range of regional issues.

On November 15, President Obama announced that I would lead the coordination of federal efforts to support the rebuilding, and the President issued Executive Order 13632 on December 7, 2012, establishing the Hurricane Sandy Rebuilding Task Force, and appointed me to serve as its chair. Executive Order 13632 charges the Task Force to “work to ensure that the Federal Government continues to provide appropriate resources to support affected State, local, and tribal communities to improve the region's resilience, health, and prosperity by building for the future.”

My responsibilities in this role occur in concert with the National Disaster Recovery Framework (NDRF) and involve cooperating closely with the Federal Emergency Management Agency (FEMA) and the other agencies involved in recovery efforts. The focus of the Task Force is on coordinating Federal support as State, local and Tribal governments identify priorities, design individual rebuilding plans, and over time begin implementation. I am the Federal government's primary lead on engaging with States, Tribes, local governments, the private sector, regional businesses, non-profit, community and philanthropic organizations on long-term Sandy rebuilding.

Superstorm Sandy and the Nor'easter that followed have had immense and varied impacts across much of the eastern United States, with damage most severe in New York, New Jersey, Connecticut, Rhode Island, and Maryland. Within the United States, the storm caused 162 fatalities, major flooding, structural damage, and power loss to over 8.5 million homes and businesses, directly affecting more than 17 million people as far south as Puerto Rico, as far north as Maine.

Sandy caused tens of billions of dollars in damage and is estimated to be the second most costly storm in American history. Thousands of small businesses and tens of thousands of homes were damaged or destroyed. State, local and Tribal governments are addressing damage to roads, bridges, mass transit and other essential infrastructure, including electrical and water treatment facilities, public hospitals, and shorelines.

In addition to my concern as a citizen and as a member of this Administration, this is personal to me. I grew up in the region. I was born and raised in New York and worked on housing issues there, including serving as Mayor Bloomberg's Commissioner of the New York City Department of Housing Preservation and Development. I also worked on housing issues for Prudential Mortgage Capital in New Jersey, and married a Jersey girl in New Jersey. Many of my friends have been directly affected by the storm's devastation. In light of my deep roots in the region, I am particularly concerned with the devastation that Sandy has caused, and especially honored to have the opportunity to help with recovery and rebuilding efforts.

I have seen much of the damage first hand, talked with State and local officials and citizens living with the aftermath of the storm, had discussions with Senators and Representatives from the area, and have met with other federal officials working on the recovery effort, including FEMA Administrator Craig Fugate. Last week, we held the first meeting of our Advisory Board, made up of local elected officials representing the communities hardest-hit by Sandy. Everyone involved in the recovery and rebuilding has demonstrated extraordinary dedication and courage.

Just as remarkable are the actions by average people I have spoken with – individuals who have demonstrated a different brand of heroism by simply reaching out to help their neighbors, even as they were facing their own losses. I have seen bravery and determination that inspires me and my colleagues to work even harder, respond quicker, and develop more creative solutions.

With that mission in mind my testimony today will cover: 1) an assessment of the ongoing recovery efforts, and how we are applying lessons learned from Hurricane Katrina to this rebuilding effort; 2) a brief background on the formation and role of the Hurricane Sandy Rebuilding Task Force and 3) the role of the supplemental funding provided by Congress.

Ongoing Response and Recovery Efforts and Lessons Learned from Hurricane Katrina

Before I describe the task force's activities, it is important to note the unprecedented cooperation that is taking place among Federal, State, local, and Tribal authorities. HUD, FEMA and other parts of the Department of Homeland Security (DHS), as well as the Departments of Transportation, Health and Human Services, Interior, Commerce, and Agriculture, plus the Small Business Administration and the U.S. Army Corps of Engineers (USACE) and other agencies are all working together. For example, as a result of coordination under the National Response Framework (NRF), within a week after Sandy hit there were almost 11,000 National Guard and 17,000 Federal responders on the ground from FEMA, the Department of Defense, USACE, HUD, Department of Transportation, Department of Energy, and HHS, as well as tens of thousands of utility workers from across the nation. We are all coordinating our work with State, local, and Tribal officials, who are doing a truly herculean job on the response and recovery. The private sector, NGOs, and community and philanthropic organizations have all been deeply involved as well. This unprecedented level of cooperation and partnership will help us continue to deliver recovery resources with speed and provide related assistance to the most affected areas.

Our work on Sandy has been informed by the lessons learned in past disasters. Early in his first term, President Obama recognized that our experience during Hurricane Katrina and other disasters highlighted the need for additional guidance, structure, and support to improve how we as a Nation address disaster-related recovery and rebuilding challenges. In September 2009, President Obama charged Secretary Napolitano and me with leading work on this effort and to establish a Long Term Disaster Recovery Working Group, composed of more than 20 Federal

agencies. HUD, DHS, and the Working Group consulted closely with State, local, and Tribal governments as well as experts and stakeholders, and worked to improve the Nation's approach to disaster recovery and to develop operational guidance for recovery efforts.

As a result, in September 2011, FEMA published the National Disaster Recovery Framework (NDRF). The NDRF addresses the short, intermediate, and long-term challenges of managing disaster-related recovery and rebuilding. It sets forth flexible guidelines that enable Federal disaster recovery and restoration managers to operate in a unified and collaborative manner and to cooperate effectively with State, local, Tribal, and territorial governments.

There are three primary lessons that are guiding our efforts to support local community rebuilding efforts.

First, it is vitally important that both near and long-term recovery and rebuilding efforts start immediately following a disaster and that the Federal government takes a coordinated regional approach to the delivery of assistance to its State and local partners. To ensure this happens, the Hurricane Sandy Rebuilding Task Force is filling this regional coordinating role, working in coordination with the Federal Disaster Recovery Coordinators under the NDRF, and focusing on rebuilding.

Second, this must be an "All-of-Nation" approach to rebuilding. While the Federal government has a key role to play in recovery, State, local, and Tribal governments must be key partners in this effort.

Third, the recovery effort must include rebuilding in a more resilient fashion rather than simply recreating what was already there so that we are prepared for future disasters.

The Role of the Hurricane Sandy Rebuilding Task Force

The Task Force does not seek to impose a one-size-fits-all solution on localities. One of our key objectives is to cut red tape for State, local, and tribal governments as they seek Federal assistance for longer term projects and identify priorities for community development. These areas of work include housing, infrastructure systems, small business and local industry, health systems, social services, and natural and cultural resources.

Drawing on expertise across the federal government, the Task Force provides leadership and connections that actively support local visions and rebuilding efforts. It has five major responsibilities:

First, and most important, the Task Force is coordinating with all stakeholders to support cohesive rebuilding strategies and develop a comprehensive regional plan.

Second, the Task Force is working to identify and remove obstacles to effective rebuilding efforts and reduce regulatory burdens.

Third, the Task Force is working to coordinate Federal recovery resources and to make sure that the amounts and categories of resources that the Federal government provides are informed by local priorities.

Fourth, the Task Force will develop a plan for monitoring progress in rebuilding efforts.

Finally, the Task Force provides coordination in rebuilding efforts, including with respect to technical assistance and capacity building tools.

The Task Force and Supplemental Funding

Rebuilding must be a community-driven effort, with a community-based vision at its heart. But supporting that vision through financial means is a key part of the Federal role – one that has consistently been present for communities experiencing disaster.

On January 29, President Obama signed the Disaster Relief Appropriations Act of 2013. The supplemental funding bill included funds for FEMA and USACE projects, Transportation, support for the Small Business Administration and its disaster loan program, Community Development Block Grant-Disaster Recovery (CDBG-DR), funds to be provided to communities, and funding for a range of other critical priorities.

Federal agencies and departments have already begun the process of making this money available to State, local and Tribal governments in the region. On February 4, the Department of Transportation made available \$2 billion through the Federal Transit Administration's (FTA) new Emergency Relief Program to help protect, repair, reconstruct, and replace public transit equipment and facilities that were badly damaged by Sandy. The Federal Highway Administration has also made over \$2 billion available to rebuild roads and bridges damaged by Sandy and other disasters. In addition, HUD has also announced the first round of allocations of CDBG-DR funding, totaling \$5.4 billion. This represents the fastest ever allocation following the signing of an appropriations bill.

It is not the role of the Task Force to dictate how this supplemental funding is used – instead, it is to find ways to leverage and maximize the impact of these dollars and to help communities access this funding and use it to support their development priorities. An example of the Task Force's efforts to date is working toward a data sharing arrangement that will allow SBA and HUD to provide State, local and Tribal governments with general information on small business disaster loan applications in areas impacted by Sandy.

In addition to providing the necessary resources to continue ongoing response and recovery efforts, the Disaster Relief Appropriations Act also provides funding to help impacted communities effectively mitigate future risk of disaster to prevent losses of this magnitude from recurring.

We have solid evidence that sea levels are rising and that the risk of large scale disasters and catastrophic losses is increasing, due to increasing development along our coasts and changes in demographics and climate. And our best science tells us that these trends will continue, that sea levels continue to riseⁱ, that this will further increase risks from storm surges, and that extreme weather events are likely to be more intense in the future, so it is vital that communities rebuild in a way that mitigates the risks posed under future conditions as well as current storms.ⁱⁱ

I look forward to continuing to work with this Committee, others in Congress and our Federal, State, local, and Tribal partners to help make local rebuilding visions a reality, to support communities that are rebuilding in a way that makes them stronger, more economically competitive and better prepared to withstand the next storm and risks far into the future, and to help inform how the Federal government responds to disasters in the future.

Thank you again for the opportunity to testify today. I am happy to answer any questions you may have.

ⁱ Parris, A., P. Bromirski, V. Burkett, D. Cayan, M. Culver, J. Hall, R. Horton, K. Knuuti, R. Moss, J. Obeysekera, A. Sallenger, and J. Weiss. 2012. Global Sea Level Rise Scenarios for the US National Climate Assessment. NOAA Tech Memo OAR CPO-1. 37 pp.

ⁱⁱ NOAA's fact sheet at http://www.nrc.noaa.gov/plans_docs/SoS_Fact_Sheet_Hurricanes_and_Climate_FINAL_May2012.pdf: "Studies available for the Atlantic Basin suggest increased hurricane intensity, hurricane rainfall rates and the numbers of the most intense hurricanes over the 21st Century. However, the projections for intensity and intense hurricane numbers in particular have relatively large uncertainty and further research is needed to increase understanding."