



HENRY D. MCMASTER, *Governor*  
BENJAMIN I. DUNCAN II, *Chief Resilience Officer*

8 December 2023

The Honorable Brian Schatz  
722 Hart Senate Office Building  
Washington, DC 20510  
20510

The Honorable Cindy Hyde-Smith  
702 Hart Senate Office Building  
Washington, DC

*Electronic submittal*

Re: U.S. Senate Appropriations Subcommittee Hearing on Transportation, Housing and Urban Development, and Related Agencies Hearing on Communities in Crisis: What Happens When Disaster Recovery Funds are Delayed

Dear Senator Schatz and Senator Hyde-Smith

The South Carolina Office of Resilience (SCOR) appreciates the opportunity to share what happens when disaster recovery funding is delayed. Please find enclosed written testimony that will be shared by my Director of Operations, Ransford "Ran" Reinhard, at the Subcommittee hearing on Tuesday, December 12, 2023, at 10:00 am.

As the South Carolina state agency charged with coordinating statewide resilience and disaster recovery efforts, the SCOR is fully in favor of reforming the current disaster recovery program.

Following the hearing, should you have any additional questions, please feel free to contact me at (803) 608-9079 or [Ben.Duncan@scor.sc.gov](mailto:Ben.Duncan@scor.sc.gov) or Ran at 803-315-1406 or via email at [Ran.Reinhard@scor.sc.gov](mailto:Ran.Reinhard@scor.sc.gov).

Thank you for the opportunity to share our thoughts and concerns about disaster recovery.

Respectfully,

A handwritten signature in blue ink, appearing to read "Ben Duncan", with a long horizontal flourish extending to the right.

Benjamin I. Duncan II  
Chief Resilience Officer

South Carolina Office of Resilience

Written Testimony of Ran Reinhard, Director of Operations, South Carolina Office of Resilience

To the U.S. Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies:

Hearing: Communities in Crisis: What Happens When Disaster Recovery Funds are Delayed

Mr. Chairman Schatz, Ranking Member Hyde-Smith, esteemed members of the Subcommittee, thank you for the opportunity to provide written testimony today regarding the critical issue of disaster recovery and mitigation efforts at the Department of Housing and Urban Development (HUD) and how delayed funding affects communities, particularly in the context of the Community Development Block Grant – Disaster Recovery (CDBG-DR) program.

For the record, my name is Ransford Reinhard, and I am the Director of Operations at the South Carolina Office of Resilience, which we call SCOR. I have been with the agency for seven years and have been one of the lead planners and executors for three CDBG-DR programs based on hurricane disasters. I must thank Governor McMaster, who had the foresight to establish SCOR following the success of our disaster recovery and mitigation efforts in the aftermath of 3 declared hurricane disasters between 2015 and 2018 and numerous near misses. I also thank the Chief Resilience Officer, Ben Duncan, for designating me as SCOR's representative today.

First, it is imperative to shorten the time from disaster impact date to the arrival of disaster recovery funding; specifically, HUD Community Development Block Grant- Disaster Recovery or CDBG-DR funding. It currently takes too long for HUD CDBG-DR funds to get from HUD to grantees and down to disaster impacted citizens. Since 2015, South Carolina has been hit by three hurricanes that did enough damage to receive CDBG-DR funding. In September 2018, South Carolina was hit by Hurricane Florence. It took until December of 2020 before HUD CDBG-DR funds were available. This is far too long for communities to wait for recovery. This delay significantly impacts low income, low resourced, and historically underserved communities. People waiting for recovery to happen, whose homes have been damaged have two choices, live in the damaged home, or leave. Many citizens lacking monetary resources or insurance just choose to leave. When they leave, their departure erodes the community's tax base, which puts additional challenges on rural and historically low resourced communities.

So how could this delay in CDBG-DR funding getting to communities and its citizens be shortened? Provide HUD with a steady funding stream of appropriated funding so they can rapidly provide CDBG-DR grants to disaster impacted states, tribes, or communities. This would reduce or prevent citizens from leaving their communities and maintain the current tax base.

Second, we believe it is vital that HUD change its minimum damage threshold. The current formula incorporates a minimum damage threshold, requiring counties to exceed \$10 million in serious unmet housing needs and zip codes to surpass \$2 million. This threshold

disproportionately disadvantages low-income communities with lower housing values, effectively excluding them from receiving critical assistance. By example, in one coastal county of South Carolina, the median home price is over \$300,000. There are also many beachfront homes that are well over \$1 million. In a nearby rural county, there is an underserved neighborhood where the average home value is less than \$53,000. The coastal county could hit the \$10 million county threshold with just a few beachfront homes, while the nearby rural county, hit by the same storm, would have to have nearly 200 homes substantially damaged to be considered for meeting HUD's minimum damage threshold. The greater need is for the area with nearly 200 substantially damaged homes rather than a beachfront community with 5 to 20 homes substantially damaged. This requirement leads to communities with more resources receiving assistance while disadvantaged low-income communities do not.

Actual impact and unmet need should be considered rather than an artificial dollar value threshold. We ask that HUD revise or replace their minimum damage threshold with a more equitable and dynamic approach that considers factors beyond just housing costs, such as poverty levels, population density, social vulnerability, and the severity of the disaster's impact. HUD should use a needs-based approach that comprehensively assesses the impact of the disaster and the capacity of communities to recover.

Third, not all grantees have the capacity to handle large CDBG-DR grants. Grantees who do not regularly deal with large and complex federal programs can become easily overwhelmed, plan poorly, and waste valuable taxpayer dollars executing recovery programs that provide minimal outcomes; all with the best of intent.

We suggest that HUD set first time or smaller/low capacity CDBG-DR grantees or subrecipients up for success by providing immediate and competent technical assistance. This assistance needs to be provided immediately after a disaster, once HUD knows a CDBG-DR grant is likely.

Fourth, we believe that HUD should require states, at a minimum to have a Resilience Plan. These plans should lay out how states or grantees will recover from disasters, how they will build back better/in a more resilient manner, and they must use forward looking data to develop the standards for their recovery. Building homes and infrastructure against what happened 10 years ago is a formula for failure. Grantees need to build against the conditions they will likely see 50 years from now. Having these plans prior to disasters will help communities better absorb disaster impacts and shrink the recovery time so that communities don't just recover, but that they thrive following the disaster recovery.

Finally, HUD currently provides a 15% set aside of funding for mitigation to grantees receiving CDBG-DR funding for a disaster. While this is helpful, it is not enough funding, and it is reactive in nature. The mitigation needs are substantial and far outstrip the 15% set aside. For example, in a \$100 million disaster, the grantee receives an additional \$15 million in mitigation funds. While this is helpful, a grantee could easily spend \$15 million on a single mitigation project. Historically, every dollar put into hazard mitigation projects saves about \$6 in disaster impacts.

So, why not spend less money upfront before the disaster rather than more money later after a disaster?

We respectfully request that HUD either provide money on an annual basis to moderate to high-risk states and/or communities regularly hit by disaster so that they can invest in hazard mitigation projects proactively or provide more than a 15% set aside post disaster. We suggest at least a 25% set aside to really assist grantees mitigate the future risks of loss of life and property.

In conclusion, we have an excellent working relationship with the HUD Disaster Recovery Team. HUD's CDBG-DR program plays a vital role in supporting communities during their long-term recovery from natural disasters. However, the current model for CDBG-DR can be improved to deliver successful recovery outcomes to those who most need it. The South Carolina Office of Resilience supports the Reforming Disaster Recovery Act and believes it would allow HUD to better assist all communities at risk of disaster to anticipate, absorb, recover, and thrive when faced with disaster impacts.

## CDBG-DR Timeline

