



Preparing for Recovery



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ICF and Disaster Recovery

- ICF was founded in 1969 as the Inner City Fund by former Tuskegee Airman “Lucky” Lester and three Defense Department Analysts
- We have grown to a \$1.2 billion global professional, technology, and marketing services firm with more than 5,000 employees
- Until eclipsed by the unprecedented 2017 storms, ICF managed the largest housing recovery programs in U.S. history – Katrina/Rita, Sandy – and is currently managing hurricane recovery programs in Puerto Rico and Texas
- I have nearly 10 years experience managing Disaster Recovery programs in New Jersey, New York, and Louisiana
- The projects I have managed have processed more than 200,000 individual applications for grants to repair or replace housing units and made more than 150,000 awards totaling nearly \$10 billion
- My specific experience is with major hurricanes and HUD Community Development Block Grant – Disaster Recovery (CDBG-DR) recovery programs

Disaster Timeline



Long-Term Recovery takes **YEARS**:

- Northridge Earthquake hit California in 1994 and last recovery project completed in 2014
- Katrina hit Louisiana in 2005 and recovery is ongoing
- Sandy hit New Jersey in 2012 and recovery will continue until 2022

Important Components of a Disaster Recovery Plan

- Understand sources of Disaster Recovery funding, laws and regulations that apply, and how they can fit together to meet your community's needs – **MAXIMIZE USE OF AVAILABLE FUNDS**
- Establish clear lines of authority for recovery efforts
- Quantify the extent of damage to housing, infrastructure, and the economy and what funding sources are available to repair/rebuild
- Prioritize recovery needs and design programs to meet these needs – consider resiliency as a key outcome
- Rapidly build capacity to manage \$10s-\$100s million federal funds and 100s-1,000s of applications and grants – effort will be 1-3 orders of magnitude larger than “normal”
- Ensure recovery program managers have the technical knowledge to implement programs in compliance with laws and regulations
- Ensure robust communication/outreach about disaster recovery programs and provide counseling/assistance to the community, especially to vulnerable populations
- Monitor program progress/expenditures and compliance and report regularly and with full transparency
- Be prepared to revise/replace programs as recovery unfolds
- Understand what you do/do not know and consider retaining consultants

Sources of Disaster Recovery Funding

Individual Homeowners and Renters

Insurance

- Homeowner insurance typically covers only wind damage
- Flood insurance needed for flood damage

Distinction is not always clear (e.g., wind blows roof off and both rain and flood waters cause damage)

FEMA Individual Assistance (IA) Grants for:

- Temporary measures to stabilize homes
- Temporary housing assistance
- Meeting immediate needs
- Replacing contents such as clothing, household goods, and furniture

SBA low-interest loans to qualified homeowners, renters, and businesses:

- Homeowner may borrow up to \$200,000 to repair/replace disaster damage primary residence
- Homeowner and renter may borrow up to \$40,000 to repair/replace damaged personal property.
- Business of any size may borrow up to \$2 million for physical damage.
- Small Business, private non-profit organization, etc. may borrow up to \$2 million for Economic injury.

SBA loans are limited to primary residences and U.S. citizens and legal residents.

Insurance payments for structural damage, FEMA funds to stabilize homes, and SBA loans are considered Duplication of Benefits (DOB)

Community Development Block Grant Disaster Recovery (CDBG-DR) grants for

- Repair/rebuild individual homes
- Repair/rebuild rental properties
- Rental assistance
- Buyout homes in vulnerable areas
- Provide counseling services

*CDBG-DR grants are limited to primary residences and U.S. citizens and legal residents
DOB will be deducted before determining CDBG-DR grant amount*

State/Territory and Local Governments

FEMA Public Assistance (PA) funds for:

- Debris removal
- Repair to roads, highways, schools, hospitals, and critical infrastructure
- Resilience improvements

FEMA Hazard Mitigation Grant Program (HMGP) supports cost-effective post-disaster projects that enact mitigate measures that reduce loss to life and property from future disasters. Studies have shown that every \$1 spent equals \$4 of future damages mitigated. Grant monies are awarded to state, cities, and counties, not individuals directly. State and local governments can use HMGP funds for:

- Elevations
- Buyouts
- Hardening critical infrastructure

Federal Highway Administration (FHWA) funds to repair federal roads

EPA State Revolving funds to harden and expand water and wastewater treatment facilities

These funds require a state/territory or local match of up to 25%, although CDBG-DR funds can be used to pay for the match (see below)

CDBG-DR grants for:

- Economic development
- Infrastructure repair/resilience improvements
- Local government services
- Demolition of unsafe properties
- Providing required match for FEMA, FHWA, EPA funds

Challenges Facing Communities

- **Damage to or Loss of critical infrastructure**
 - Roads, bridges, schools, hospitals, police stations, community centers, etc.
- **Major decline in commerce and tax revenue, making it difficult to provide basic services**
- **Deserted neighborhoods/business districts that can lead to blight**
- **Lack of resources and outreach strategies for vulnerable populations (e.g., homeless, undocumented, Limited English Proficiency)**
- **Shortage of code inspectors during rebuilding**
- **Revised flood zone maps that place burdens on residents to elevate and maintain flood insurance**
- **Federal match requirements (up to 25%)**
 - FEMA Public Assistance (debris removal, infrastructure repair) and other Federal programs
 - HUD CDBG-DR funds can be used to meet these match requirements

Challenges Facing Storm Survivors

- **Loss of employment and income**
- **Increased expenses from the recovery process**
- **Loss of important financial and other documentation**
- **Difficulty paying mortgage or rent**
- **Threat of foreclosure or eviction from damaged homes**
- **Difficulty finding appropriate replacement housing**
- **Difficulty navigating the complex web of disaster recovery programs**
- **Slow and confusing disaster assistance application and funding process**
- **Disaster aid denials from federal, state, nonprofits, and insurers**
- **Insufficient funds to complete reconstruction/elevation and pay for flood insurance**
- **Contractor fraud and other construction setbacks**

How Can a Community Prepare for Recovery?

- **Assess vulnerabilities – physical, income, demographics, language**
 - The Social Vulnerability Index (SVI) can identify areas where residents are particularly vulnerable to natural disasters
 - If flooding is a potential risk, identify 500- and 1,000-year floodplains
- **Identify and engage with key organizations that can assist your residents (e.g., emergency management agencies, housing agencies, associations, non-profits)**
- **Educate and train staff and residents on the specifics of the recovery process – sources of funding, how to apply for funds, eligibility, Federal requirements, LMI targeting, DOB, protections such as the URA**
- **Identify services you can provide vs. need to rely on outside help**
- **Identify and advocate for the types of recovery programs that would benefit your community – housing, infrastructure, economic development**
- **Look for solutions that are as permanent as feasible**
 - Re-think zoning – limit future development in vulnerable areas
 - Adopt protective building codes – Florida is a great example
 - Identify investments that can increase resiliency – a current Disaster Recovery focus

Social Vulnerability Index (SVI)

- **Developed by the Agency for Toxic Substances and Disease Registry (ATSDR)**
- **Helps planners and public health officials identify and map the communities that will most likely need support before, during, and after a hazardous event**
- **Uses U.S. Census data to determine the social vulnerability of every Census tract in the US**
- **Ranks each census tract on 14 social factors, including poverty, lack of vehicle access, and crowded housing, and groups them into four related themes:**
 - Socioeconomic Status
 - Household Composition
 - Race/Ethnicity/Language
 - Housing/Transportation
- **Each census tract receives a separate ranking for each of the four themes, as well as an overall ranking**
- **Used in recent disasters to establish highest-priority households**
 - Very low income
 - Household includes a child under 5 years of age, an elderly person, and/or a disabled/special needs person

Example SVI Maps – Miami-Dade County

Browser address bar: https://svi.cdc.gov/Documents/CountyMaps/2016/Florida/Florida2016_Miami-Dade.pdf

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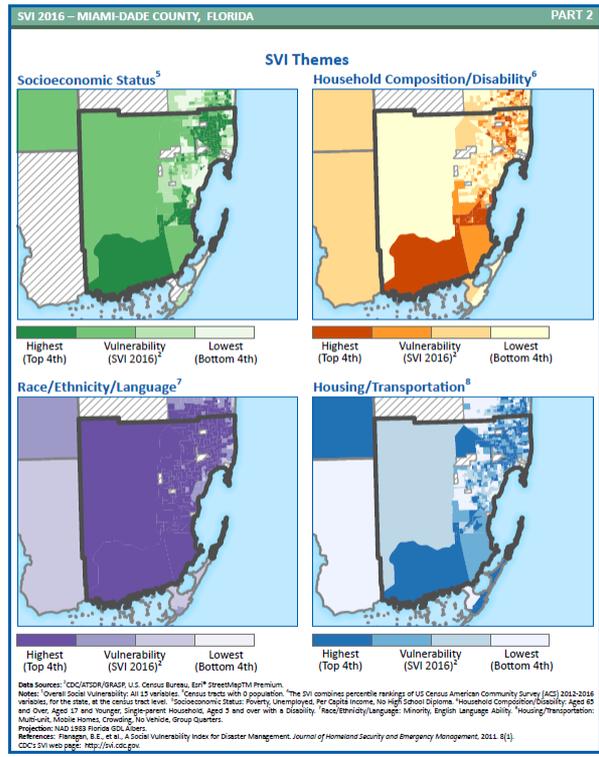
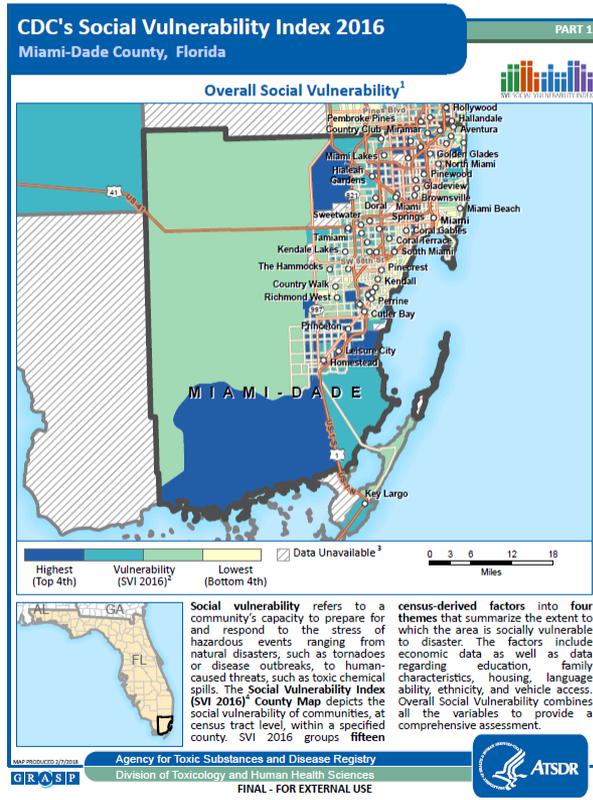
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ICF Intranet | ATSDR - The Social Vulnerability Index | svi.cdc.gov

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Important Considerations

- **Federal dollars come with many requirements**
 - If federal dollars are used to repair/replace a property that was flooded, the property may need to be elevated above the new floodplain and flood insurance must be maintained in perpetuity; otherwise the property is not eligible for future federal assistance
 - Failure to meet Federal laws and regulations is likely to result in a requirement to pay back Federal funds
 - Failure to follow URA requirements
 - A housing unit is not repaired sufficiently to receive a Certificate of Occupancy
 - Funds spent on an ineligible activity (e.g., on a household that exceeds income limits)
- **At least 70% of CDBG-DR funds must benefit LMI households**
- **Federal funds (plus insurance) may not be sufficient to cover all repair/resilience costs (it is especially expensive to elevate an existing structure, and elevation grants may be limited to \$30,000)**

Useful Links

- **Social Vulnerability Index:** <https://svi.cdc.gov/>
- **HUD Exchange:** <https://www.hudexchange.info/>
 - CDBG-DR Program: <https://www.hudexchange.info/programs/cdbg-dr/>
 - Disaster Recovery Toolkit: <https://www.hudexchange.info/programs/cdbg-dr/toolkits/>
 - Housing Counseling Agency Disaster Recovery Toolkit:
<https://www.hudexchange.info/programs/housing-counseling/housing-counseling-disaster-recovery-toolkit/preparing/>