BUT NEXT TIME:

STORM SURVIVORS DEMAND OVERHAUL OF DISASTER RECOVERY SYSTEM

OCTOBER 2022

Light years after Hurricane Sandy, rebuilding homes in New Jersey.
Source: NJOP

CONTRIBUTORS

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River Parishes, Louisiana after Hurricane Ida.
Source: HousingNOLA

River Parishes, Louisiana after Hurricane Ida.
Source: HousingNOLA

INTRODUCTION

Superstorm Sandy impact awareness event.
Source: NJPIP

WHO WE ARE

This paper was written by a group of leaders who have navigated multiple disasters for decades and are building tools and networks to strengthen our response to major storms and climate events. Our goal is to address both the immediate humanitarian needs on the ground and advance long term structural change and equitable recovery. Texas Appleseed, a Texas-based public interest justice center, is the lead writer of the report, in collaboration with experts from the following organizations:

- Ayuda Legal Puerto Rico (Puerto Rico)
- Center for Habitat Reconstruction (Puerto Rico)
- Fair Share Housing Center (New Jersey)
- Florida Rising (Florida)
- HousingNOLA (Louisiana)
- Houston Organizing Movement for Equity (Texas)
- Jobs With Justice (national)
- Maria Fund (Puerto Rico)
- New Jersey Organizing Project and New Jersey Resource Project (New Jersey)
- PolicyLink (national)
- Power Coalition for Equity and Justice (Louisiana)
- Taller Salud (Puerto Rico)
- Unemployed Workers United (national)
- Workers Defense Project (Texas)

The title of this report was inspired by the BUT NEXT TIME podcast, hosted by community organizers Chrishelle Palay of the HOME Coalition and Rose Arrieta of Causa Justa. A project of the Rise-Home Stories initiative, BUT NEXT TIME is a limited-run podcast that spotlights powerful stories of community-led disaster prevention and recovery and answers one vital question: *how can we ensure that next time will be different?* BUT NEXT TIME speaks with frontline survivors, first responders, and multigenerational organizers who have found creative ways to serve their communities when they were hit by devastating wildfires and hurricanes. We chose this as our report title as we recognize the issues addressed in the podcast and report are not new, and to acknowledge our vision that *next time* things can, and should, be different.

WHAT UNITES US: OUR SHARED VISION AND VALUES

Our communities have been the sites of multiple disasters for decades. Over and over we have experienced the "disaster after the disaster": a broken recovery system that neither helps families recover nor makes us less vulnerable to the next disaster. We are proud of the work we have done in our individual states, but ensuring disaster recovery is effective and equitable requires changes at the federal level. We are united to fight for a better disaster recovery system that protects all families and all communities. To do this, we believe the following values must be centered:

1. **Let Survivors Lead.** Disaster survivors are the experts on disaster recovery and must lead change. Communities that have survived disasters know what is wrong and how to fix it.

2. **Center Equity.** There is no effective recovery for everyone without equity. Disasters do not affect everyone equally. Pre-existing disparities in infrastructure, storm protection, and geographic and social vulnerability are exacerbated by disasters: and response, recovery, and mitigation programs that do not affirmatively address these disproportionate impacts perpetuate inequity and super-charge existing inequalities. Effective disaster response and mitigation requires deliberate planning that centers the needs of the groups with the most at stake and equitable investments to help these communities recover and protect them from future disasters. Black, brown, indigenous, immigrant, or white and no matter what your income is or what zip code you live in–all of us deserve access to a full and fair recovery and a system that serves our communities.

3. **Prioritize People.** Disaster should not be an opportunity for corporations and contractors to make money off the suffering of disaster survivors or for governments to reshape communities by permanently displacing some families.

4. **Address the Root Cause.** Structural problems require systemic reform. There is no such thing as a one-time disaster. Instead of responding to individual issues, we must look at the root causes of failure and inequity and transform systems.

WHY WE'RE TAKING ACTION

We are united–across geography, race, and class–to make sure no disaster survivor faces this broken system again. As extreme climate events become more frequent and severe, it is clear that the cost of inaction is too great. The current United States disaster recovery system is not designed for the ever increasing frequency and severity of disaster events and the United States cannot afford to put off changes to the disaster recovery system that protect all communities in the coming years.

HOW TO USE THIS REPORT

Disaster Survivors and Community-Based Organizations: This report reflects our experience with disasters and disaster recovery and outlines our recommendations for federal reform that are the most necessary and urgent. We hope it identifies goals and campaigns that can create a space for all disaster-affected communities to unite and fight together for what we need.

Allies and Advocates: This report outlines an agenda and the priorities of disaster survivors and affected communities that can be directly connected to your own work and advocacy. We invite you to be partners in our work and not only support directly affected communities, but let those communities lead.

Public Officials, Elected Officials, Policy Makers, Government, and Philanthropic Actors: This report provides a roadmap for real and meaningful reform of the American disaster recovery system based on the expertise and lived experience of disaster survivors. While there have been some recent helpful policy changes–such as, allowing alternative proof of home ownership– systemic reform has been stalled at the legislative level or delayed in favor

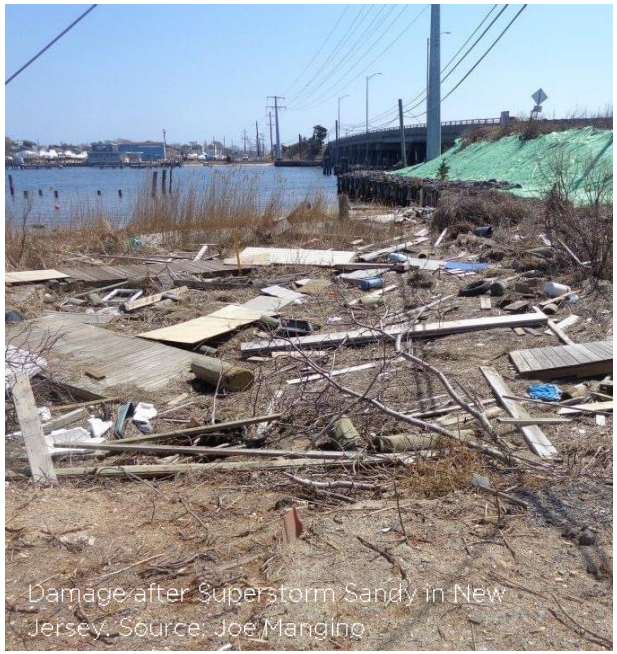
of prolonged review and planning processes. It is time to gather the political will and transform our disaster recovery system.

AMERICA'S BROKEN DISASTER RECOVERY SYSTEM

Under the current framework, state and local governments are intended to be primarily responsible for disaster recovery.[1] Only when a state's governor determines that it does not have the resources to respond to a disaster can a governor ask for a Presidential Disaster Declaration that triggers a federal response.[2] Federal assistance provides the bulk of disaster recovery resources for large-scale disasters.

What is the Presidential Disaster Declaration Process?

- A state conducts a Preliminary Damage Assessment (PDA) to estimate disaster damage.
- The Governor submits a request for a Presidential Disaster Declaration through FEMA, including information from the PDA and an estimate of the state and local resources that will be committed to the disaster. If the disaster is catastrophic, the Governor can submit the request before a PDA is completed.
- The President decides whether to issue a disaster declaration and what kind of federal disaster assistance will be activated, based on the needs identified in PDA and subsequent information. Not all types of disaster assistance are available after every disaster.



Damage after Superstorm Sandy in New Jersey. Source: Joe Mangino

Federal disaster recovery aid is administered through multiple programs and by 30 federal agencies, from the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD) to the Department of Agriculture and the Department of Defense (DOD).[3]

FEMA

Under the Stafford Act, which authorizes federal disaster recovery assistance, FEMA coordinates the federal government's disaster response. There are three categories of FEMA assistance: Individual Assistance (IA), Public Assistance (PA), and Hazard Mitigation, although all three programs may not be available after each disaster.[4] Most FEMA programs have a non-federal cost share; FEMA pays 75% of the cost but state, territorial, tribal, or local governments must pay 25% of the cost of a project or program.

- FEMA's Individual Assistance Program focuses on damage to individual disaster survivors–including renters and homeowners–providing direct payments or services to individuals or households whose property has been damaged or destroyed and whose losses are not covered by insurance.

Damage after Superstorm Sandy in New Jersey. Source: Joe Mangino

- FEMA's Public Assistance Program funds infrastructure restoration on a project-by-project basis in eight categories, including debris removal, repair of roads and bridges, and repair, rebuilding, or replacement of public facilities and infrastructure.

- FEMA Hazard Mitigation Assistance provides funding to state, local, tribal and territorial governments to develop hazard mitigation plans and rebuild in a way that reduces or mitigates future disaster losses in their communities.

FEMA's application and eligibility process are a major barrier for disaster survivors. Completing an application may require either internet and computer access or getting to a disaster recovery center that may not be close or accessible. FEMA often requires documents that have been destroyed or that applicants don't have, like clear proof of homeownership, and routinely denies large percentages of disaster survivors - disproportionately those who are lower-income or non-white - and forces them into an unclear and inaccessible appeals process, further lengthening the amount of time they must go without support. Even when survivors are eligible for FEMA assistance or win an appeal the awards are not enough to preserve or repair their housing and meet their basic needs.

But even if the disaster recovery system worked perfectly as intended, it still would not help millions of people recover. FEMA does not pay for permanent housing repairs. FEMA may pay to strip out soaked drywall and ensure there's one working bathroom, for instance, but the agency depends on the survivor having other resources to make the house livable. As former FEMA Director Craig Fugate pointed out, "[t]he system is really designed for the middle class. It's not designed to take care of pre-existing conditions."[5] The system is also designed for infrequent individual disaster events in limited geographic areas.[6] The federal system is not equipped to handle large regional disasters like Hurricane Katrina in 2005 or multiple disasters that occur in quick succession like Hurricanes Harvey and Maria in 2017.

The Department of Housing and Urban Development (HUD)

Because of the limits to FEMA funds, including their inability to meet unmet need after a disaster, a major federal funding source for long-term recovery–particularly housing recovery–is administered under HUD's Community Development Block Grant (CDBG) program, including the Community Development Block Grant-Disaster Recovery (CDBG-DR) program.[7] CDBG-DR is more flexible and does not require a non-federal cost share, often making it a more

attractive funding option for state, territorial, tribal, and local governments. However, unlike FEMA assistance, CDBG disaster recovery funds are not a formal part of the statutory disaster recovery system and must be appropriated by Congress following a disaster, which can cause significant delays.[8]

After Congress appropriates CDBG-DR funding, HUD must decide how to allocate the money between the eligible jurisdictions and write a set of grant requirements for those specific funds including eligible activities and program requirements.[9] Congress appropriated CDBG-DR funds for Hurricanes Harvey, Irma, and Maria at the end of October 2017, however, HUD did not publish the Federal Register Notice with grant requirements until five months later. Once funding is allocated and HUD publishes the grant requirements, each grantee must develop and submit an Action Plan that describes how it plans to use the CDBG-DR funds. HUD must approve the Action Plan before the grantee can set up programs and the federal recovery funds can be distributed. It is often years before CDBG-DR funding actually reaches homeowners or helps rebuild rental housing, leaving many without support and living in unrepaired and dangerous homes or displaced from their communities.

In addition to long delays, multiple sets of program requirements, and lack of coordination between FEMA and HUD programs, survivors face many of the same barriers to applying for and receiving CDBG-DR assistance as they do with FEMA IA programs. HUD has historically given states broad discretion to spend CDBG-DR funds, resulting in issues like Mississippi's diversion of home repair funds to a port development project tenuously related to Hurricane Katrina and without benefit to low- and moderate-income disaster survivors.[10]

Inseparable from FEMA and HUD programs are insurance programs, including the National Flood Insurance Program (NFIP). While survivors may struggle to get their homeowners' insurance companies to pay, homeowners who have been unable to afford flood insurance premiums may be barred from receiving any federal disaster assistance at all if they received previous assistance conditioned on keeping flood insurance.[11] Even families that can afford insurance are trapped if they cannot use their insurance to build more resilient housing or even to move out of flood prone areas, making them vulnerable to repeat flood events.

What do we mean by the families and communities hit "worst and first"?

Time and time again the same families and communities are hit "worst and first" by disasters: they are located in geographically vulnerable areas, disproportionately affected, and have a harder time recovering. They are on the frontlines of disaster and climate change and include: homeowners, renters, the less affluent, working class families, seniors, children, people with disabilities, women, Black people, Latinx people, Asian-American and Pacific Islander and other people of color, LGBTQ+ people, immigrants, Indigenous and Native people, people who live in rural areas, and all people who have been historically marginalized and disadvantaged by a system that prioritizes wealth and property over ensuring the safety and health of communities.

We use the term "worst and first" throughout this report to be an inclusive term that encompasses all the identities of people disproportionately impacted and to recognize that these identities are not mutually exclusive. While categories like race, ethnicity, or income may not align with how people self-identify, they are used to collect data, target assistance, determine civil rights compliance, and, unfortunately, to target people and communities for inequitable treatment.

RECOMMENDATIONS FOR AN EFFECTIVE AND EQUITABLE DISASTER RECOVERY SYSTEM

Our country's federal disaster response and recovery systems are fundamentally broken. Time and time again, in moments of disaster communities are left stranded when our systems should be activating, and when the moment of disaster passes people are left waiting too long for resources to flow. Even when resources finally reach affected families and communities, it's often inefficient and inequitable. These systems also fail to prepare and invest in communities in non-disaster times with solutions we know are necessary to mitigate future damages and build long-term resilience. As disasters become more frequent and more costly, we cannot let this continue. From our experiences come these recommendations on how to fix the federal disaster recovery system.

RECOMMENDATION 1: Get money to people faster.

RECOMMENDATION 2: All survivors deserve access to a full and fair recovery system that serves our communities equitably.

RECOMMENDATION 3: Flood insurance should work for disaster survivors, not against them.

RECOMMENDATION 4: Recovery does not mean everything goes back to the way it was before. All communities and families should not only recover but be less vulnerable to future disasters.

RECOMMENDATION 5: Disaster recovery reform must be systemic, not piecemeal.

Recommendation 1:

New Jersey after Hurricane Ida.
Source: NJOP

Get Money to People Faster.

Taller Salud Fiona Service Event in Puerto Rico.
Source: Taller Salud

Recommendation 1: Get money to people faster.

From the federal declaration process to the distribution of long-term recovery funds, disaster recovery takes too long and imposes too many burdens on disaster survivors trying to rebuild their lives.

People need help immediately after a disaster, not weeks, months, or even years later. But delays are built into our current disaster recovery system. Five years after Hurricanes Harvey and Maria, there are still blue tarps on roofs in Texas and Puerto Rico, and ten years after Superstorm Sandy over 600 families in the CDBG-DR funded rebuilding program haven't completed their construction or elevation projects. From the federal declaration process to the distribution of long-term recovery funds, disaster recovery takes too long and imposes too many burdens on disaster survivors trying to rebuild their lives.

THE CURRENT PROCESS FOR DISASTER RELIEF

FEMA was not designed to be the primary responder to disasters. FEMA cannot start providing assistance until a state, territorial, or tribal government has requested, and the President has issued, a federal major disaster declaration. When a disaster is declared, the level of assistance may be as limited as help with clearing debris or include a wide range of public and individual assistance.

Survivors need immediate help, particularly cash assistance, to buy food, water, medicine, diapers, obtain shelter, and meet their most urgent basic needs. Hurricanes, in particular, often strike near the end of the month when both paychecks and benefits like Supplemental Nutrition Assistance (SNAP) are running out.

But FEMA may not be on the ground immediately, especially when there is not an immediate presidential declaration or when FEMA does not get to disaster-impacted areas, like the interior of Puerto Rico after Hurricane Maria, for days or weeks. Any assistance beyond emergency shelter or food and water distribution requires disaster survivors to go through an application process and prove their eligibility, which also takes time and can present an insurmountable barrier to accessing relief, especially for survivors without internet access, power, or transportation.

Once disaster survivors apply for FEMA assistance, they often encounter unclear guidelines, overly rigid or erroneous application of rules, and a lack of information that makes both applications and appeals difficult or even impossible. Most survivors have to apply for a Small Business Administration (SBA) disaster loan before FEMA will even process their application. Response times can stretch into weeks-long waits, and appealing a denial often takes at least three months. These challenges disproportionately affect the families and communities hit worst and first and the vulnerable survivors, particularly low-income families, people of color, people with disabilities, seniors, and people with limited English proficiency–which FEMA has acknowledged. [12,13]

For disaster survivors who successfully receive aid from FEMA, the awarded funding is often insufficient to recover. FEMA assistance was never intended to make people whole, only to cover costs that were not paid by insurance. FEMA benefits are also based on property value, resulting in less affluent applicants, particularly people of color whose property values have been depressed by segregation and discrimination, receiving less assistance. From 2005 and 2016, Black disaster survivors were more likely to receive FEMA denials with no rationale provided and during this same period, survivors who lived in predominantly Black neighborhoods received 5% to 10% less FEMA assistance than applicants from predominantly white neighborhoods. [14]

FEMA programs do not provide funding for permanent housing repairs or rebuilding and offer limited funding for infrastructure repairs and mitigation. Congress recognizes the significant need for additional federal disaster recovery assistance, largely by appropriating supplemental funding through the CDBG-DR program administered by HUD.

While CDBG-DR programs fund permanent housing recovery and infrastructure, CDBG-DR is not a permanent program and Congress must pass a new appropriation each time, which causes delays, and policy and administration issues.

eStates have discretion to determine how CDBG-DR funds are spent, which frequently leads to infrastructure and economic development programs receiving funding instead of communities hit worst and first. FEMA and HUD programs are also not coordinated and as a result, survivors who receive initial help from FEMA may have to wait years for permanent housing recovery support after FEMA programs end—often losing rental assistance before other housing is available or being forced to live in damaged and uninhabitable housing.

These fragmented programs, delays, and denials can prevent survivors from recovering for years after a disaster event and slow the overall pace of collective recovery. All too often, the weight of these stresses is borne by people in crisis who are dealing with trauma from multiple disasters. Disaster recovery programs and the agencies that manage them should prioritize getting help to people who need it over rigid adherence to complicated and unnecessary rules.

Unclear Eligibility Requirements Impede Access to Needed Assistance

Following a disaster, affected families may not be aware that federal assistance is available or how to access it.

There are often daunting barriers to navigating application processes, burdensome documentation requirements, inconsistent and overly rigid application of rules by field staff, lack of clear communication, and delays in receiving benefits. Federal disaster programs are plagued by unclear eligibility standards and a lack of consistency or fairness in applying rules to applicant cases. Following Hurricane Ike in 2008, for example, FEMA denied nearly 90% of claims for housing assistance in Texas. This practice has continued with similar experiences following Hurricane Harvey in 2017. Many of these denials were for "insufficient damage," particularly in low-income neighborhoods or neighborhoods where families with limited English proficiency live, and many low-income applicants were told informally their denials were based on "deferred maintenance" or "pre-existing conditions." But FEMA has never issued regulations describing its eligibility process and refuses to publish any of its policies or rules for how it determines whether applicants are eligible for assistance.[15]

FEMA bases eligibility decisions on unpublished rules and subjective interpretations–for example, an untrained inspector could assume that houses in certain neighborhoods were in bad condition before the disaster–that have a discriminatory impact on less affluent communities and communities of color.

Unsurprisingly, FEMA disproportionately denies assistance applications from less affluent and socially vulnerable survivors and does not provide survivors with an accessible process to appeal erroneous decisions or one that meets minimum due process requirements.[16] Similarly, there is no legal or policy requirement that applicants for FEMA assistance have a clear title in order to prove ownership of a damaged home, but for decades FEMA required applicants to show a title to be eligible for assistance. This rigid enforcement of a non-existent requirement wrongfully denied 77,000 households FEMA assistance after Hurricane Maria despite the fact that Puerto Rico does not have a formal title system.[17] Their property ownership and other alternative forms of ownership are more prevalent in communities of color, who were historically excluded from access to the legal system. In August 2021, FEMA made important changes to its policies, including expanding the documentation it accepts to prove ownership or occupancy. As a result of these changes almost 100,000 additional survivors - 42,000 homeowners and 58,000 renters - who would have been denied assistance a year earlier received help.[18] But in the wake of Hurricane Fiona, disaster survivors are once again being sent denial letters for "ownership not verified" if they don't provide a clear title with their application even though there are multiple ways to document ownership.

Agencies must not only have clear, public, and equitable policies, they must train field staff and provide disaster survivors with the information, documents, and help they need to apply for programs.

CDBG-DR is Not Permanently Authorized

While CDBG-DR is regularly appropriated after a major disaster, it is not actually a permanent disaster recovery program.[19] After Congress appropriates CDBG-DR funds, it has previously taken up to two years from a disaster declaration for disaster-affected areas to have access to CDBG-DR funds and then additional years for funds to reach disaster survivors or for infrastructure projects to be started.[20]

The ad hoc nature of CDBG-DR requires HUD to write a new Federal Register Notice (FR Notice) for each appropriation with different rules and grant requirements.[21] For jurisdictions that have been hit with multiple disasters over time, grant monitoring and reporting are tied to different sets of rules, making it difficult to plan for recovery, administer funds, and build institutional knowledge and administrative infrastructure, particularly for grantees.

As of September 2017, 59 grantees with 112 active Disaster Recovery grants appropriated between 2001 and 2017 had to follow requirements contained in 61 different Federal Register notices.[22]

Beyond delays, the CDBG-DR program's lack of permanent authorization causes additional challenges, including relying on inaccurate FEMA data to assess unmet needs and lack of assistance for renters. Survivors also face challenges during the application process, including duplication of benefits rules that can result in a denial of assistance or clawback awards. Because states oversee fund allocation and administration, housing recovery and infrastructure projects in communities hit worst and first may not be funded, and both state, territorial, tribal, and local jurisdictions may struggle with the capacity to set up and administer programs. CDBG-DR is an integral part of the federal disaster recovery framework, establishing permanent statutory authority for the CDBG-DR program would create consistent requirements for grantees, reduce delays in providing disaster recovery funding, and ensure that there is help for unmet long-term disaster recovery needs.

Lack of Robust and Standardized Data
A lack of standardized and easily accessible data further delays assistance for survivors and impedes accountability to ensure federal programs are supporting those who need it most. Existing data is often not granular enough to effectively evaluate which populations are receiving benefits, or it is available in different formats from different agencies that make comparative assessments difficult or unwieldy. For example, the Stafford Act mandates that FEMA carry out its disaster relief programs in an "equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status."[23] However, FEMA does not collect or provide data that enables the agency, or the public, to identify discrimination and determine whether FEMA is serving the most vulnerable disaster survivors equitably. HUD also fails to produce granular data on how CDBG-DR/MIT funds are being used and whether the communities hit worst and first have equitable access to recovery and mitigation funds.

RECOMMENDATIONS

1. Survivors need immediate support to meet their most urgent needs with consideration for their long-term recovery.

a) Survivors need immediate access to help, particularly cash assistance, to meet their most urgent needs. Congress should **provide an aid package directly to disaster survivors that includes flexible cash assistance and health insurance**. This could work similarly to the Economic Impact Payments and tax credits provided during the COVID-19 pandemic.[24] This will give disaster survivors autonomy to decide how they use the funds and stop creating bureaucratic hurdles because of potential "fraud" by disaster survivors, which rarely occurs.

b) FEMA, SBA, and HUD should **create a unified application process** so that disaster survivors have a single point of entry instead of having to file multiple applications with different federal and state agencies. The process should create a unified database that relevant agencies have access to and allow survivors to add or amend their information as the disaster recovery process goes on. For example, survivors would be able to provide additional information for a CDBG-DR application when those funds become available.

c) **Waive recoupment and clawback amounts**. Disaster survivors should be eligible for hardship waivers and debt compromises, and any repayment should be structured according to the survivor's ability to pay, including extending timelines for repayment to make payments affordable.

d) The federal government should **rapidly disburse federal aid benefits for existing recipients** who live in a declaration area. The federal government should immediately add relief funds to EBT cards for existing recipients of SNAP, TANF, and Medicaid benefits. Disaster-SNAP, in particular, should not require a request to the Department of Agriculture by the governor of the affected state, or an additional application process for current recipients.

e) FEMA should use high-level damage assessments, geographic information, and other data to **provide categorical eligibility for survivors** in impacted areas.

2. Make CDBG-DR a permanent program.

a) Congress should **codify CDBG-DR and make it a permanent program** to eliminate the delays between the short-term and long-term disaster recovery programs and standardize grant requirements. The permanent CDBG-DR program must include a standardized allocation formula; equity criteria and community engagement requirements; an unmet needs analysis that specifically addresses historical disinvestment, underserved populations, and disparities in

ability to recover; **requirements for funding allocation to be proportional to damage** and unmet need for housing–including renter and homeowner needs, infrastructure, and economic development; and **income proportionality requirements**.

b) Include the bipartisan "Reforming Disaster Recovery Act" (S.2471) in any emergency disaster supplemental appropriation bill or other relevant legislation.*

c) Until CDBG-DR is permanently authorized or if Congress does not take action, **HUD should codify a standardized set of rules** and grant requirements for CDBG-DR and CDBG-MIT funds in regulation.

d) Require **public and assisted housing units to be rebuilt** one-for-one and provide direct assistance to displaced renters.

e) HUD should evaluate how past CDBG-DR programs have performed and create a **standardized CDBG-DR program** so that communities can adapt to a template and "plug in" to a pre-approved program instead of creating programs from scratch.

f) Ensure that grantees have necessary capacity to administer programs and create support infrastructure, including technical assistance, to further build capacity to administer programs.

3. Disaster recovery program's access and eligibility requirements should be designed to serve those in greatest need.

a) FEMA should revise its temporary assistance programs to be **equitable, accessible, and to provide meaningful assistance** after a disaster. FEMA's goal should be to help as many disaster survivors as possible as quickly as possible, prioritizing survivors with the greatest needs from the communities hit worst and first. From assuming survivors have power and internet access or that they can spend hours on hold to requiring multiple and hard to get documents, FEMA's application process imposes large burdens on survivors who are in crisis. This process must involve direct input from disaster survivors in the most affected communities.

b) Revamp FEMA's communication strategy following a disaster and **simplify the application process for survivors** to access all assistance programs. Following a disaster, FEMA should launch a large-scale outreach and education campaign using the language and forms of communication local residents rely on–which may include door-to-door outreach to access the hardest to reach populations. This message should convey to survivors that federal assistance is available via a single point of access, regardless of program funding or administration. The application process should be accessible to all, with special focus on accommodating survivors with disabilities, seniors and those whose primary language is not English.

c) Policy change is not enough. FEMA must ensure that **policy changes are communicated and implemented**, and that staff and contractors are trained to provide full and accurate information, relevant forms, and assist survivors with completing and submitting applications.

d) Change assistance program rules to **ensure survivors receive adequate assistance regardless of housing status** or tenure. People experiencing homelessness prior to a disaster are especially vulnerable and currently not eligible for assistance beyond emergency shelter. Renters are also routinely denied or excluded from assistance programs.

e) Revise application processes and appeal deadlines to **ensure that disaster survivors have a meaningful opportunity to apply for benefits** and appeal erroneous decisions.

f) FEMA must **provide adequate notice and information** about why an application for Individual Assistance has been denied and inform the applicant of their appeal rights. To ensure applicants aren't wrongfully denied benefits that meet their basic needs FEMA must:

1. Provide specific information about why an application was denied and the appeals process;
2. Revise appeals deadlines to ensure meaningful opportunity to appeal; and,
3. Provide applicants with due process in the appeals and recoupment process, including automatically providing the applicant with their file when an appeal is filed or recoupment letter sent, and the right to a hearing.

4. All agencies should collect data for disaster assistance programs to evaluate effectiveness, ensure regulatory compliance, and better target federal resources to populations who most need them, while ensuring public access to this data.

a) Ensure FEMA **collects disaggregated demographic and socioeconomic data** on the populations it is serving, including all protected classes, to ensure compliance with civil rights, fair housing, and other laws. Build on recent progress made to make data publicly available and ensure data contains information at the most local available Census geography.

b) FEMA should **create a consistent and accessible data format**, including data on race and other demographic categories, to the public after a major disaster, based on the OpenFEMA dataset, and ensure it is distributed across agencies.

c) FEMA and HUD should **revise the methodology for assessing damage** and unmet need, in particular, to accurately reflect the level of unmet need for renters.

d) Ensure that HUD collects and **publishes data** on how CDBG-DR program funds are spent, who benefits, and sufficient demographic data to ensure compliance with civil rights, fair housing, and other laws and program requirements.

Service in Puerto Rico after Hurricane Fiona. Source: Taller Salud

Shanna Hebert

Houma, Louisiana

Shanna Hebert and her child have not returned home since Hurricane Ida. Her family lives in a camper temporarily, while Shanna's house in Houma, Louisiana remains empty and in worsening disrepair. Today, she has accumulated a significant amount of credit card debt due to her attempts to recover from the storm and is far from being able to return home.

When Hurricane Ida landed in Houma, Louisiana, Shanna was not able to evacuate. **"I don't have the funds to leave, and I can't afford to rent a hotel. I had no choice but to stay in my house."** Because of this, Shanna and her kids had no choice but to stay in their house. As Hurricane Ida passed through, the storm blew off her roof while they were still inside. She struggled to put up tarps and keep the water out, but the water was overpowering. "I had water coming down from every light fixture and ceiling fan. It was a nightmare."

When the worst of the storm had passed, she began the long process of cleaning up and figuring out where to go. Water continued to enter the house through the damaged roof for weeks after the storm. She called her insurance company, but after weeks of hearing nothing back from them, she took action. "I had to take matters into my own hands. I had to go and purchase my own camper." Despite well-documented footage of the damage to her home, Shanna was left paying a mortgage on her damaged home on top of paying for her camper.

"At one point, they said my house was livable. Do y'all want to come over and see the mold? And the hole in my roof where you can see through into my attic from outside? What more do we have to prove?"

Shortly thereafter, her camper flooded, and she was forced to purchase a new one. She accumulated substantial credit card debt to repair and replace the equipment she needed

The exterior of Shanna's home showing roof damage.
Source: Shanna Hebert

for her business so she could start working again. She applied for FEMA funding but was denied, because the agency claimed that she would be covered by her existing homeowner's insurance.

The interior of Shanna's home after flood damage.
Source: Shanna Hebert

Eventually, due to the delay and her urgent need for funding, she hired an attorney who told her that due to the evidence Shanna had collected, they had a strong case. During this process, her insurance company filed for bankruptcy. "They broke certain laws by not contacting me within 30 days and not giving me a check within 60 days. But since they filed for bankruptcy, all those penalties were dropped. All the money I should be getting, now I'm not." She is now paying hefty premiums to her new insurance carrier, with her monthly payment increased by nearly $3,000.

Now, over a year since the storm, Shanna is nowhere close to returning home and her house falls into deep disrepair each day, with no support from the homeowner's insurance she paid for, nor from FEMA aid. She worries that if another storm hits, she will be forced further into debt. **"I'm just praying that I get enough money to fix my home. Because I'm sitting here watching it rot."**

Ute Schaefer

Houston, Texas

Before Ute Schaefer moved to Houston, Texas, she wasn't new to storms. Ute was originally from Florida and prepared for Hurricane Harvey by buying as much bottled water as she could. Unfortunately, the news did not warn her about how bad the storm would be. "They told everybody to hunker down."

As streets and neighborhoods began flooding, Ute attempted to rescue a stray cat that was trapped outside her house. Five minutes after she stepped outside, the water in the street was up to her chest and she had to swim back to the front door. Within thirty minutes, the water nearly covered the couch in her living room. She lost power, the neighborhood went dark, and she began to hear screams for help down the street. Snakes flooded into her room as the water continued to rise, and Ute remained in her bed waiting to be rescued. She wrote "help" on her window, but even though she heard boats passing by, she was not rescued for another four days. "I heard the boats coming down our street," she said, "And I was banging on the windows screaming. And they never came to the house."

After being rescued, Ute struggled to find temporary housing and had no family in the area to assist her. She began the immense clean up process alone. When the water receded, she began ripping up the carpet and attempting to remove the mold in her house. She heard that the Red Cross was delivering hot meals in her area, but they never seemed to come to her neighborhood.

Ute sought financial help for home repairs from two nonprofits, but each told her that they had run out of funds and that she should try again in six months. She applied for aid from Harris County, but she was denied because although the City of Houston is in Harris County, the County was directing Houston survivors to apply for aid from the City. **The City of Houston replied that they had also run out of funds. "I was grasping for anything, but nothing was there."**

She went to several ministries and even emailed Mayor Turner and the Senator's office. She continued to be directed to the same two nonprofits that ran out of funds. Ute began sleeping in her car after the mold in her house remained untreated. She eventually received money from FEMA's Individual Household Program (IHP) to stay in a motel, but FEMA only paid for around 6 months. FEMA attempted to locate apartments for storm survivors, but landlords throughout the city raised rents, so she could not afford any of them. Eventually she had to go back to living in her car.

Today, Ute lives in Colorado because she could not continue to live in Houston. Although she left Texas, surviving the storm and its aftermath still negatively impacts her. She is not able to take a bath or swim because she is afraid of water. She sought therapy after memories of the storm began impacting her job performance. When it rains, she freezes in fear, expecting another flood. **"I still feel the water coming up."**

Harvey flooding in Ute's neighborhood. Source: Ute Schaefer

Millie Santiago

Canovanas, Puerto Rico

Millie Santiago's family did not expect the severity of Hurricane Maria. Many storms had affected their community in Canovanas, Puerto Rico, but previous storms ultimately avoided their community and created little destruction. Millie, her husband, and two children went to sleep that night thinking Hurricane Maria would follow the same pattern. By 3am, loud sounds of the storm's destruction awoke them. They noticed that their entire first floor had flooded, nearly reaching them on the second floor. The third floor's drainage system was clogged, and water was leaking down to the lower floors. Millie and her family remained awake from 3am to 6am working to ensure parts of their home and its belongings did not fly away in the wind or wash away with the water. "My home was supposed to be ready for hurricanes, but that was not the case."

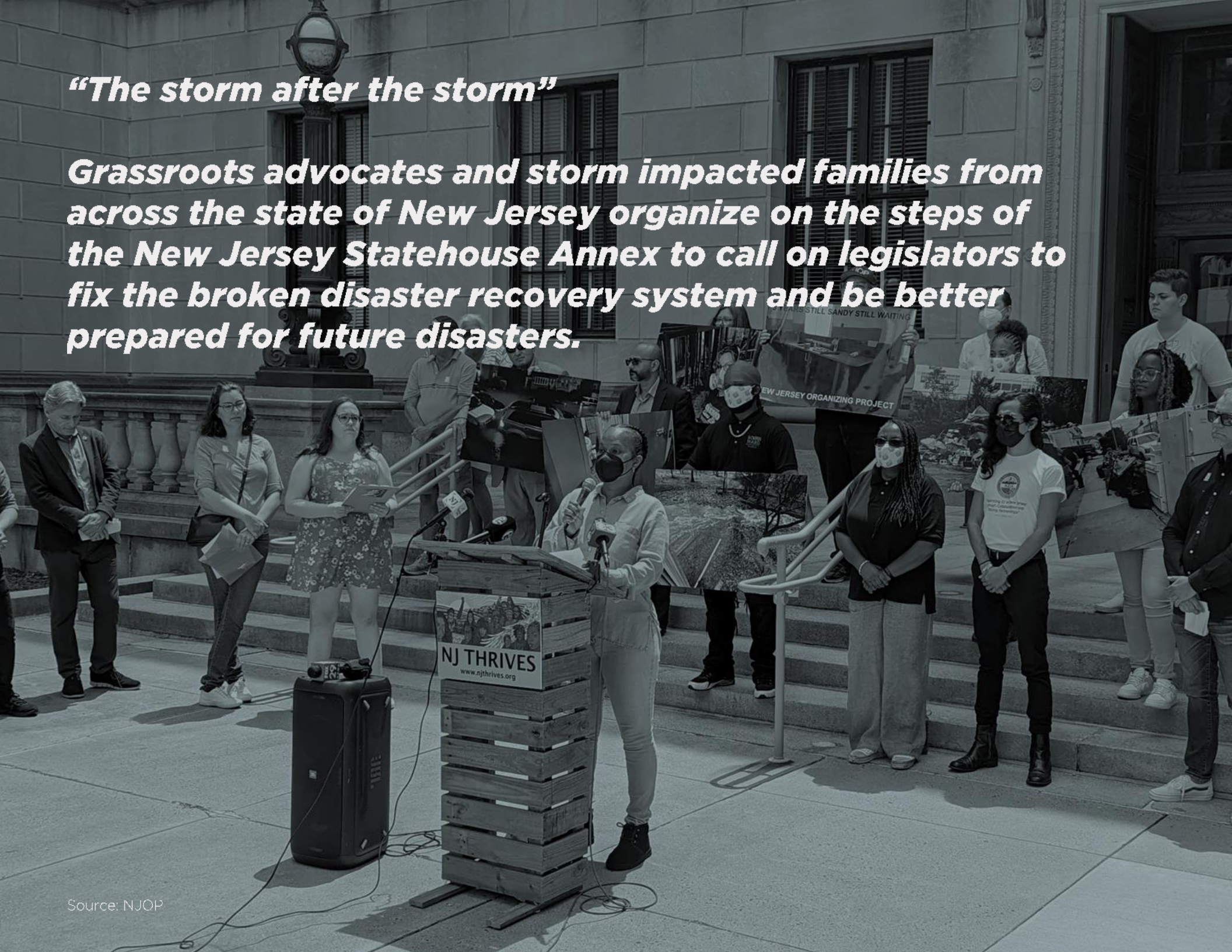
The next day, they awoke to see that Puerto Rico's largest river, "the Rio Grande de Loiza, was inside the community." The storm moved and damaged cement homes that were built to withstand hurricanes, doors were ripped from their homes, and garage doors were smashed. The whole community was without electricity and water. Despite these conditions, community members were asked to come into work just days after the storm. Millie owned a daycare business and saw the need for childcare in her community, so she spoke with parents and devised a plan to provide childcare while the community went back to work.

Millie and her husband decided to send their children to Florida schools as a part of a government program, which allowed Hurricane Maria-affected families to enroll with fewer requirements. Within a week Millie's family arrived in Kissimmee, Florida. Shortly after their arrival, they started to experience a lack of support from FEMA for Hurricane Maria survivors. "People are forgotten by the government." Upon Hurricane Maria survivors' arrival to Florida, FEMA arranged hotels for them to stay in, but failed to follow up with information on how to find temporary or permanent housing in the state. As thousands of Puerto Ricans arrived in Florida, landlords made once affordable apartments in the area much more expensive, taking advantage of displaced households in desperate need of a home.

As many Puerto Ricans who moved to Florida were on the brink of experiencing homelessness. Millie became involved in community organizing. Millie and fellow organizers worked to secure temporary housing assistance from FEMA for Puerto Ricans living in Florida hotels and won. The organizing group later worked with religious organizations and nonprofits to provide households with financial resources to secure more permanent housing.

But as life was starting to improve in Florida, Millie's business in Puerto Rico was forced to shut down due to lack of running water and electricity. Millie's family did not receive sufficient funds from their home insurance to rebuild their home and they could not secure FEMA assistance. Eventually, due to an inability to pay their mortgage their home was taken from them by the bank.

After much consideration, Millie and her family decided to remain in Florida. Many Puerto Ricans, after Hurricane Maria, have also made Florida their home.



"The storm after the storm"

Grassroots advocates and storm impacted families from across the state of New Jersey organize on the steps of the New Jersey Statehouse Annex to call on legislators to fix the broken disaster recovery system and be better prepared for future disasters.

Source: NJOP

Recommendation 2:

Houston after Hurricane Harvey.
Source: AMHPhotography

All Survivors Deserve Access to a Full and Fair Recovery.

A gathering hosted by the HOML coalition in Houston. Source: HOML Coalition

Recommendation 2: All survivors deserve access to a full and fair recovery system that serves our communities equitably.

Creating a more equitable disaster recovery and mitigation system requires a commitment from all federal disaster relief programs to prioritize people over property value and correct the historical inequities that have made some communities more vulnerable and less resilient.

While disasters are seen as affecting all survivors and communities equally, this is not true.[26]

Pre-existing disparities in infrastructure, storm protection, wealth, and socioeconomic factors make some communities more vulnerable to disaster in the first place, and the impact of a disaster on families and communities is further compounded by policies and programs that reinforce disparities and deny some survivors recovery support.[27] The communities most severely impacted by disasters are often the communities that have the most trouble accessing recovery and mitigation assistance. These communities are typically less able to recover financially and remain more vulnerable to the next disaster. The federal disaster recovery system must be reformed to ensure equity is centered in the deployment of federal assistance to guarantee it supports the families and communities hit first and worst. Creating a more equitable disaster recovery and mitigation system requires a commitment from all federal disaster relief programs to prioritize people over property value and correct the historical inequities that have made some communities more vulnerable and less resilient.

EQUITY IN THE CONTEXT OF DISASTER RECOVERY

Inequitable disaster recovery is ineffective and costly. The combination of structural racism and structural economic inequality produces a disaster recovery system that is designed to exclude poorer communities and communities of color and make wealthy property owners and communities wealthier, without mitigating climate disaster risks. Disaster is no longer an infrequent natural event, it is an increasingly dangerous part of daily life, especially in communities that have been living with ongoing economic, health, and educational crises for generations. It is in the public interest for disaster recovery and mitigation programs to equitably serve the entire population, regardless of race, color, national origin, economic status, or zip code.

The American disaster response and recovery system must recognize how it reinforces structural racism and economic inequality and become more equitable in order to meet the challenges of our new reality. As the National Advisory Council said in its 2020 report to the FEMA Administrator:

"[t]he core definition of equity is to provide the greatest support to those with greatest need to achieve a certain minimum outcome. It is separate from equality, which is providing the same resources to everyone regardless of need. One of the core tenets of emergency management is to work to stabilize and heal communities from the disruption caused by disaster. As such, it is important to recognize the role that equity plays in communities' ability to mitigate, prepare, respond, and recover from a disaster and by extension, FEMA's role in supporting that effort."[28]

The Stafford Act not only includes broad non-discrimination provisions–it forbids discrimination on the basis of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status–but also an explicit mandate that federal disaster relief and assistance activities be carried out by all governmental bodies and other organizations in an "equitable and impartial manner."[29]

Federal Disaster Responses Exacerbate and Continue Historical Injustice

The United States Commission on Civil Rights (USCCR) released a report in September 2022 assessing the civil rights implications of disaster response for the first time in its 65-year history. The Commission found that the federal response to Hurricanes Harvey and Maria in 2017 did not equitably serve the most vulnerable survivors–including people with disabilities, the less affluent, non-native English speakers, and Black and Latinx residents–who were both more likely to live in areas with the greatest flood damage and less likely to have access to power or the internet in the wake of the disaster.[30]

Hurricane Sandy flooding in New Jersey. Source: NJOP

This is not surprising. Housing segregation and historical disinvestment have often forced communities of color into geographically vulnerable areas and denied them protective infrastructure that has made them more vulnerable to present and future disasters. Homes in neighborhoods that were "redlined" by the federal government in the 1930s—deemed hazardous for investment because they were in Black or immigrant neighborhoods—are at higher risk of flooding than homes in predominantly wealthy and white neighborhoods seven decades after the infamous redlining maps were created.[31] Discriminatory zoning has also resulted in a high concentration of environmental hazards in communities of color. The impact of a disaster on environmental justice communities, which are typically less affluent and communities of color, often includes increased air pollution from emergency flaring at refineries or floodwater contaminated with toxic chemicals.

Historically, the disaster recovery system was designed to restore people and communities to their pre-disaster condition without factoring in that pre-disaster conditions were inequitable and discriminatory. The current system's structure has not just maintained inequality, but increased it.

In counties with at least $10 billion in disaster damages between 1999 and 2013, wealthier white families gained an average $126,000 in wealth, while Black, Latinx, and Asian families experienced a decrease in wealth by an amount between $10,000 and $29,000.[32] FEMA disaster assistance alone increased the racial wealth gap by $87,000 in Houston, Texas; $101,000 in Miami, Florida; and $81,000 in Minneapolis, Minnesota over this time period.[33] In New Jersey, less than 60% of the CDBG-DR Sandy recovery grants were allocated to low- to moderate-income and people of color were rejected at a disproportionately higher rate without a valid reason for rejection. The inequities perpetuated by federal disaster response are program-agnostic and present at all stages in the process. Federal assistance programs exacerbate inequitable outcomes for survivors based on race, income, and other demographic markers.[35]

Prioritization of Property over Survivor Wellbeing

Disaster recovery and mitigation programs determine who is most impacted by a disaster and calculate the amount of assistance needed based on property value and not people—from individual home inspections to the benefit-cost analysis requirement for infrastructure projects.[36] Any approach that uses property value will de-prioritize people and communities that are less affluent and historically marginalized. When an assessment of need is based on the total cost of damages to property, assets, and public infrastructure, the damage costs are higher in wealthier areas because of the higher value of property and assets as a result of historic investments in infrastructure. Less affluent people and communities have, by definition, lower value properties, a higher proportion of renters, and receive fewer investments in public infrastructure. As a result, mainstream approaches to calculating who is most impacted by a disaster will disproportionately privilege wealthier areas.

FEMA's mitigation programs require government applicants to conduct a benefit-cost analysis (BCA) for a proposed project. Only projects with a benefit-cost ratio over a certain threshold are considered "cost effective" and eligible for funding, which produces decisions that often discriminate against lower-income people and communities.[37] Non-quantifiable costs are not included in FEMA BCAs, which in turn, overvalues economic benefits and undervalues non-economic benefits, such as public safety, physical and mental health, economic stability, and the preservation of cultural, sacred, and historic sites for indigenous communities and other communities of color.[38] BCAs are also used for other federal infrastructure programs like projects funded by the Army Corps of Engineers. BCA provides a false sense of transparency and rigor: hazards and disasters are multi-dimensional problems that cannot be fully addressed by economic analysis alone. Many of the social benefits of mitigation are not quantifiable; for example, public safety goals surpass economic goals in importance and yet are more difficult to quantify and incorporate into a BCA analysis. It is also worth noting that hazard mitigation grant programs do not require applicants to show that a proposed project is the most cost-effective option—only that the proposed project is cost-effective as opposed to the status quo.[39] Whiter and wealthier communities have benefitted from the BCA approach and have continued to receive downstream benefits such as community development investment, higher property values, and easier access to disaster assistance—which maintains high property values—while communities hit worst and first have suffered physically, mentally, and economically.

If economic value alone drives funding allocation, some communities are left unprotected. Economic output should not be the only or most important outcome for infrastructure and mitigation projects: public safety, human rights,

community demand, and protection of the environment are also critical benefits. Government decisions about how to spend public funds for public benefit should not be solely based on economic value and consider both qualitative and quantitative factors.

Workers are Exploited and Abused

As climate disasters become more frequent and severe, workers are increasingly at risk. Six workers were killed by a tornado in 2021 because Amazon forced them to keep working or they would lose their jobs. Farmworkers were abandoned during the California wildfires in 2017 without warnings about the fire or transportation to evacuate.[40] Workers mucking out houses after a flood are not provided with masks or other safety equipment to protect them from dangerous mold. Immigrant workers, in particular, are exploited by contractors who promise work but refuse to provide guaranteed housing, forcing people to work in unsafe conditions, steal wages, and engage in human trafficking.[41] The COVID-19 pandemic further demonstrated that service industry, construction, and other historically low-wage jobs are critical to surviving and rebuilding, but these essential workers are the most likely to be exploited and abused during and after a disaster.

Program Management Profiteering

After climate disasters strike, local and state governments often hire private companies to manage recovery programs funded by FEMA and HUD. These companies are typically contracted to set up programs that are often plagued by delays and often fail to achieve any meaningful recovery solutions. Climate disaster survivors looking to secure benefits struggle to navigate labyrinthine processes that private companies set up, while the contractors themselves make millions in fees and are subject to little or no meaningful oversight and accountability.

This story has repeated itself many times, sometimes with the same contractors. New Jersey, for example, hired a company named Hammerman and Gainer International (HGI) to administer a home reconstruction and recovery program following Hurricane Sandy. The program was supposed to give out $150,000 grants for home reconstruction and was criticized for "long wait-lists, lack of transparency, stonewalling, and lost paperwork," according to WNYC. The state was supposed to pay HGI $68 million for administering the $780 million program but moved to cancel the contract early after a public outcry. HGI still made $10.5 million in fees.

Notably, HGI had previously managed Louisiana's home reconstruction program, Road Home, that was also plagued by delays, lost paperwork, and other process issues. New Jersey hired the firm knowing that the state of Louisiana had fired them for mismanagement years earlier. The state awarded the contract shortly after HGI's law firm made a $25,000 contribution to the Republican Governors Association, which was soon to be headed by NJ Governor Chris Christie in what some saw as an inappropriate attempt at influencing the contract award process.[42]

Houston, Texas.
Source: HOML Coalition

Erica Geason

Houston, Texas

Erica Geason lives in Houston, Texas and has been a public servant in several agencies that play a significant role in disaster recovery and is currently working for the Small Business Administration (SBA). Erica is originally from Dallas, Texas and had never experienced a hurricane before Hurricane Harvey. When the storm hit in 2017, her son's father was out of town and she was alone at home, six months pregnant. **"I had no idea a hurricane was coming. I saw the signs that said, 'turn around, don't drown,' but it never crossed my mind that a hurricane would really happen here."** When she went to the grocery store before Harvey was expected to hit, she did not understand why people were fighting over bottled water.

As Hurricane Harvey arrived in Houston, Erica left her home to buy more food. The streets were flooding as she drove to the store, and soon enough, the water was rushing into her car. Erica was stuck. She was eventually rescued by two men who took her to shelter. Unfortunately, they were soon forced to move again because it was evident the shelter would flood. Erica eventually managed to find a hotel,, which she stayed in and paid for herself for an entire year until she succeeded in getting FEMA to reimburse her stay. As she navigated surviving the storm, she was forced to continue working her job for the Texas Department of Family and Protective Services. She answered calls and followed up on cases while Harvey blew through Houston.

After the storm, Erica's car remained underwater for two weeks and was returned to her full of mold. Not having renters or flood insurance at the time of the disaster, she tried to secure FEMA aid for her home and lost belongings, but after an inspection, they denied her assistance without any explanation. She also applied for a SBA loan and was denied again because of her debt-to-income ratio: she was still paying off student loans and earning a modest salary. "FEMA did not help." At the time she did not know that she could appeal both decisions, so she took them as final. Fortunately, her apartment complex stepped in to make repairs to her apartment, but the process took two months to complete. Erica had to remain in the same storm-damaged apartment for the duration of these repairs and it took over a year to fully replace her belongings.

Erica has gone on to work with the SBA, supporting many survivors still dealing with storm damage and mold years later. She continues to see the impacts of Harvey in her neighborhood. Many businesses were closed and never reopened. Streets continue to flood, and Erica does not see the government adequately preparing for future disasters. Today, Erica experiences PTSD from surviving Hurricane Harvey. **"They keep saying 'Houston Strong.' Why can't we be 'Houston Prepared?'"**

Flooding in Erica's neighborhood during Hurricane Harvey.
Source: Erica Geason

RECOMMENDATIONS

1. To center equity in the distribution of disaster relief resources and ensure compliance with nondiscrimination mandates of the Stafford Act, FEMA, HUD, and other federal agencies managing disaster assistance must prioritize the following:

a) **Create an equity standard** that measures and evaluates whether the agency's programs are increasing or decreasing equity over time. The most affected disaster survivors must be involved in this process.

b) **Collect and publicly share data** on how federal programs like FEMA, SBA, and HUD are impacting the relevant demographic categories defined by the Stafford Act, including race, color, nationality, disability, sex, age, and economic status.

c) **Incorporate existing inequities into all recovery and mitigation needs assessments,** including both individual and broad-scale programs. For example, this includes incorporating social vulnerability factors into damage assessments like the Preliminary Damage Assessment (PDA) and HUD formula for distributing aid.

d) Develop and implement guidance documents, trainings, and public communication for the new rules, policies, orders, and programs adopted to **reduce bias in FEMA's program outcomes.**

e) **Commit to internal equity,** for example, ensuring the agency workforce reflects the populations it serves and require equity training for staff. Ensure FEMA field staff are trained in the agency's new policies allowing applicants to use a wider range of documents to establish ownership and occupancy.

f) **Remove administrative barriers for smaller and less resourced communities** as they navigate federal grant programs. FEMA and HUD should allow states, territories, and counties to apply for grants on behalf of communities that lack technical and administrative capacity. FEMA should pay 90-100% of the cost for a defined set of smaller and lower-income communities.

g) **Pay 100% of the mitigation costs upfront** for less affluent homeowners' individual housing units, not as a reimbursement. FEMA should also reduce or eliminate non-federal cost share for projects that provide mitigation for or relocate public and assisted housing.[43]

2. For disaster relief agencies to prioritize the wellbeing of survivors over the protection of property, we advocate that:

a) Federal programs should **rely on human-centric measures** to determine who is most impacted or at risk instead of property values. This could include number of injuries, number of deaths, number of people sheltered, number of homes damaged (regardless of cost), number of people who registered for assistance, number of people rescued, number of people in temporary housing, among others.

b) **Reform the federal benefit-cost analysis (BCA) requirement** for federal infrastructure, disaster recovery, and hazard mitigation program to reduce distributional and cumulative impacts on vulnerable groups.[44] Programs should conduct alternative analysis such as cost effectiveness analysis, which determines the lowest cost option among competing alternatives with the same benefits (e.g., lives saved). In lieu of this revision, FEMA, in particular, could package projects together to balance out the benefits between rich and poor and to mitigate the bias inherent in BCAs. FEMA should also establish a policy that considers hazard mitigation as a de facto cost-efficient investment.

c) FEMA should require state and local governments to **create and develop anti-displacement strategies** and ensure that necessary relocations prioritize climate and

environmental justice, community social issues, and adequate access to essential services. Following Hurricane Maria, Puerto Rico experienced massive displacement of its population. The recovery process has subsequently led to greater displacement of those in their homes by providing inadequate relocation assistance. When relocation is necessary, households must have the ability to relocate to communities of their choice with climate and environmental justice, housing justice, financial, and basic human rights considerations.

d) Proactively **evaluate whether a buyout is the best form of mitigation** for a given area through community-led planning and engagement, not a reaction to a specific disaster. Communities should be relocated together, which may require activities like acquiring large tracts of land and new home construction.

e) **Pass the Worker Safety in Climate Disasters Act (H.R. 8819)** that establishes employer provided emergency paid time off (PTO) when an employee is unable to work due to a climate disaster; ensures that employees seeking shelter or using PTO during a disaster are not punished; requires employers to monitor disasters and notify employees about them; and, prohibits interference with workers' rights or discrimination by employers in a disaster.*

f) The Department of Agriculture should **immediately provide emergency grants to public and private non-profit organizations** that provide emergency assistance to low-income and seasonal farmworkers under 42 U.S.C. 5177a.*

d) The Department of Labor should create an Employment Recovery Dislocated Worker Grant program (DWG) **to provide direct federal assistance**, through unions, worker centers, and other non-governmental organizations, to workers who lost their jobs as a result of a major disaster.

Service event in Puerto Rico after Hurricane Fiona. Source: Taller Salud

Cecelia Fontenot

Houston, Texas

Cecelia Fontenot is a highly-involved community leader in Houston. She serves as the President of Fair Housing Neighborhood Rights, the Vice President of the South Park Area Civic Club, and is on the Board of the Houston Clients Council. During Hurricane Ike, she volunteered with the Texas Organizing Project, distributing food, clothing, and other necessities to those suffering from storm damage.

Cecelia's husband passed away 10 years ago, and since then all household responsibilities have fallen on her, including working hard to pay off her Houston home. She was so determined to fully own her home she sent the mortgage company extra money each month to get closer to that goal. During Hurricane Harvey, Cecelia did not want to be alone, so she evacuated and stayed with her daughter. . As the storm swept through Houston for several days, Cecelia watched the flood water rise from her daughter's apartment complex, wondering what had become of her own house.

Cecelia in Houston, volunteering during Hurricane Ike. Source: Cecelia Fontenot

When Cecelia first surveyed her home after the storm, she was devastated to see that it had been flooded, burglarized, and vandalized. She was forced to throw away nearly all of her belongings because of flood damage. She submitted a claim with her homeowners insurance company for lost items and damages to her home. Unfortunately, the payout did not provide sufficient funding to cover all of her needs. They explained the payout was the extent allowable by her policy. Having no other option, Cecelia lived in her house without electricity for two weeks, alongside the growing mold and rats that followed in the storm's wake.

"It made me feel as if I was living in a third-world country." Cecelia's troubles did not end there. Four years after Harvey, Winter Storm Uri damaged her home further. Uri led to widespread, long-term power outages throughout Houston, causing the pipes in Cecilia's home to freeze. After the pipes thawed, she discovered many were busted and leaks sprung throughout her kitchen causing more damage. "I nearly froze to death, and my little puppy did freeze to death."

Following Hurricane Harvey, Cecelia applied for the City of Houston's Harvey Homeowners Assistance Program to get help. Depending on the extent of home damage, this HUD funded program provided extensive home repairs or funding for rebuilding. Contractors were hired to build the homes, which cost the City up to $225,000 per home–an amount that doubled and sometimes tripled the home value of homes in the greatest need of repair.

Though the homes were built at this high price point, many of them were poorly constructed and sustained damages shortly after moving in. Even with these challenging realities, Cecelia would have been glad to move into one of these homes. Unfortunately, she was not selected, and she continued waiting for yet another solution.

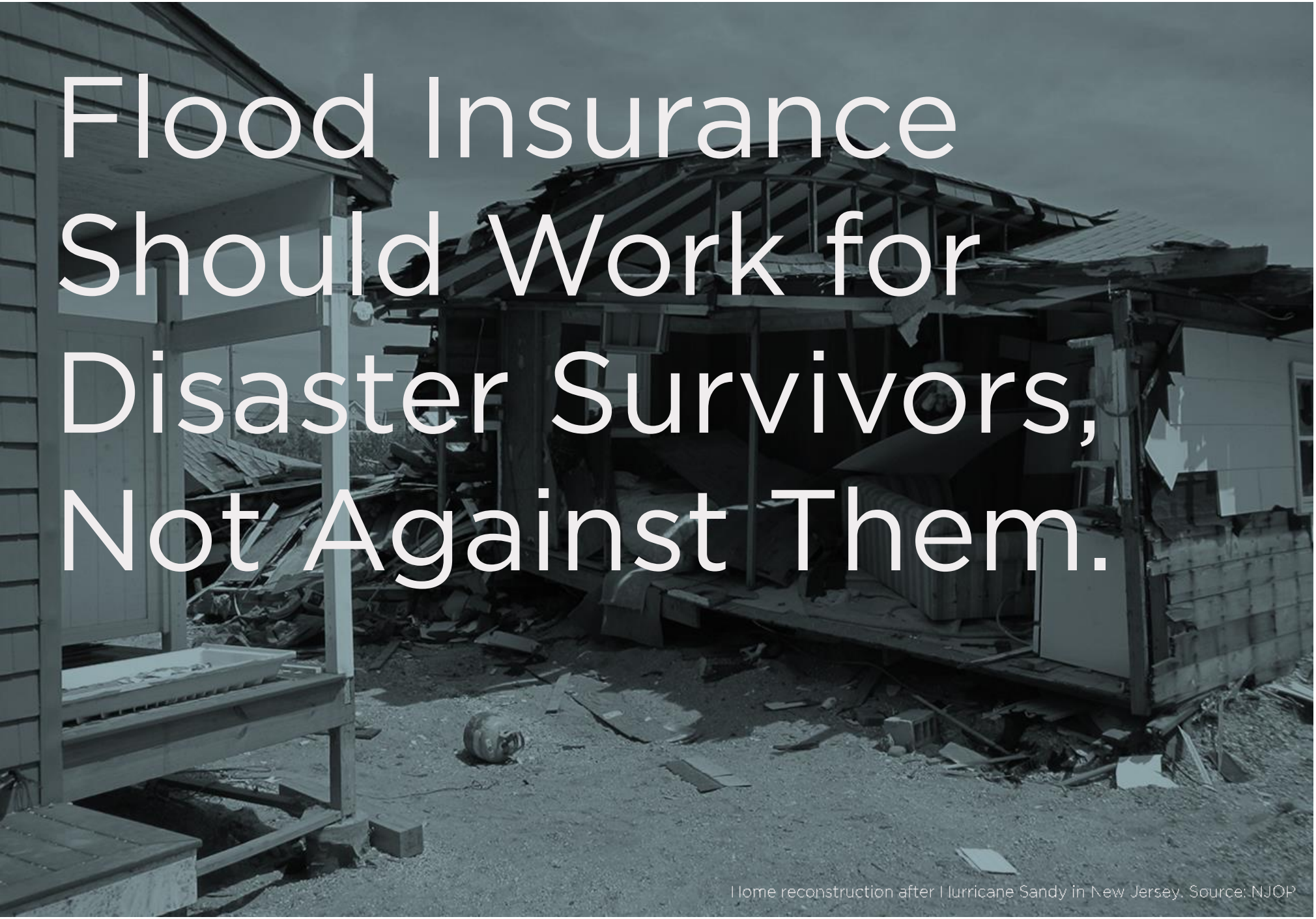
In 2022, five years after Hurricane Harvey, Cecelia was finally able to have her home repaired because of the Disaster Relief Supplemental Appropriations Act of 2022. This appropriation was specifically for disasters that occurred in 2020 and 2021. Cecelia learned the damage her home sustained during Winter Storm Uri qualified for assistance. While Cecelia was relieved the City received more funding, she wondered why she couldn't have had the same support after Harvey. She endured her fair share of bureaucratic hurdles: applying for FEMA assistance, submitting an insurance claim, and applying for assistance after Hurricane Harvey then finally five years and two disasters later, she received help. "You applied for FEMA aid and did not get it [after Harvey]. And if you did get it, it was not enough to cover even a fraction of the things [you needed to fix]. You were denied and then told to get a loan."

Cecelia's home should have been repaired five years ago, not after another storm opened an opportunity for funding. "[This is] a system designed for people like myself to fail."

Recommendation 3:

Home reconstruction after Hurricane Sandy in Port Monmouth, New Jersey. Source: Pat Trotter, Two Giants Photography

Flood Insurance Should Work for Disaster Survivors, Not Against Them.



Home reconstruction after Hurricane Sandy in New Jersey. Source: NJOP

Recommendation 3: Flood insurance should work for disaster survivors, not against them.

Reforms to NFIP that center affordability, transparency, and mitigation are needed to have a federal flood insurance program that works for disaster survivors instead of against them.

We need a flood insurance system that actively protects people and households from flood risk.

Between 2010 and 2018, the annual cost of flood damage was about $17 billion in the US.[45] Flood insurance has the potential to save property owners, renters, and businesses a significant amount of money–even one inch of flooding can result in up to $25,000 in damages to the average home.[46] Damages caused by flooding events can lead to significant economic loss and social disruptions because of short- and long-term displacement and loss of property and other valuable assets. The National Flood Insurance Program (NFIP) Risk Rating 2.0, the Federal Emergency Management Agency's (FEMA) new rating system, went into effect in October 2021, and is expected to raise premiums for 80% of NFIP policyholders nationwide.[47]

As a result, the number of households enrolled in NFIP has already decreased by more than 3%–which is more than 165,000 households.[48] Intended to address failures with the original risk rating methodology, Risk Rating 2.0 fails to address long-standing issues with the NFIP program. Reforms to NFIP that center affordability, transparency, and mitigation are needed to have a federal flood insurance program that works for disaster survivors instead of against them.

OVERVIEW OF THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

The National Flood Insurance Program (NFIP), created in 1968 and managed by FEMA, intends to address a lack of private flood insurance options and provide flood insurance to property owners, renters, and businesses to help them recover faster from flood events. NFIP insures roughly 5 million policyholders as of June 2022, however, it is estimated that 41 million Americans live in a 100-year flood zones and only 1 in 6 homes across the United States have flood insurance.[49]

Those at greatest risk to flooding are disproportionately low-income and non-white households. Because increased flood risk often lowers a property's value, low-income households disproportionately live in more inexpensive, flood-prone areas and are more likely to be uninsured and face barriers to accessing flood insurance.[50]

The NFIP failed to accurately identify and communicate which properties are at-risk, ensure affordability for low-income property owners, provide transparency, and advance essential mitigation measures to prevent future flood risk.

What was the original NFIP pricing methodology?

FEMA mapped flood risk using Flood Insurance Rate Maps (FIRMs). FIRMs identify Special Flood Hazard Areas (SFHAs), which are defined as the area that will be inundated by a flood event having a 1% chance of being equal or exceeded in any given year, also referred to as 100-year floods.[51] SFHAs determine which property owners with federally-backed loans are required to purchase flood insurance. This is called the "mandatory purchase requirement" (MPR) and it is intended to increase the participation in, or the "take up rate" of flood insurance.[52] Originally, the NFIP calculated premiums based on a property's three variables:

- The flood zone, which is identified in the FIRMs;
- The elevation relative to the base flood elevation, which is the elevation of surface water resulting from a 1% annual chance flood; and
- Occupancy type, which includes single-family, 2-4-family, other residential, non-residential businesses, and other non-residential.

Many policyholders benefit from subsidies on their premiums. These include:

- Pre-FIRMs: structures built before a community's first published FIRM.
- Newly-mapped: structures mapped into a 1 percent annual chance or higher-risk flood zone, if the NFIP policy is obtained within 12 months after mapping.
- Grandfathered: structures remapped into a higher-risk class that previously had flood insurance.
- Community Rating System (CRS) participants: CRS is a voluntary incentive program created by the NFIP that encourages localities to practice community floodplain management that exceeds minimum requirements set by NFIP. NFIP discounts premiums in CRS communities to reflect the reduced flood risk from these voluntary efforts.[53]

The law prohibits premiums from increasing more than 18% each year.[54] Policyholders can either purchase insurance directly from NFIP or from private insurance agencies in the "Write Your Own" (WYO) Program. FEMA created WYO to allow participating insurance companies to write and service NFIP insurance policies, also called Standard Flood Insurance Policies (SFIP), in their own names. The federal government allocates an expense allowance for the SFIPs.[55]

Failure to Identify and Communicate Risk

The NFIP previously relied on outdated and inaccurate maps that failed to incorporate updated climate risk projections and comprehensive environmental conditions into flood risk calculations.[56] FEMA's maps served as a key mechanism for communicating risk, but

also created a false perception of security–that flood risk changes abruptly at the border of a Special Flood Hazard Area (SFHA)– thus severely misleading property owners. For example, during 2015-2019, more than 40% of NFIP claims were from properties located outside of high-risk flood areas.[57] In most recent major storm events, a significant proportion of flooded homes were not mapped in SFHAs. Millions of uninsured people have been financially burdened for failing to realize their property's flood risk, although it is FEMA's responsibility to do so.

- Only around 20% of households damaged by Hurricane Sandy in New York had flood insurance because many of the impacted homes did not fall within areas mapped as at risk.[58]
- Only 17% of homeowners in the eight counties most directly impacted by Hurricane Harvey had flood insurance policies.[59]
- In 2018, one year after Hurricane Maria, researchers found that less than 4% of Puerto Rico's residents had flood insurance.[60]
- Only 18.5% of Florida homes in designated evacuation zones for Hurricane Ian had coverage through the NFIP.[61]

Often, people living in high-risk areas believe that their homeowners' insurance policy includes flood damage, or that federal disaster aid will cover the majority of damages.

While uninsured property owners have the option to claim Individual Assistance (IA) for financial or direct services from FEMA during presidentially-declared disasters, these payouts are far smaller.[62] After Hurricane Harvey, the average amount of IA money awarded was $4,400, while the average flood insurance claim was $116,800.[63] In addition, renters in the designated flood zone are typically unaware that they are eligible for NFIP insurance that covers personal property.

Lack of Affordability

Prior to Risk Rating 2.0, inaccurate maps led policyholders with lower-value homes to pay more than their share of risk, and policyholders with higher-value homes to pay less. NFIP dollars are a pool from which many property owners, with varying property values and potential rebuilding costs, all draw from. NFIP policyholders pay premiums which go towards NFIP's available funding pool, and money from the pool is redistributed to areas of need when flooding occurs. Because NFIP's prior calculations did not take into account the cost to rebuild individual properties, two homes with similar flood risk, but vastly different values and rebuilding costs, could pay a similar premium. When two properties flooded, the higher-value property typically costs more to repair, drawing more from the pool that both policyholders paid into. This caused the lower-value property owner to essentially subsidize the repairs of the higher-value owner and reap less benefit. This system of cross-subsidization disadvantaged already vulnerable, less affluent property owners and created an inequitable and unaffordable system. Risk Rating 2.0 evaluates risk for specific properties and accounts for the cost to rebuild, thus attempting to address inequity and the lack of affordability.

Missing Mitigation Measures

The NFIP does not allocate funds towards critical mitigation measures that prevent severe flooding damage. These measures can include a financial incentive, such as providing buyouts to property owners to move out of hazardous areas, or physical alterations, such as elevating homes, maintaining proper water runoff and drainage, and reducing impervious surfaces. Studies show that for every $1 invested in mitigation, society saves $6 in rebuilding costs.[64] After presidentially declared disasters, local officials have the option to request money from their respective state to purchase flooded or damaged properties–a process called "buyouts."[65] The state uses FEMA allocated funding through the Hazard Mitigation Grant Program that covers 75% of the buyout and the remaining 25% is paid by the state and local government.[66] In many cases, people would opt for a buyout rather than move back into an at-risk property, but the length and complexity of the buyout process deters them from doing so.[67] Buyout approval requires a local government, the state, and FEMA to agree on the allocation of limited funding. While allocating more funds towards buyouts could save billions of dollars in rebuilding costs, FEMA has not adequately prioritized this measure.

Lack of Transparency

Policyholders face extraordinary hurdles to access funds during the insurance claims process, particularly when working with private insurance programs that are a part of FEMA's "Write Your Own" (WYO) program. WYO companies are not incentivized to give survivors the maximum amount of funds needed in a timely manner because they are focused on generating profits. Under the WYO arrangement, a participating company is responsible for determining adjustment, settlement, payment, and defense of all flood insurance claims. FEMA reimburses the company for claims paid to property owners and compensates the company for its expenses. Homeland Security's Office of the Inspector General found that WYO companies extracted as much compensation from NFIP as possible without providing policyholders with services that justified those costs. For example,

investigations have revealed that after Hurricane Sandy, engineering companies hired by WYOs altered reports of flood damage to homes to reduce claims.[68] When policyholders dispute lowballed claims, WYO companies bring in expensive, outside legal counsel that runs up costs by engaging in wasteful or frivolous litigation tactics.[69] Without setting limits on WYO compensation, NFIP loses money that could reduce premiums or be invested in mitigation. Experts have found that FEMA lacks oversight to understand how WYO private insurance companies use their compensation, draining the NFIP's finances. The Government Accountability Office has called on FEMA to increase oversight of WYO companies and to revise its methodology for calculating WYO compensation. Currently, FEMA spends excessive amounts of money to compensate WYOs, which take advantage of FEMA's funds through extra, unreported expenses.[70]

A New Jersey resident at NJOP's event for the 7-year anniversary of Superstorm Sandy. Source: NJOP.

NFIP Profiteering

While climate disaster survivors struggle to secure adequate benefits from NFIP-backed policies, the program produces significant profits for the private insurance companies that manage the policies. Though the NFIP is a federal insurance program, FEMA pays private insurance companies to sell and administer NFIP-backed policies through the WYO program. These private companies bear none of the risk associated with the policies but are paid to service those policies and handle the claims process.

A 2016 NPR/Frontline PBS investigation found that these companies were making an extraordinary 30% profit on their participation in the program–receiving, on average, $1.1 billion in payments from FEMA and reporting just $800 million in costs, for an annual profit of $300 million. In 2013, the year following Hurricane Sandy, these profits increased to $406 million because of the high volume of claims that needed to be processed.

The investigation also found that the insurance companies were denying many claims that should have been paid and, in some cases, using fraudulent engineering reports to do so. It is not clear why the companies deny the claims, since they bear none of the risk. Advocates at the Consumer Federation of America have suggested that improper denials are so core to the companies' cultures and business models that they are not able to behave any differently for policies where they bear none of the risk. In any case, the companies need to be held to higher standards of transparency and accountability by FEMA.[71]

RISK RATING 2.0

Risk Rating 2.0 is intended to address issues with the NFIP model and ensure that flood insurance rates reflect a property's individual risk and reduce premiums for policyholders–however, the program is still not designed to actively protect people and households from flood risk. Risk Rating 2.0 updates NFIP's approach to calculating risk but fails to maintain affordability for less affluent property owners or encourage mitigation efforts.

Risk Rating 2.0 endeavors to calculate risk by individual property–as opposed to the previous SFHA zones–and incorporates new variables, such as: probabilistic flood risk modeling, a property's distance to a water body, the water body type, stream order, elevation, foundation type, replacement cost value, and mitigation credits.[72] However, some key elements of the NFIP remain unchanged–for instance, SFHAs still determine which properties are subject to the mandatory purchase requirement and an annual 18% cap on premium increases remains.[73]

Existing policyholders are still subject to the 18% cap on premium price increases (a rate increase that is still unaffordable for many); and there are no guardrails on price increases for currently uninsured property owners. Many uninsured properties also face the greatest flood risk because less affluent people–who struggle to take on large annual expenses like flood insurance–also disproportionately live in high-risk areas. Researchers found that the median income of uninsured households in SFHAs was $40,000, while the median income of insured households in SFHAs was $77,000, demonstrating how expensive premiums significantly deter participation, even when it is badly needed.[74] Uncapped rate increases will send the greatest economic shocks to lower-income homes and exacerbate an already inequitable distribution of flood insurance enrollment. Early findings from Risk Rating 2.0 show that rates are unaffordable for new policy applicants with the number of NFIP policies shrinking by 3% since Risk Rating 2.0's roll out.[76]

Though FEMA dubbed Risk Rating 2.0 as "Equity in Action," the program is also intended to help NFIP achieve greater financial stability by making premiums reflective of true risk. Despite multiple bailouts by Congress throughout its history, the NFIP loses an estimated $1.4 billion annually, which has led the program to be $20 billion in debt to the U.S. Treasury.[77] While FEMA worries that underpricing premiums will make the NFIP insolvent and potentially encourage development in high-risk areas, overpricing is far worse: forcing the most vulnerable to pay exorbitantly expensive premiums and, therefore, making them unable to afford to participate in the program.[78] Ensuring affordability should boost participation in the NFIP overall and broaden the risk pool.

Many issues with the original program are not addressed in Risk Rating 2.0–it does little to address the lack of transparency, underpayment by WYO companies, and lack of oversight of the NFIP program.

New Jersey House elevation after Hurricane Sandy.
Source: NJOP

RECOMMENDATIONS

Congress must periodically renew the NFIP's authority to operate, and the program's current authorization is set to expire on December 16, 2022. Although we recognize many systemic issues within the program, we advocate for its reauthorization with improvements to affordability, transparency, and mitigation. The National Flood Insurance Program Reauthorization and Reform Act of 2021 proposed by Senator Bob Menendez includes a number of the following recommendations.*

1. **To guarantee ongoing affordability for property owners, we advocate for the following actions:**

   a) **Cap annual premium increases at 9%,** which is half of the current cap, to prevent shocks that will force many homeowners to drop coverage or lose their homes.

   b) **Create a means-tested flood insurance voucher program,** which increases affordability and brings a significant number of additional households into the program. The NFIP is hesitant to subsidize additional policies given its financial standing, but the program already offers subsidized premiums that are not calculated based on need, such as those offered to pre-FIRM properties. A means-tested voucher program would direct subsidies to where they are needed most.

   c) **Calculate policy premiums based on income**, not property value. In the wake of Superstorm Sandy, for example, many working families or seniors have remained in their communities despite skyrocketing property values. Home values do not reflect income and rising insurance will push people out of their communities.

   d) **Cap WYO compensation at the rate FEMA pays to service its own policies**. Redirect potential savings from the cap to a means-tested flood insurance voucher program to support people who cannot afford flood insurance.

2. **To improve transparency and understanding of risk, we advocate for the following actions:**

   a) **Increase funding for accurate flood risk mapping**. Despite improvements in Risk Rating 2.0 incorporation of new data, FIRMS, which are the basis for identifying properties subject to the mandatory purchase requirement, are still lacking. Today, there are only flood risk maps for approximately one third of the nation. More funding is required to expand FEMA's geographic coverage and create more reliable maps using LiDAR technology.

   b) **Create data transparency.** With the roll-out of Risk Rating 2.0, there is a responsibility to explain how premiums are calculated to existing and prospective policyholders. FEMA should create an online tool that enables anyone to learn a property's flood risk, premium, and calculate how mitigation projects reduce premiums.

   c) **Incorporate risk reduction savings into the bottom line.** To encourage more federal funding towards mitigation, the Congressional Budget Office should demonstrate how mitigation grants create future savings in disaster aid to alleviate concerns about the upfront expense of mitigation projects.

   d) **Create more ways to pay for flood insurance,** reducing the financial burden imposed by the current system, which is an annual lump sum payment. Offer an optional monthly installment payment for premiums, rather than an annual payment, to make it easier for policyholders to manage premium costs. Include flood insurance in homeowners' insurance policies to create a streamlined process, which could significantly increase take up rates as many as 40% of homeowners do not realize that flood

insurance is not included in their homeowner insurance.

e) **Reform the claims and appeals process.** Protect policyholders during appeals and litigation by creating strict deadlines for FLMA payments. Ban WYOs from taking aggressive legal tactics that prevent policyholders from filing legitimate claims and end FLMA's use of expensive, for-profit legal counsel.

f) **Provide insurance agents with better training.** FLMA must expand its introductory class to include all agents who write for the NFIP Direct Program and WYOs, increasing accuracy in rating policies and providing consistency to customers.

g) **Create oversight measures for WYO companies.** Develop a schedule to establish fees of WYO vendors to prevent unreported expenses. and make all reimbursements public. including a description of the product or service provided. Implement GAO's recommendations to cap compensation for WYO companies at 22.46% of written premiums and redirect these savings to the means-tested affordability program. This rate is comparable to what FLMA pays to service NFIP Direct policies that it directly underwrites.

3. To prioritize critical mitigation measures, we advocate for the following actions:

a) **Set aside money for buyouts, elevation, and other mitigation measures** for the highest-risk properties instead of forcing households to rebuild in the same location. Allow buyouts as part of the NFIP policy and enable policyholders to use the Increased Cost of Compliance (ICC) funds for mitigation before a disaster.

b) **Create a mitigation loan program.** Authorize FLMA to create a low-interest mitigation loan program to support mitigation projects with an upfront cost that is less than the reduction in risk to the property over 50 years. The loan should be paid with a portion of the premium savings achieved by mitigation measures. When the property is sold, any outstanding loan will either be repaid with the proceeds of the sale or carried over to the new owner with full disclosure before the sale.

c) **Freeze interest payments on NFIP debt and reinvest savings towards cost saving mitigation** efforts to restore the program to solvency and reduce future borrowing.

d) **Expand the NFIP to cover additional types of climate risks,** including droughts, wildfires, and extreme heat.

Sign created by a storm survivor. Source: NJOP

Claudia Angarita

Manville, New Jersey

Claudia Angarita is a single mother of three. Fourteen years ago, she bought a home for her family in the small community of Manville, New Jersey and have since experienced multiple storms–but had never experienced anything like Hurricane Ida.

The night of the storm, Claudia's basement began to fill up with water, and Claudia and her children began to bring the downstairs tenant's belongings upstairs. At 11 p.m., Claudia woke up to check on the house, and was shocked to see that water had flooded all the way to the upstairs bedrooms. Claudia and her children fled to the attic where they continued to watch the water levels rise. "It was traumatic for my children to see water creep up the third step, then the fourth step," she said.

At 5 a.m., Claudia and her family escaped their home through a window and were finally rescued. When they arrived at the nearby shelter, they waited three more hours because the shelter had not finished setting up beds. "We had not slept all night," said Claudia, "We were falling asleep in the street." The Red Cross eventually arranged for Claudia's family to stay in a hotel, but since many hotels did not accept pets, they needed to stay in one that was 45 minutes from their home. Claudia had to refill their car's gas tank several times per week as she traveled back and forth from the hotel to Manville, bringing her children to school and starting the long process of cleaning up their home.

Although Claudia had flood insurance, she had significant difficulty in receiving the funds she was owed. Even though she had already done extensive work on repairing her home, she was required to hire a contractor before she was eligible to receive any funding. While she was waiting on her flood insurance payment, she accumulated significant debt on repair expenses. Claudia decided that her best option was to move somewhere with less risk of flooding, so one of her daughters helped her apply for Blue Acres, New Jersey's state buyout program. However, program managers told her that her house was not a "new priority" and that she was not eligible for a buyout.

Claudia and her family. Source: Claudia Angarita

Image taken outside Claudia's home after Hurricane Ida. Source: Claudia Angarita

Claudia also tried to sell her home on the market, but its flood risk made the property less valuable than what she bought it for. Because she was denied a buyout, Claudia remains in her home for the foreseeable future. Although she has made extensive repairs since the storm, she and her family suffer from the ongoing fear of knowing another flood could happen at any moment, eliminating all the progress, time, and money they have spent so far. **"My dream is to end up in a small house that doesn't flood so when all [my children] go to college, they know their home won't flood again."**

Recommendation 4:

Louisiana after Hurricane Ida. Source: HousingNOLA.

Recovery Does not Mean Everything Goes Back to the Way It was Before.

Louisiana after Hurricane Ida. Source: HousingNOLA.

Recommendation 4: Recovery does not mean everything returns to the way it was before; all communities and families should not only recover but be less vulnerable to future disasters.

Proactive mitigation efforts–which mitigate disaster risk and reduce future losses–must address historical inequities to properly minimize harm and reduce the risk for all communities.

Historically, the United States' goal for disaster recovery was to help restore communities to their pre-disaster condition. However, this approach reinforces the United States' racist development and investment patterns that favor the wealthy, making the communities hit worst and first even more vulnerable as disasters become more frequent and intense. Climate change is not a future risk, it is already causing more frequent and severe disasters–the communities hit worst and first are on the frontlines of climate change, but those frontlines are expanding rapidly and including more communities.[50] Proactive mitigation efforts–which mitigate disaster risk and reduce future losses–must address historical inequities to properly minimize harm and reduce the risk for all communities.

Disaster recovery funding, particularly CDBG-DR funding, can also be used to overcome inequitable development and housing patterns and mitigate future risk. CDBG-DR funding is typically much greater than annual community development or other federal funding allocations and present an opportunity to prevent displacement, rebuild damaged multifamily housing in safer and higher opportunity areas, and invest in infrastructure and economic development to remediate historical disinvestment in distressed communities, mitigating a wide variety of disaster risks from flooding to financial instability.

EXISTING APPROACHES TO MITIGATION

Mitigation works: for every dollar that the federal government spends on mitigating disaster risks, society ultimately saves six dollars.[51] Mitigation efforts can reduce loss of life, negative health impacts, and economic insecurity that many families experience because of a disaster. For example, reconstructed levees in New Orleans saved lives and protected property during Hurricane Ida; strengthened building codes in Florida prevented even greater levels of damage during the 2017 hurricane season; and homes rebuilt to higher federal building standards after Hurricane Harvey in Texas prevented pipes from bursting during Winter Storm Uri.[52] Equitable mitigation measures must be prioritized in the short- and long-term and inform programs, planning, and investment.

Houston after Hurricane Harvey. Source: HOME Coalition

Why do we not like the term "resilience"?

As community members who have experienced multiple disasters, we are tired of being expected to be "resilient" over and over again instead of receiving immediate recovery support and protection from future disasters. No one can be resilient in the face of multiple disasters. Resilience is a short-term condition where one stretches themselves until problems can be resolved. The idea that resilience is a permanent state is false. If we do not address the problems forcing people to be resilient, it is simply oppression.[53]

Existing Mitigation Programs are Inequitable

The federal government's mitigation programs–which are primarily delivered through FEMA and HUD–are inequitable in their design and delivery. FEMA's existing mitigation programs are not coordinated with other disaster response programs–for example, programs like NFIP do not provide funding to rebuild in safer areas. Lack of coordination across programs also causes substantial delays in funding distribution, which prevents people from making critical risk reduction decisions. For example, homeowners who experience repeated flooding may want to participate in a buyout program, but typically have to wait two to three years to receive funding. Delays frequently force homeowners to rebuild in the same location because they do not have the financial support to rent and pay taxes and a mortgage. Fragmented and inconsistent federal program funds also reach affected communities at different times, which make it harder for grantees to use federal funds for large scale mitigation efforts.[54]

Existing FEMA mitigation programs are designed to reduce future flood insurance claims instead of mitigating damages, prioritizing funding for properties that cost more to rebuild as opposed to prioritizing funding by number of protected people or homes.[55] These programs overwhelmingly favor smaller, wealthier, and whiter communities. The FEMA Home Elevation Program, for example, benefits homeowners who can afford to buy flood insurance, pay the 25% federal match to obtain grants, and pay the upfront costs of elevation and wait to be reimbursed. Elevation grants, which can be more than $500,000 per house, dramatically reduce flood insurance premiums and increase home values.[56]

An analysis of 40,000 FEMA buyouts found that the majority were in majority non-white neighborhoods, but results are still inequitable because buyout funding amounts are based on the "fair market value" of a property.[57] Programs that rely on payouts based on property value or a similar calculation give the An analysis of 40,000 FEMA buyouts found that the majority were in majority non-white neighborhoods, but results are still inequitable because buyout funding amounts are based on the "fair market value" of a property. Programs that rely on payouts based on property value or a similar calculation give the appearance of being 'fair' but exacerbate existing inequity and cause greater harm to households: the pre-storm "market value" of a house in a community hit worst and first is generally not enough for a family to relocate to a safer area or relocate without severe financial strain. Payouts should be calculated based on the actual cost to relocate to a safer area.

Following Hurricane Katrina, the Road Home program funded homeowner repairs and buyouts. Homeowners received compensation based on the pre-storm property value of their homes. This meant that homeowners in predominantly Black neighborhoods with lower housing values were compensated at lower rates even though their costs to rebuild were the same as homes of similar sizes in predominantly white neighborhoods with high values. This formula caused homeowners in the Lower Ninth Ward - a predominantly Black neighborhood - to face average shortfalls of over $75,000, while the predominantly white Lakeview faced shortfalls of $44,000. In the three years following, more than 35,000 Black homeowners continued to be disproportionately affected.[58]

The Community Development Block Grant Mitigation (CDBG-MIT) program, which is intended to distribute funding more equitably and encourage large-scale mitigation projects, does not achieve this in its implementation.[59] Texas' first distribution of over $1 billion in CDBG-MIT funds did not provide any money to

the areas hardest hit by Hurricane Harvey–HUD later determined that Texas' funding formula discriminated against Black and Latinx Texans because the majority of survivors of color lived in the hardest hit areas on the Gulf Coast. CDBG-MIT funds were not allocated to Puerto Rico until January 2020, and none of the allocated funding advanced mitigation projects to protect Puerto Ricans from the devastation of Hurricane Fiona.

Mitigation is Not just about Infrastructure

Disasters do not just cause physical damage. Five years after Superstorm Sandy, the New Jersey Resource Project (NJRP) surveyed Sandy survivors, documenting the ongoing economic, health, and educational consequences for these families, such as: difficulty paying bills and affording food and gas, loss of jobs or businesses or reduced hours, falling behind or mortgage or rent payments or property taxes, experiencing new physical or mental health problems or a worsening of pre-existing health conditions, among others.[90] Since Hurricane Maria, the government of Puerto Rico has closed more than 400 schools, utility bills have gone up seven times, and almost half of Puerto Rico's medical professionals have left the island.[91] Unsurprisingly, these impacts disproportionately affect the communities hit worst and first.[92] Even programs intended to mitigate the economic damages caused by a disaster, often exclude smaller businesses run by women and people of color and businesses that serve less affluent areas. The majority of Texas's Hurricane Harvey funding dedicated to stabilizing businesses in disaster areas were allocated to wealthy census tracts–recipients included an upscale steakhouse in a golf community, multiple law firms and insurance agencies, and a bail bond service.[93]

The communities hit worst and first are also more likely to be exposed to hazardous materials that are released during disasters like hurricanes and flooding. For example, two-thirds of Louisiana's industrial sites with toxic chemicals were in the path of Hurricane Ida.[94] The risk is not only from a direct hit, but from flooding, power outages, and "emergency" releases of thousands of pounds of air pollutants and chemicals in flaring by oil refineries. Mold frequently grows after substantial flooding and presents health risks to disaster survivors and the low-wage workers helping rebuild. To best mitigate disaster impacts, investing in pre-disaster health, increasing access to resources of families

Service event following Hurricane Ida. Source: HousingNOLA

and communities, increasing income, ensuring access to affordable housing for all income levels, investing equitably in infrastructure, building access to health care, and providing an adequate social safety net are critical and the most effectives forms of disaster mitigation.

Lack of Long-term Planning and Investments

The United States has failed to plan for disasters and make critical investments to protect families and communities–particularly from the long-term effects of climate change. Funding for major long-term infrastructure projects is difficult to secure and is often only available after a disaster. Mitigation projects are designed to outdated risk projections or projections that are quickly approaching. For example, in New York City, a number of the projects funded with Superstorm Sandy recovery dollars are designed to 2050 projections. By the time construction is finished, these major and costly infrastructure projects will have a short life. We are now at a crisis point that requires not only the transformation of the disaster recovery system but a whole government and community approach to mitigation.

RECOMMENDATIONS

Incorporate equitable mitigation measures into current disaster recovery programs.

a) Direct mitigation efforts to **support families and areas hardest hit by disasters before focusing on broader mitigation needs**. These efforts should focus on bringing historically disinvested communities and those ignored or harmed by disaster-related planning up to a basic standard of infrastructure and protection from future disasters.

b) Increase accessibility and affordability of federal mitigation programs for families and communities. Grant programs and zero- or low-interest loan programs should be available everywhere, and federal, state, territorial, tribal, and local governments should prioritize allocating these resources. FEMA should pay 100% of the cost for less affluent homeowners in programs that provide mitigation for individual housing units without requiring a 25% match or forcing homeowners to front the costs. FEMA should also reduce, eliminate, or waive federal cost share for projects that provide mitigation for or relocate public and assisted housing.

c) Rebuilding must incorporate mitigation measures in both homes and infrastructure. Grantees using federal funds must **rebuild to the highest existing standards,** including building codes and energy efficiency, regardless of local requirements. Infrastructure and mitigation projects funded with federal dollars must be designed to the most up to date and long-term projections.

d) Ensure that new programs–like the Building Resilient Infrastructure and Communities program (BRIC)–**direct funds to the communities hit worst and first**, prioritize natural infrastructure projects, and promote mitigation planning. Agencies must ensure that program definitions, rules, and policies meaningfully prioritize the communities hit worst and first, mandate transparent data and reporting, and provide rigorous oversight of grants.

e) Eliminate or waive federal match requirements for the communities hit worst and first and provide the necessary level of technical assistance with the application and administration processes to ensure that jurisdictions without these resources have equitable access to federal mitigation program funds.

2. Ensure that buyout and managed retreat programs are equitable in their design and delivery.

a) Require local government grantees to create and **develop displacement minimization strategies** and ensure that necessary relocations prioritize climate and environmental justice, community social bonds, and adequate access to essential services. Managed retreat relocations must incorporate community participation along the process.

b) Evaluate whether a buyout is the best form of mitigation for a given area through a community-driven process and not in response to a specific disaster. Programs should **enable the relocation of a full community,** which may require activities beyond buying out individual homeowners like acquiring large tracts of land and new home construction.

c) Change FEMA policy to **offer buyout participants the actual cost of relocation to a safer area** instead of the pre-disaster value of their home. Federal disaster recovery assistance used for post-disaster repairs should not be deducted from the buyout price of a home.

d) **Coordinate buyout programs with disaster recovery programs**. If governments cannot coordinate programs in a timely manner, they should provide **emergency and interim housing assistance** to reduce financial burdens on buyout participants

3. **Mitigate risks beyond physical damage.**

a) **Eliminate discrimination in economic revitalization programs** by requiring that programs benefit business owners in the communities hit worst and first and monitoring impacts of these programs.

b) Reduce environmental risks and increase environmental justice by requiring **higher levels of risk prevention and mitigation from for-profit companies** that operate businesses like oil refineries or chemical plants in high-risk areas.

c) Disaster recovery planning must include, and **fund mitigation for risks** like decreased mental and physical health and **increased costs for housing, utilities, and other basic needs.**

4. **Increase long-term planning and investments.**

a) **Include input from the most affected communities** and incorporate their vision for the future. Federal agencies must conduct outreach to these communities, ensure that communities have access to the information in order to participate, treat their lived experience as expertise, and ensure that they at least have as much input as wealthier communities who typically have the resources to more deeply engage.

b) **Incorporate environmental justice and equity requirements** into new federal programs, including AARPA, IIJA, and IRA funds.

c) **Reflect meaningful mitigation planning and investment** across other federal investments. For example, HUD should not build public housing or subsidized housing in high-risk areas and DOT should not fund highway expansion projects that fuel climate change, increase flood risk, and expose communities to environmental hazards.

Effects of a climate disaster in Louisiana. Source: HousingNOLA

Patricia Weber

New Jersey

In the days after Superstorm Sandy, the flood water receded and blue skies eventually returned–but for survivors, this was only the beginning of a long road back home. Patricia Weber has experienced this "storm after the storm" firsthand. When Patricia's house flooded during Superstorm Sandy, her family had no other choice but to move out and rent another place while their home was being repaired. Unable to receive FEMA rental assistance, she needed to use money from her retirement fund and annuity to pay rent.

Patricia used the entirety of the minimal flood insurance payout she was awarded to move back home in June of 2013, eight months after Sandy. With barely any time to relax and enjoy being home, she began the process of applying for the Re-New Jersey RRLM grant. She drove back and forth to the program's Freehold office, sometimes to provide paperwork that was already provided as many as two previous times. "After a long journey of misinformation and significant disorganization, I was accepted into the RRLM program and awarded $120,000."

In order to elevate, Pat and her family left their home for the second time and were renters once again just over a year after they moved back in.

There were no further rental assistance programs, so once again, Patricia used annuity and retirement funds to house her family while their home was being lifted. They finally moved back home in March of 2015, hoping that this time it would be for good. Patricia, however, did not receive the full award amount from RRLM, and was encouraged to apply for additional ICC funding by a disaster case management representative. She had no idea that this would be the start of yet another nightmare in her long disaster recovery process.

Pat and her family.
Source: Patricia Weber

Unbeknownst to Patricia, this would be considered a duplication of benefits, and would thus be subjected to a 'clawback' from the state. In 2016, well over a year after her house was raised, Patricia received a letter in the mail stating that she was being ordered to pay $32,700 back to RRLM immediately. **"No explanation, no option to appeal. Had I known that this was a duplication of benefits, I would have never accessed this funding source, nor consider this money as a vital component of the project."**

Patricia could have reopened her previous flood insurance claim and potentially received additional funds. But since she felt her needs had already been met by the combination of RRLM and ICC, she chose not to put herself through another long, exhausting process in a system she had already been stuck in for four years. Now, the funding she thought she could rely on was being forcefully clawed back.

At the time, Patricia was working as a teacher's aide and making only $18,000 per year. Today, she's on disability. She had already spent her RRLM money on rebuilding, and there was nothing left over to return without paying out of pocket. Quite to the contrary, Patricia's case manager found that she still had an unmet need of more than $13,000. "It is an atrocity that the DCA would ask me to pay back my ICC, an extra layer of protection that I have been paying for the life of my flood insurance policy."

Recommendation 5:

New Jersey shore during NJOP's "8 Years Since Sandy" event.
Source: NJOP

Disaster Reform Must be Systemic.

Flooding as a result of a storm.
Source: johnmoorefour

Recommendation 5: Disaster Reform Must be Systemic

It is not just individual disaster recovery programs that are broken; it is the entire system. We must transform a reactive and fragmented system based on outdated assumptions into an effective and equitable system that does not just respond to disasters but proactively mitigates them.

The current disaster recovery system is based on outdated assumptions, which include:

- Disasters are infrequent, localized, and time-limited events;
- State, territorial, tribal, and local governments generally have the capacity and resources to respond to disasters and to apply for and administer federal funds;
- Individual survivors have access to other resources like insurance and only need temporary help from FEMA;
- Disaster survivors and affected jurisdictions all have equal access to recovery programs that serve their needs;
- Historical disinvestment and inequity are not relevant to disaster recovery or mitigation needs; and,
- Treating disaster survivors as if they all have the same needs and resources results in effective recovery and mitigation.

Disasters are now predictable, particularly in areas like the Gulf Coast that are repeatedly hit by hurricanes and in the west where wildfires now occur every year. The problems and obstacles created by the federal disaster recovery system are also predictable; families are experiencing the same struggle to access recovery programs, and many are still waiting for help when the next disaster hits. The current system is not working, and we are running out of time to fix it.

Hurricane Maria damage. Source: Prime Minister of the Commonwealth of Dominica

Lack of Federal Agency Capacity and Coordination

The federal agencies primarily responsible for disaster recovery, FEMA, HUD, and SBA, are not sufficiently coordinated and increasingly lack the resources to manage multiple major and simultaneous disasters.[95] Program fund allocation is typically led by lower levels of government which results in a patchwork of different recovery programs.

- Agencies collect different information, particularly from individual applicants, and data is not shared between programs.
- Applicants have to fill out multiple applications and patch funding from different programs together. For example, FEMA does not pay for permanent repairs so homeowners have to apply for CDBG-DR funds to repair and rebuild their homes and governmental grantees have to apply separately for Public Assistance and HMGP funds.
- Programs have different timelines that make it difficult for grantees to coordinate and leverage disaster recovery funding, and forces individual applicants to wait years for buyouts, home repairs, or rebuilt rental housing.

Lack of coordination at the federal level means that both grantees and disaster survivors have to deal with a fragmented disaster recovery system that is neither equitable nor effective. Survivors of Hurricane Katrina survivors and Superstorm Sandy from New Jersey and New York are facing "recoupments," or clawback demands to repay grant funds they used to get home.

Taller Salud service event following Hurricane Fiona.
Source: Taller Salud

Contractor Exploitation

In the wake of climate disasters, the sudden need for a great deal of recovery and reconstruction support combined with a lack of proper oversight, creates openings for profiteering by private contractors at the expense of workers and climate disaster survivors, with marginalized communities in particular being targeted. Wage theft, substandard work, price-gouging, discrimination, and other forms of fraud and abuse are typically major issues following climate disasters. The same regulatory apparatus that makes it very difficult for individuals and families to secure basic government assistance in the wake of a climate disaster takes an extremely lax approach to overseeing contractors.

There are numerous examples of contractors exploiting lax regulations and oversight in the wake of a climate disaster to extract money from disaster survivors and the government, or to win large contracts they are unqualified for. In New Jersey, for instance, a contractor who had committed fraud in other states still managed to obtain a license and robbed Sandy survivors of $2 million.[96]

In the wake of Hurricane Maria, FEMA hired a contractor with no prior track record in disaster relief to produce and send 30 million meals to Puerto Rico. The contractor was fired after only being able to come up with 50,000. States often waive regulations during the disaster recovery period in order to relax requirements on contractors. The Harvey cleanup effort relaxed key labor protections in Houston, further harming marginalized communities. One study found that more than a quarter of day laborers in Houston–the majority of whom are undocumented immigrants–experienced wage theft during Harvey cleanup due in part to lax government oversight of contractors and other employers.

Reassess the Role of Federal, State, Territorial, Tribal, and Local Governments

The federal government is now the primary responder to large- and small-scale disasters, however, it was designed to only fill gaps to help restore people and communities to their pre-disaster condition when local, state, territorial, and tribal resources are inadequate. Even single-event disasters are rarely limited to one state or territory and the risks of pandemics, sea-level rise, and rising temperatures are increasingly national and even international. Different states, territories, tribal, and local governments have different capacity and available resources to respond to even routine events or smaller localized disasters. The increasing number and severity of disasters makes it difficult for both the federal government and grantees to build the technical capacity needed to manage large grants with different rules, coordinate between multiple agencies, and ensure that the use of these funds is consistent with grant requirements and civil rights laws under the current disaster recovery framework.[97]

An overreliance on FEMA to respond to smaller disasters reduces its capacity to respond to larger disasters or to multiple disasters at the same time. Even jurisdictions with more capacity have effectively outsourced disaster response to FEMA, including relying on federal funding for emergency management, disaster recovery, and mitigation that should be their own responsibility. State, territorial, tribal, and local governments also rely on CDBG-DR funds for long-term rebuilding and recovery which puts an increasing burden on HUD to administer a program that does not have a permanent statute or regulations.

Federal programs do not hold state, territorial, tribal, or local governments responsible for their failure to mitigate disaster risk, for example, by updating zoning, land use, and building codes to prevent building in vulnerable areas or ensure homes are more protected from future disasters, or for failing to use available resources for disaster recovery and mitigation.[98] Federal agencies have also been reluctant to enforce violations against civil rights and other program requirements, enabling local governments to spend public money on ineffective projects that do not center communities hit worst and first.

The federal government should not be solely responsible for disaster recovery and mitigation across the country. State, territorial, tribal, and local governments have a responsibility to engage in ongoing planning and investment to protect their residents and should fill gaps that result from long delays in the provision of federal disaster recovery assistance. Storm survivors organized in New Jersey and pushed the state to create the Rental Assistance Program (RAP) in 2015 to help families who were still displaced because of the gap between FEMA and CDBG-DR programs. After organizers advocated for a program extension, RAP provided rental assistance for up to 40 months.[99] State, territorial, tribal, and local governments should develop proactive hazard mitigation plans that do not solely rely on federal funding and establish dedicated funding for infrastructure like water treatment plants, bridges, and drainage improvements, and updating land use, zoning, and building codes to reduce risk.

Robert Lukasiewicz

Atlantic City, New Jersey

The day Superstorm Sandy hit, Robert Lukasiewicz was at home with his wife, his 85-year-old aunt, and two of his sons in the upper level of their Atlantic City house. The house, which had been in Robert's family for five generations before him, was only three blocks away from the Atlantic Ocean and five minutes away from where the epicenter would come ashore on the east coast.

"With the wind outside and the windows rattling, it sounded like a hundred freight trains. The house was pitching violently, 10 inches in each direction. I told my sons that it was going to be ok, it would pass soon."

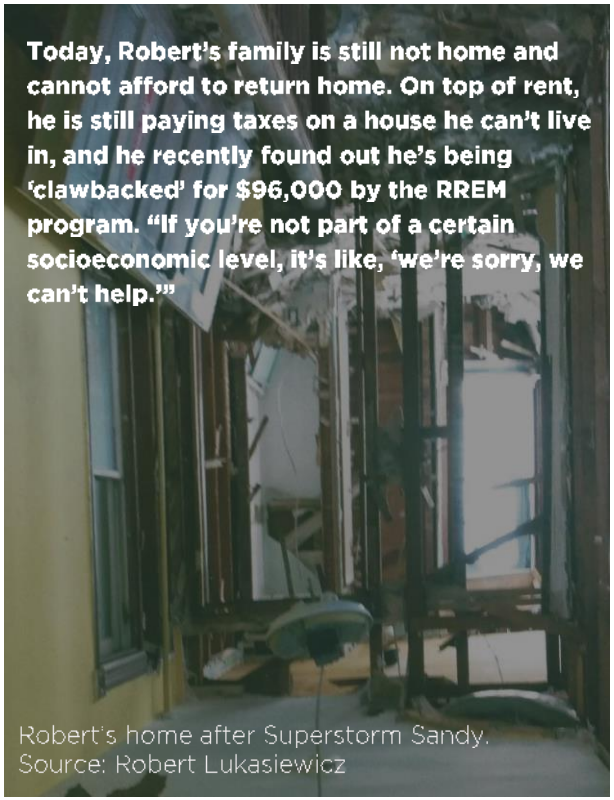
As the water started rising and the house began shaking, Robert and his family worked to carry documents, irreplaceable belongings, and everything they could save upstairs, walking through the cold water that was up to their knees on the house's first floor. They were all awake for nearly two days, terrified that if they fell asleep the house would fall down on top of them. After the storm, Robert spent weeks and thousands of dollars gutting the lower floor of his house, keeping the upper floors warm with kerosene heaters, and bracing the foundation and frame of the house so it wouldn't collapse.

RRLM, FLMA, and other government programs were little help in getting Robert's family recovered. "I'm a marine, I'm very pro-American. But everyone's passing the buck in this system."

Robert, who refers to the disaster recovery system as a 'labyrinth.' Contractor fraud severely delayed Robert's ability to repair, and work with his second contractor stalled due to lack of funds. "Contractors want to get money up front, but the government wants to see the work done before they give the money." Additionally, after waiting two years to find out he was pre-qualified for the Supplemental Funding program, Robert found out that in order to qualify, it required him to first have flood insurance - which had become increasingly difficult to afford - and come up with $55,000. Robert and his wife were retired and had no way of coming up with that money, even with Robert working for DoorDash regularly to pay for repairs.

"If all these things had been steps instead of missteps, I could've been home years ago. There's no primer to prepare you for any of this. You've got different systems that are all butting heads and blaming the other side, when the homeowners and families that all of this was designed for are suffering."

For Robert and his family, the cost of Superstorm Sandy goes far beyond the house. Robert's mother passed away two days after the storm, and his aunt and father followed a few years later. He believes pre-existing conditions were worsened in the storm's aftermath. "I promised my aunt we'd get the house fixed. But she never got to see that, and neither could my dad."



Today, Robert's family is still not home and cannot afford to return home. On top of rent, he is still paying taxes on a house he can't live in, and he recently found out he's being 'clawbacked' for $96,000 by the RREM program. "If you're not part of a certain socioeconomic level, it's like, 'we're sorry, we can't help.'"

Robert's home after Superstorm Sandy. Source: Robert Lukasiewicz

Lack of Long-term Planning and Investments
Governments at all levels have failed to engage in long-term planning and make proactive and ongoing investments in building disaster recovery capacity and mitigation. In general, the federal government only funds planning and mitigation after a disaster has already happened. Different federal programs have different objectives and timelines, making it difficult to use federal funding in a strategic or comprehensive manner that effectively mitigates broader risks.[100]

Lack of coordination and long-term planning and investments is a problem that is much broader than the disaster recovery system. Federal, state, territorial, and local governments have failed for decades to invest in infrastructure in less affluent and historically marginalized communities, which has made them more vulnerable to both natural disasters and man-made disasters like the lack of water in Jackson, Mississippi. Many of the country's roads, bridges, water systems, dams, levees, and electric grids are in poor condition and subject to catastrophic failures. Large swaths of the country lack access to basic infrastructure like hospitals and broadband internet. These catastrophic failures will continue and increase in frequency as climate change worsens and lack of access to basic infrastructure will have increasingly harsh consequences.[101]

Protecting families and communities from future disasters requires planning and investment well before an actual disaster but in our current system, recovery funding is only available after a crisis strikes. The appropriation of massive amounts of federal funding under the American Rescue Plan Act (ARPA), Infrastructure Investment and Jobs Act (IIJA), and Inflation Reduction Act (IRA) present a historic opportunity to make large-scale investments in mitigation well beyond appropriated funding to FEMA mitigation programs like Building Resilient Infrastructure and Communities (BRIC) program.[102]

Without comprehensive planning that involves families and communities hit worst and first and includes enforceable equity requirements, it is likely that these funds will be spent on "business as usual" projects–like highway expansions–and used to supplant grantee funding gaps in fragmented smaller scale infrastructure projects that leave out the most vulnerable communities.

RECOMMENDATIONS

1. **To increase coordination between federal agencies involved in disaster recovery, we recommend:**

   a) FEMA, HUD, SBA, and other federal agencies involved in disaster recovery and mitigation must **develop an interagency plan**, based on feedback from disaster survivors, to:

      i. **Develop a common data framework** including comprehensive demographic information and a clear process for data sharing across agencies.[103] Data collection and sharing must be transparent and available to the public;

      ii. **Ensure survivors are tracked across programs** and throughout the disaster recovery process;

      iii. Clarify program and policy guidelines and **provide a unified application** and single point of entry for all federal disaster assistance;[104]

      iv. Identify the resources and investments–including funding, human capital, and information technology–to **implement systemic transformation**.

This must include the resources to provide meaningful oversight and ensure proper use of program funds: and

v. Clarify how existing federal disaster and mitigation programs fit together, assessing overlap and gaps among programs, eliminating duplications and addressing gaps to **create a streamlined and effective system for survivors and impacted communities**. This process will take on additional importance if CDBG-DR is statutorily authorized.[105]

b) Prioritize the communities hit first and worst and take into account historical disinvestment in all communities.

2. Clarify federal, state, territorial, tribal, and local governments' role in the disaster recovery system and increase coordination between levels of government:

a) Redesign the national disaster system to be able to handle large-scale and regional disasters, multiple large-scale disasters at the same time, and on an ongoing basis. This should include the federal government taking on a more active coordination and oversight role.

b) Automatically provide disaster recovery programs during a disaster without requiring separate requests from the jurisdiction. For example, the federal government should automatically grant D-SNAP as part of a federal disaster declaration and all SNAP recipients in the declaration area should immediately have D-SNAP added to their EBT cards without an additional application or verification process. The federal government should also identify opportunities to provide direct assistance to disaster survivors, building on the success of these programs during the COVID-19 pandemic.

c) Add parameters on state discretion to administer FEMA, CDBG-DR, and CDBG-MIT funds, whether through legislation or regulation, to ensure that funds are used effectively and equitably to address unmet needs, including mitigation, in the most impacted and distressed areas.

3. Increase long-term planning and investments across government policies and programs to mitigate against future risks:

a) Ensure that regulations, policies, and program rules for ARPA, IIJA, and IRA funding **result in equitable outcomes.** Program definitions, rules, and policies must meaningfully prioritize communities hit worst and first, have transparent data collection and reporting, and provide rigorous grant oversight.

b) Ensure that **infrastructure and mitigation projects** funded with federal dollars are **designed to the latest climate risk projections.** Spending billions of dollars on projects that will be outdated and ineffective soon after they are completed is a waste of public money.

Gathering for NJOP's "Sandy Memorial Wall."
Source: NJOP

Maryann Morris

Manville, New Jersey

It was about one in the morning when the emergency sirens went off in Manville. With the few things she could grab in tow, single mother Maryann Morris and her 7-year-old daughter fled their home and headed to higher ground. That night, they used the camera on their front door to watch the water level creep up the walls until the camera lost power and was fully underwater.

Maryann and her daughter returned to their house once the water had receded, but the moment they opened the door, it was evident that they had lost everything. Her daughter's birthday had only been two weeks before the storm hit, and all of her presents and toys were covered in mud and murky water. Down in the basement, precious memories were also lost: baby's first shoes, family heirlooms, and things Maryann had intended to hand down to her daughter.

The storm itself was terrifying, but Maryann says what came after was even worse. After Ida, Maryann opened a GoFundMe to pay for immediate needs like water, clothing, a motel, and transportation costs, since they lost a car in the storm in addition to their home. They were hoping FEMA would reimburse some of the lodging expenses, but they didn't.

Maryann then applied and was approved for an SBA disaster loan. The loan was originally for $150,000 but was reduced to $98,000 after an inspector came to the house - even though he never entered the home.

Then, after her flood insurance payout deduction, it inexplicably was reduced once more to $9,000. Insurance wasn't much help either, and only gave Maryann $65,000 to fix her house. She tried fighting back, but her insurance company stopped responding to her.

For the past year, Maryann and her daughter lived in a rented apartment. Maryann extinguished her retirement fund to pay her mortgage on top of $26,000 in rent that could have gone to her daughter's medical needs. She was never offered the 18 months of FEMA rental assistance that disaster survivors are entitled to and to this day has not been given the application to do so. Maryann and her daughter finally moved back into their damaged home over a year after the storm, but only the bedrooms and restroom have been repaired.

What's kept Maryann together through this has been her community. **"We're so grateful to the friends and strangers who've helped clothe, house, and feed us," she shared. "But we shouldn't have to rely exclusively on the goodwill of other disaster survivors to get us through this. We have a system meant to do that–it just doesn't seem to be working."**

The storm has taken an emotional toll on Maryann as well as a financial one. Now, she's worried that she's going to have to tell her daughter that they have to leave New Jersey, and that she'll lose her friends, school, and home. Meanwhile, her daughter is afraid of water, rain, and that there will be another flood.

Flooding in Maryann's neighborhood.
Source: Maryann Morris

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6. The Stafford Act was signed into law in 1988 - over 20 years ago - and amended the Disaster Recovery Act of 1974, passed almost 40 years ago.

7. The 1974 Housing and Community Development Act created the Community Development Block Grant (CDBG) program with its primary purpose being the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." 42 U.S.C. 5301(c) The non-disaster CDBG program, referred to as the "annual" CDBG program, provides formula-determined annual grants to state and local governments for activities addressing a wide range of community development needs. Eligible activities under the statute are numerous and include housing, park construction, job creation, and water and sewer improvements. Communities receiving grant money directly from HUD are called "entitlement communities." Non-entitlement cities and counties, referred to as Units of General Local Government, are funded indirectly through state programs. Under the States (or Small Cities) program, the states receive CDBG funding directly from HUD, and then distribute funds to local governments according to a process set up by the state. Congress has appropriated CDBG disaster recovery funds for both entitlement and non-entitlement jurisdictions through state governments. See 42 U.S.C. 5172(a)(1)(A); 44 C.F.R. Part 206.

8. Unless the appropriating statute otherwise restricts the funds, or HUD grants a waiver of program requirements, the same program requirements and national objectives that apply to annual CDBG grants also apply to CDBG-DR, with the additional requirement that CDBG-DR grants can only fund projects related to the covered disaster. In 1994, Congress amended the 1974 Housing and Community Development Act to grant HUD the authority to waive certain program requirements when funds are appropriated for a natural disaster. The Secretary of HUD can suspend all requirements for funds designated to address the damage in a Presidentially declared disaster area, "except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and requirements that activities benefit persons of low- and moderate-income."HUD, Community Planning & Development Disaster Recovery Assistance. http://www.hud.gov/offices/cpd/communitydevelopment/programs/drsi/drquickfacts.cfm

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15. The United States District Court for the Southern District of Texas issued a preliminary injunction in LUPE v. FEMA (B-08-487) on May 13, 2009, ordering FEMA to issue "Rules and Regulations that outline definitive and ascertainable criteria, standards, and procedures for determining eligibility for relief assistance beyond which is identified by federal law in compliance with the congressional mandate found in 42 U.S.C. §5174(j)." The agency has failed to do so and continues to use unpublished and undefined standards that have a demonstrably discriminatory effect.

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36. The use of economic-based analyses of costs and benefits across programs - including non-disaster infrastructure programs at all levels of government - contributes to inequities.

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44. Benefit-Cost Analysis (BCA) is a method that determines the future risk reduction benefits of a hazard mitigation project and compares those benefits to its costs. The result is a Benefit-Cost Ratio (BCR). A project is considered cost-effective when the BCR is 1.0 or greater. Applicants and sub-applicants must use FEMA-approved methodologies and tools to demonstrate the cost-effectiveness of their projects. FEMA, Benefit-Cost Analysis. https://www.fema.gov/grants/tools/benefit-cost-analysis BCA is not the sole determinant of whether a project is eligible for or awarded a hazard mitigation grant, but it's effectively a qualifying threshold.

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103. In order to both identify areas and populations who have been most impacted and have the greatest needs, and to provide disaster response and recovery in an equitable way, FEMA must collect and publish comprehensive demographic data on both the impact of the disaster and on federal recovery programs. This data must include all protected classes under the Stafford Act, the Americans with Disabilities Act, Fair Housing Act, Title VI, and other civil rights requirements, including, but not limited to race, ethnicity, income, age, disability, and gender, as well as housing tenure and location at the most granular geographic level possible. This data must be comprehensive, transparent and regularized. It must be published on a public website in searchable format. And it must provide sufficient information to enable the public to evaluate: whether the damage assessments accurately reflect the actual impact of the event down to the census block level; whether particular geographic, racial, income, or other inequities appear in the damage assessments, application levels, denial rates, approval of assistance, and amount of assistance; and, whether eligibility decisions are being made in just and equitable ways that comply with the antidiscrimination mandate of the Stafford Act and civil rights laws.

104. See, e.g.: S. 4599, the Disaster Assistance Simplification Act which would establish a single application portal for individuals, households, and businesses seeking access to federal disaster recovery assistance.

105. For example, both HUD and FEMA programs require environmental reviews, but grantees cannot necessarily use one environmental review across programs.

Disclaimer:

The 501(c)4 recommendations in this report denoted with an asterisk were added by the New Jersey Organizing Project. Actions taken by any of the contributing organizations related to any of the recommendations contained herein will be done in strict compliance with lobbying laws.

GLOSSARY

Building Resilient Infrastructure and Communities Program (BRIC): BRIC is a pre-disaster mitigation grant program and provides grants and direct technical assistance to states, local communities, tribes and territories to address future risks to natural disasters, including disasters like sea level rise that are not covered by the Stafford Act. Projects have to be cost-effective, increase resilience, and reduce damage to life and property. BRIC differs from previous mitigation programs by focusing on infrastructure projects benefiting disadvantaged communities, nature-based solutions, climate resilience and adaptation, and adopting hazard resistant building codes.

Community Development Block Grant (CDBG): The 1974 Housing and Community Development Act created the CDBG program with its primary purpose being the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." U.S.C. § 5301(c) The non-disaster CDBG program, referred to as the "annual" CDBG program, provides formula-determined annual grants to state and local governments for activities addressing a wide range of community development needs. Eligible activities under the statute are numerous and include housing, park construction, job creation, and water and sewer improvements. Communities receiving grant money directly from HUD are called "entitlement communities." Non-entitlement cities and counties, referred to as Units of General Local Government, are funded indirectly through state programs. Under the States (or Small Cities) program, the states receive CDBG funding directly from HUD, and then distribute funds to local governments according to a process set up by the state.

Community Development Block Grant for Disaster Recovery (CDBG-DR): Congress routinely funds long-term unmet disaster recovery needs by appropriating supplemental funding through the CDBG program on an ad hoc basis. HUD then allocates funding and sets out waivers, alternative rules, and requirements in a Federal Register Notice. Unless the appropriating statute otherwise restricts the funds, or HUD grants a waiver of program requirements, the same program requirements and national objectives that apply to annual CDBG grants also apply to CDBG-DR, with the additional requirement that CDBG-DR grants can only fund projects related to the covered disaster

Community Development Block Grant for Mitigation (CDBG-MIT): After the 2017 disasters, Congress appropriated $28 billion in CDBG-DR funds, but for the first time directed that no less than $12 billion of this funding be allocated for mitigation activities (CDBG-MIT) to grantees with qualifying disasters. Congress directed HUD to allocate CDBG-MIT funding to qualifying grantees proportionally to the amounts that these CDBG-DR grantees had received. CDBG-MIT funds did not have to be tied directly to a specific disaster. Like CDBG-DR funds, CDBG-MIT funds require a supplemental appropriation by Congress and a Federal Register Notice from HUD.

Disaster: The Stafford Act defines a "major disaster" as "any natural catastrophe (including any hurricane, tornado, storm, high water, wind driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss.

hardship, or suffering caused thereby." Only a major disaster is eligible for a Presidential disaster declaration that activates federal disaster assistance.

Disaster Recovery Center (DRC): A facility or mobile office where FEMA provides status information and updates to client applications, as well as general information on FEMA disaster assistance. Representatives from other agencies, including SBA, are at the centers to answer questions about disaster assistance and low-interest disaster loans. DRC staff can also help survivors apply for federal disaster assistance.

Disaster Supplemental Assistance Program (D-SNAP): D-SNAP provides short-term food assistance benefits to families who have not been receiving regular SNAP benefits while recovering from a disaster. Current SNAP recipients can request a supplement if they are not currently receiving the maximum monthly benefit or if they lost food bought with SNAP benefits in the disaster. The state, territorial, or tribal government under a disaster declaration must request D-SNAP from the Department of Agriculture and the program is run through the state agency responsible for administering SNAP.

Equality and Equity: In the specific context of disaster recovery and mitigation, we would point to the definitions used by FEMA's National Advisory Council "[t]he core definition of equity is to provide the greatest support to those with greatest need to achieve a certain minimum outcome. It is separate from equality, which is providing the same resources to everyone regardless of need. One of the core tenets of emergency management is to work to stabilize and heal communities from the disruption caused by disaster. As such, it is important to recognize the role that equity plays in communities' ability to mitigate, prepare, respond, and recover from a disaster."

Fair Market Value: The price that the seller is willing to accept, and the buyer is to pay on the open market and in an arm's length transaction. Market value is often determined by a third-party appraisal. Structurally, market value is a function of government decisions at the federal, state, and local level that have created winners and losers in the property market including policies as diverse as legal segregation, redlining, exclusionary zoning, failure to provide infrastructure and public services, locating industrial and hazardous uses in certain areas, and funding schools with local property taxes.

Federal Emergency Management Agency (FEMA): FEMA was created in 1979 by President Jimmy Carter and incorporated into the newly created Department of Homeland Security (DHS) in 2002. FEMA directs, coordinates, manages, and funds eligible response and recovery efforts associated with domestic major disasters and emergencies that overwhelm state, local, tribal, or territorial resources and is funded by annual appropriations to the Disaster Relief Fund (DRF). FEMA's mission is "helping people before, during, and after disasters."

FEMA Critical Needs Assistance (CNA): CNA provides a one-time payment ($700 in 2022) to applicants who have immediate or critical needs because they are displaced from their primary dwelling. Immediate or critical needs are life- saving and life-sustaining items including, but not limited to: water, food, first aid, prescriptions, infant formula, diapers, consumable medical supplies, durable medical equipment, personal hygiene items and fuel for transportation. CNA is part of the Other Needs Assistance program and may be authorized when the majority of applicants from the declared area are, or will be, displaced from their primary residence for an extended period of time, generally 7 days or more. CNA can be provided after applicants have registered with FEMA and FEMA has verified their identity, before the full FEMA application and eligibility determination have been made.

FEMA's Individuals and Households Program (IHP): Under the Stafford Act, FEMA's IHP program provides financial and direct services to eligible individuals and households affected by a disaster, who have uninsured or under-insured necessary expenses and serious needs. IHP is not intended to compensate for all losses caused by a disaster, only to meet basic needs and supplement other aid. FEMA IHP assistance

funds temporary housing (rental assistance or reimbursement for hotel costs), provides a temporary housing unit, repair or replacement of owner-occupied housing, hazard mitigation assistance for homeowners, and assistance for other disaster-caused expense.

FEMA Other Needs Assistance (ONA): Other Needs Assistance provides direct financial assistance for disaster-caused critical needs including medical, dental, funeral costs, childcare, transportation costs, clean-up material, and other miscellaneous items as approved by the state, territory, or tribal government. ONA is often administered by the state, territorial, or tribal government and requires a separate application for assistance through a state agency.

FEMA Public Assistance (PA): The PA program is FEMA's largest grant program providing funding to states, territories, tribal, and local governments, and certain private non-profit organizations for emergency assistance to save lives and protect property, and for permanently restoring community infrastructure affected by a federally declared incident. The federal government reimburses 75% of the project costs and the local government must cover the remaining 25% of the cost.

There are seven categories of PA; the federal declaration may activate only emergency categories (A and B) or all categories of PA, or only specific activities within these categories.

- Category A: Debris removal.
- Category B: Emergency protective measures, including pre-positioning equipment and resources, search and rescue, supplies and commodities, medical care, evacuation and sheltering, and crisis counseling.
- Category C: Roads and bridges.
- Category D: Water control facilities.
- Category E: Public buildings and content.
- Category F: Public utilities.
- Category G: Parks, recreational, and other facilities.

FEMA Hazard Mitigation Assistance Program (HMGP): The HMGP is the mitigation program that can be activated as part of a Presidential disaster declaration and provides funding to state, local, tribal, and territorial governments so they can develop hazard mitigation plans and rebuild in a way that reduces future disaster losses in their communities. Developing and adopting a hazard mitigation plan is required to receive HMGP funding.

FEMA Individual Assistance: In addition to IHP, other individual assistance programs available under the Stafford Act include:

- Section 410: Disaster Unemployment Assistance (DUA). Unemployment assistance for persons unemployed because of a disaster who are not eligible for state unemployment benefits and emergency grants to low-income and seasonal farmworkers through the Department of Agriculture
- Section 412: Supplemental Food Assistance. Food coupons and food distribution for low-income households and disaster food stamps (D-SNAP). States must ask the Department of Agriculture to provide D-SNAP.
- Section 415: Legal Services. Free legal services (advice and counsel, representation in non-fee-generating cases) for low-income disaster survivors through the Disaster Legal Services Program run by the Young Lawyers Division of the ABA.
- Section 417: Community Disaster Loans. Loans for local governments that have a substantial loss of tax and other revenue as a result of a major disaster and demonstrate the need for financial assistance in order to perform governmental functions; capped at $5 million.
- Section 419: Emergency Public Transportation. Provide transportation to "governmental offices, supply centers, stores, post offices, schools, major employment centers, and such other places as may be necessary in order to enable the community to resume its normal pattern of life as soon as possible." It is unclear whether

- this would cover transportation of vulnerable individuals to medical care, food, etc.
- Section 426: Case Management. Assistance to state or local government agencies or qualified private organizations for case management services, to identify and address unmet needs of survivors.

Department of Housing and Urban Development (HUD): HUD was created as a cabinet level agency by the Department of Housing and Urban Development Act of 1976. HUD's mission is "to create strong, sustainable, inclusive communities and quality affordable homes for all."

National Flood Insurance Program (NFIP): The NFIP provides affordable flood insurance to renters, businesses, and property owners to reduce the impact of floods. As a result, NFIP helps to mitigate the socio-economic damages of floods. The program also encourages groups to adopt floodplain management regulations.

Small Business Administration (SBA): The SBA provides guaranteed loans and other services to small businesses. The SBA also provides low-interest disaster loans to homeowners, renters, and business owners to help them recover from federally declared disasters. FEMA applicants are routinely referred to the SBA and must fill out and submit a loan application. Only if SBA finds that the disaster survivor is not eligible for a loan will the survivor be referred back to FEMA's IHP program for an eligibility determination.

Social Vulnerability Index (SoVI): Social vulnerability refers to the socioeconomic and demographic factors that affect the resilience of communities - their ability to survive and thrive when confronted by external stresses like disasters - and helps identify underserved communities. The Center for Disease Control's SoVI factors include, poverty, unemployment, income, education level, persons 65 and older, 17 and under, older than 5 with disability, single-parent household, race, ethnicity, limited English proficiency, housing type (multifamily, mobile homes, age of housing stock), and lack of transportation and determines the relative social vulnerability of census tracts. Studies have shown that in disaster events the socially vulnerable are more likely to be adversely affected - including by number of deaths - and are less likely to recover.

The Stafford Act: The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 allows the federal government to provide aid to states during disasters and emergencies when the available resources of states, territories, and tribal governments are insufficient to deal with a disaster.

Supplemental Nutrition Assistance Program (SNAP): The SNAP program, formerly known as food stamps, supplements the food budget of low-income households.

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