

AFTER ^{THE} FIRE

RECOVER. REBUILD. REIMAGINE.

Testimony on “Communities in Crisis: What Happens When Disaster Recovery Funds are Delayed”

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

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Introduction

Chairman Schatz, Ranking Member Hyde-Smith, and Members of the Committee, thank you for the opportunity to testify on the critically important issue of disaster recovery funding and discuss my experiences in navigating megafires. I am grateful for your leadership and attention to this issue.

In this testimony, I hope to make three main points:

- Catastrophic disasters are traumatic and disorienting for survivors, yet federal disaster assistance programs, as currently designed and funded, add uncertainty and unnecessary burdens to the recovery process;
- Because communities confronted with a major disaster are also often unprepared, under-resourced, and lacking in response and recovery capacity, delays in federal recovery funding, and the strings attached to that funding, can lead to suboptimal outcomes: slow and inequitable recoveries, long term displacement and population loss, grant claw backs, overreliance on consultants, burnout, and the poaching of local expertise.
- More stable and predictable funding, programmatic and regulatory reforms, and the deployment of artificial intelligence and other emerging technologies in this field would significantly improve the lives of disaster survivors and help disaster-impacted communities recover more quickly.

Let me discuss each of these points in turn, starting with my own disaster story.

Navigating Disaster Response and Recovery

Since October 8, 2017, my life's work has been centered on wildfire, particularly megafires. On that evening, fast hot winds downed power lines and sent fireball embers careening across mountains and valleys into my home of Sonoma County, as well as Napa, Lake, and Mendocino Counties, killing 43 people and destroying 8,900 structures over 24 days. I awakened that evening to the overwhelming stench of smoke blanketing the Valley of Moon, where I was raised and reside to this day. At that same moment, thousands of people were hastily packing up their children and dogs and driving through fire to get to safety. Police officers were knocking on doors and risking their lives as they sought and found evacuees, who were often running for their lives, barefoot and often naked, on ember strewn windy roads. Most of those who died were elderly and disabled, caught in their homes, unable to run, unable to lift garage doors in the firestorm, unable to get to safety. In a megafire, the power is out, the sky turns orange, and the only light to navigate comes from the fire—and if you are lucky, a brave police officer or neighbor catches you in their headlights and rescues you, often returning into the hellish flames to find another terrified person.

I lay out this visual because I need you to clearly understand what it means to be a megafire survivor. Megafires are not normal wildfires. They are hotter, faster, deadlier. They destroy homes in under 3 minutes and move across football field lengths even faster. They run up hills like blow torches, and can last 12 hours, like the Marshall Fire in Boulder, Colorado, or over 100 days, like the Dixie Fire in Plumas County, California.

Megafires do not wait for people to find safe refuge. In Lahaina, people ran for their lives and often lost anyway. They swam in the ocean for hours, surrounded by flaming debris.

Experiencing megafire is traumatic. It is the unimaginable turned into a palette of black, orange, and grey ash. It doesn't just destroy homes; it renders the land unrecognizable. Our nonprofit, After the Fire USA,

was created to help communities navigate the trauma of megafires because the process of recovery is not only deeply traumatic, but also opaque, inefficient, and deeply unfair to under-resourced communities, especially rural and frontier.

For six years, I have been walking into communities after the fire, most recently Maui County. I've seen the destruction over and over again. I've sat with hundreds of public officials and thousands of survivors and community leaders. Our tagline is "Recover. Rebuild. Reimagine." The *Reimagine* is because they cannot go back to their lives *Before the Fire*. That day is gone. But they can *Reimagine* their communities *After the Fire*. They can even leap ahead, if given the right tools in a timely manner. There is no bigger tool of the federal government for long-term recovery than CDBG-DR funding.

I must stress this point most of all: They are doing the work of recovery. They are showing up for, and with, their communities. Local government is not only serving their communities in ways they never believed possible while also undergoing the same disaster, often losing their homes and fleeing with their children.

Last week, I brought a delegation of megafire survivors and subject matter experts to Maui to sit with community leaders, local and state government, FEMA Regional Administrator Fenton, and to fold that community into our network of survivors as we help them navigate their locally led and designed recovery and rebuild. In Maui, everyone we spoke with—from government officials to community and cultural leaders, to victims—spoke about one top-priority issue: housing. FEMA and SBA's disaster recovery programs are not suited for rebuilding large amounts of housing, which is why CDBG-DR assistance will be so crucial.

The people of Maui will need this program to be impactful for them to have an effective recovery. A second, yet primary issue that will affect recovery dramatically is water and the need for infrastructure through CDBG-DR. Yet the timing of CDBG-DR funding is uneven—with sometimes quicker, sometimes very slow CDBG-DR allocation and implementation timelines. This has a massively negative impact on families and communities because there is no certainty. The lack of certainty exacerbates trauma and unnecessarily delays recovery.

The community of Maui is now four months post-recovery and people are still in hotels, there is no intermediate housing. Victims are being moved around often and families are literally carrying their belongings in garbage bags and buckets. These are the same families who fled for their lives and who have lost everything. Some have lost more than homes; they have lost family members, animals, family photos, businesses, livelihoods—many have lost all the above to the fire. And like every fire victim, they need and deserve the dignity of some predictability of returning home, whatever that may look like, even years from now. People are attached to their material possessions, of course, but every single person I've worked with across four states says the same thing: what they most want is to get back to their Ohana—their community. When they ask me, "How long?" I cannot give them an answer even in terms of years, largely because I cannot predict the timeline of CDBG-DR and other funding approvals by Congress. I cannot say for sure if and how they will be able to access the funds or how much those funds impact their recovery because it is wildly uneven, too often favoring wealthy communities with high capacity like my own in Sonoma, where we did get our fair share, while communities in deeply rural areas, such as Plumas County, are unlikely to receive even close to what they are entitled to after enduring 100 days of megafire.

“Reimagining” communities and their potential after a disaster also requires an impactful Community Development Block Grant Disaster Recovery (CDBG-DR) program at HUD. We know today that, while CDBG-DR funding will provide a lifeline to many families trying to get back on their feet, assistance will be too slow, leading to a weaker recovery than necessary. With legislation like the Reforming Disaster Recovery Act, we can ensure that communities responding to future disasters have the capacity to carry out more rapid and robust recovery efforts. And After the Fire USA will do our part to support these recoveries in megafire.

Codifying CDBG-DR does not mean more federal spending on disaster recovery. Congress continues to appropriate funding to the CDBG-DR program (though not always in a timely way), without addressing the fundamental, unavoidable issues that come without statutory authorization. It is likely that CDBG-DR will continue to be the federal government’s primary long-term disaster recovery program—as it has been for well over a decade—because communities impacted by disasters rely so heavily on it. We must make the program more efficient and effective so that the billions of federal dollars directed toward this program in the future are well spent. The federal government can shift policy to make recovery easier, faster, more resilient to future events, and remove barriers for all communities to access the CDBG-DR funds required for their recovery after a truly horrible event.

As you know, dozens of federal programs, in multiple agencies, have roles in disaster response and recovery that vary depending on the supplemental funding that is made available by Congress and the policy preferences of different administrations. While a presidential disaster declaration authorizes FEMA spending from its Disaster Relief Fund (DRF), which receives both annual appropriations and supplemental funding when major disasters (or many disasters in one year) strike, programs outside of FEMA that serve to support long-term recoveries are not automatic or consistently authorized.

According to a GAO analysis, the federal government obligated \$277.6 billion across 17 federal departments and agencies for disaster assistance programs and activities during fiscal years 2005 through 2014—38% of which flowed through FEMA.¹ While FEMA is the lead federal agency in emergency response given its responsibilities under the Stafford Act, programs like HUD’s CDBG-DR program play a critical role in supporting longer-term rebuilding and recovery efforts—particularly as it relates to significant housing repair and reconstruction.

Given the Committee’s jurisdiction over HUD program appropriations, I am focusing primarily on CDBG-DR—one of the most significant sources of long-term rebuilding assistance that a community impacted by a major disaster can receive. In total, the CDBG-DR program has provided about \$100 billion in long-term disaster recovery funding, with all but seven states having received allocations.² In my experience, these dollars do not flow quickly or equitably enough. Program deficiencies—particularly the lack of a permanent authorization and timely funding—have stunted disaster recoveries, disrupting the lives of the low-income families and underserved communities that the program was designed to help.

¹ Government Accountability Office, “Federal Disaster Assistance: Federal Departments and Agencies Obligated at Least \$277.6 Billion during Fiscal Years 2005 through 2014,” GAO-16-797, September 2016. Available at: <https://www.gao.gov/assets/690/680038.pdf>.

² Bipartisan Policy Center, “Breaking Down CDBG-DR Spending,” November 2023. Available at: <https://bipartisanpolicy.org/blog/breaking-down-cdbg-dr-spending/>.

While there are many opportunities and reasons for delays, in a 2022 survey of CDBG-DR grantees conducted by the Bipartisan Policy Center, nearly 40% of survey respondents said the most significant delays they experienced in the CDBG-DR grant process occurred from when their disaster struck to the initial congressional appropriation—a source of delay that Congress can easily address.³

Impact of Federal Funding Uncertainty, Delays, and Burdens

Because federal disaster recovery funding is unpredictable outside of periodic contributions to FEMA’s Disaster Relief Fund and credit subsidies for the Small Business Administration’s disaster loan programs, key programs lack the financial resources in hand necessary for the timelier launch of recovery efforts. The reality for disaster-impacted families, businesses, and communities is that the long wait for federal funding reduces its effectiveness and delays the recovery.

The impact of slow funding is perhaps most acute when it comes to housing, which is historically the largest use of CDBG-DR funding. You simply cannot recover without residents and, when a significant amount of housing is severely damaged, the inability to quickly address survivors’ housing needs drags down the overall recovery.

I have seen this play out repeatedly. For example, the Camp Fire in Paradise, California damaged or destroyed over 19,000 homes and ultimately displaced roughly 50,000 people.⁴ On top of being emotionally and physically overwhelming, survivors had to navigate, for months and months, site hazards, prohibitively high rebuilding costs, insurance disputes, and FEMA and SBA assistance denials.

According to FEMA, because of these and other challenges, only 17% of the original population of Paradise remained in or had successfully rebuilt in the town nearly three years later.⁵ Today, their population is roughly 37% of pre-megafire, and they have rebuilt approximately 25% of their housing stock. The people and leaders of Paradise are incredible warriors for their community rebuild and they pay it forward to every megafire after them, often as part of the delegations I lead, including last week in Maui. In contrast, Sonoma County was able to access virtually all of the CDBG-DR funding available to us as our county staff capacity is massive and our yearly budget is over \$2B; we have rebuilt since 2017—and in five years are now 80% rebuilt from the three subsequent megafires between 2010 and 2020. Butte County, where Paradise sits, has an annual budget that is 60% of Sonoma County. That leads to less capacity and more limited access to federal funding, which is why their rebuild numbers are 75% lower than Sonoma County.

FEMA has multiple options under its Individual and Household Program to assist a household post-disaster, but, in reality, home repair assistance is limited. For example, assistance was capped in fiscal year 2022 to \$37,900, an amount that simply cannot cover the reconstruction of a home that has suffered major damage in a disaster. SBA loan funds may be available if the homeowner can qualify (on top of any existing home-related indebtedness). When combined with underinsurance and post-disaster

³ Bipartisan Policy Center, “Findings from BPC’s Survey of HUD CDBG-DR Grantees,” August 2022. Available at: <https://bipartisanpolicy.org/blog/bpcs-survey-findings-of-hud-cdbg-dr/>.

⁴ Federal Emergency Management Agency, “Paradise, California: Rebuilding Resilient Homes after the Camp Fire,” December 2022. Available at: https://www.fema.gov/sites/default/files/documents/fema_paradise-california-rebuilding-resilient-homes_case-study.pdf.

⁵ Ibid.

construction cost increases, these conditions make it difficult for many communities to assist in producing a timely post-disaster rebuild of their housing stock.

For those that do receive a CDBG-DR allocation, it can provide a tremendous financial resource targeted to low- and moderate-income populations with the fewest resources for recovery. To the extent these families are unable to fund their own recoveries, delays in accessing CDBG-DR funds for housing purposes drag on a community's economic recovery, which is dependent on the ability of the workforce to have an affordable home, close to work.

For grantees attempting to implement a CDBG-DR program from a "cold start," funds will likely not flow in a meaningful way for 12-18 months after HUD's issuance of the controlling Federal Register notice. As allocations and notices may not occur for six to 12 months (or more) after a disaster declaration, the true launch of a CDBG-DR recovery program may be 18-30 months after the event.

This lack of predictability surrounding CDBG-DR funding also produces broader inequities for disaster survivors from state to state and even within states. As an example, Congress appropriated \$5 billion for the CDBG-DR program on September 30, 2021 for unmet recovery needs arising from major disasters in 2020 and 2021.⁶ That appropriation led to CDBG-DR allocations made anywhere from 76 days after the disaster occurred (for flooding in Washington) to 655 days (for earthquakes in Puerto Rico).⁷ At the same time, survivors of Hurricane Ida in August/September 2021 saw the benefit of CDBG-DR assistance far sooner than those impacted by Hurricanes Laura and Delta in the summer of 2020.

Such delays are further reflected in many of the wildfire recoveries I have supported through After the Fire: HUD announced the CDBG-DR allocation for the Tubbs Fire in Sonoma County in April 2018, six months after it was declared a major disaster on October 9, 2017.⁸ Similarly, the CDBG-DR allocation for the July 2021 Dixie Fire in Plumas County, CA, was announced on March 2022—8 months after the disaster.⁹ In Maui, where I visited last week, HUD has not yet made a CDBG-DR allocation to support recovery efforts from the wildfires earlier this year—now 124 days since its disaster declaration. Moreover, because HUD has exhausted the funding available for new allocations, it is unclear exactly when an allocation will be made to them.

Because CDBG-DR's lack of statutory authorization prohibits the establishment of permanent regulations, HUD also operates CDBG-DR through a maze of Federal Register notices (more than 80 since 2001). This creates additional delays and confusion as to requirements that apply to specific CDBG-DR appropriations.

⁶ Extending Government Funding and Delivering Emergency Assistance Act, Pub. L. 117-43, September 30, 2021. Available at: <https://www.congress.gov/117/plaws/publ43/PLAW-117publ43.pdf>.

⁷ Bipartisan Policy Center, "CDBG-DR Program's Lack of a Permanent Authorization Has Unintended Consequences for Recent Allocations," March 2022. Available at: <https://bipartisanpolicy.org/blog/cdbg-dr-programs-lack-of-a-permanent-authorization-has-unintended-consequences-for-recent-allocations/>.

⁸ HUD Exchange, "HUD Awards \$28 Billion in CDBG-DR Funds," April 11, 2018. Available at: <https://www.hudexchange.info/news/hud-awards-28-billion-in-cdbg-dr-funds/>

⁹ HUD Exchange, "HUD Announces \$3 Billion to Advance Equitable Disaster Recovery, Build Climate Resilience," March 22, 2022. Available at: https://www.hud.gov/press/press_releases_media_advisories/hud_no_22_049

It is important to note, FEMA's DRF is also not immune to funding uncertainty. As early as April 2023, Members of Congress anticipated a shortfall in the major disasters subaccount of the DRF.¹⁰ Yet, in the absence of swift congressional action, dwindling funding forced the agency to restrict the DRF to "life-safety and life-sustaining efforts," on August 29, 2023 during hurricane season and while responding to the wildfires in Hawai'i and Hurricane Idalia.

Fundamental Reform Priorities

Simply put, the longer it takes to deliver CDBG-DR to jurisdictions, the slower overall recovery will be. While permanent authorization of CDBG-DR would not resolve all timing concerns that affect the program's utility, a more predictable funding mechanism accompanied by permanent regulations would go a long way toward improving performance.

For this reason, After the Fire, along with a large and growing coalition of federal officials, disaster response experts, and other stakeholders involved in recoveries, support legislation like S. 1686 to codify the CDBG-DR program, ensuring greater stability and predictability for disaster recoveries.

By providing a regular funding source for the program, Congress would help accelerate the allocation of crucial long-term disaster recovery funds and drastically reduce the uncertainty that disaster survivors face. Codification would also require HUD to establish permanent regulations for the CDBG-DR program, eliminating the need to issue new guidance for every allocation through a maze of Federal Register Notices.

Greater clarity and predictability for CDBG-DR allocations would allow state and local grantees to be more efficient and effective in their use of federal recovery funds, as well as make more informed decisions, plan for, and initiate long-term recovery efforts. Currently, states and local jurisdictions must develop new programs and guidelines for each allocation, a lengthy process that only delays disaster recoveries.

Potential of AI and Emerging Technologies

Beyond regulatory reforms, advances in artificial intelligence and other emerging technologies can expedite the information-gathering processes that inform both risk mitigation and damage assessments after a disaster. I view AI through the lens of megafire resiliency, recovery and rebuilding. I see the possibilities to make the process more equal for every community, from the suburban fires to the frontier. I think about the impact on Butte County, California, and Lane County, Oregon where the MacKenzie River Valley was ravaged by the Holiday Farm Fire in 2020. I know that Plumas County Supervisor Kevin Goss works incredibly hard for his community recovery, despite losing his business in the Dixie Fire, and the entire town of Greenville, as he spent the next year being the Board Chair, Interim CAO, Interim Auditor, and recovery lead—a scenario not unusual in rural communities. I believe AI would allow his community and hundreds of others to recover far faster because issues of capacity and bandwidth would be diminished.

Technology can and does transform systems and impact lives for good, if guardrails are built into the applications. We have existing innovation in the space of disaster that has yet to be scaled. For example,

¹⁰ Congressional Research Service, "Disaster Relief Fund State of Play: In Brief," September 2023. Available at: <https://crsreports.congress.gov/product/pdf/R/R47676/3>.

during After the Fires 2023 Wildfire Leadership Summit, hosted last September in Sonoma, CA, we heard from the founder of the software startup Wuuii. By leveraging AI to analyze aerial and on-the-ground imagery, Wuuii can assess wildfire risk and provide property owners with custom mitigation plans. They also work with government agencies to evaluate compliance with requirements for wildfire mitigation, such as the requirement to maintain “defensible space” around homes in wildland areas.

Innovations in AI and image processing software can also allow nonprofit organizations, insurers, and government agencies to conduct assessments at scale. The National Institute of Standards and Technology has funded efforts to build a platform that can facilitate real-time decision-making during wildfire disaster response.¹¹ In Colorado, fire prevention and control professionals are partnering with private sector partners to deploy software that can map fire perimeters in minutes rather than the hours it can take using traditional methods.¹²

Moving forward, my hope is that Congress and the federal government pay special attention to how AI and other emerging technologies can be used to maximize risk mitigation, provide timely and actionable intelligence during disaster responses, and increase the efficiency of disaster recovery programs.

Conclusion

While it is difficult to predict when disasters will strike, the reality is that these types of events are no longer outliers. In recent disasters, it has become clear that deficiencies in federal programs—particularly the lack of a permanent authorization for CDBG-DR—have stunted recoveries, disrupting the lives of the low-income families and underserved communities.

As disasters become more common and destructive, Congress must work to streamline the recovery process, provide survivors with greater certainty, encourage pre-disaster planning and investments in risk reduction. Codifying the CDBG-DR program is an essential step towards meeting these needs.

Disasters are more constant and more destructive each year. We cannot continue to rely upon systems and processes that are not meeting the moment. The Era of Megafire is upon us and we can do better right now for past and future communities. We can build resiliency and reduce trauma to get every person home, to put away the trash bags and buckets, to allow for communities to do what they do best: take care of each other and do the hard work of rebuilding.

Our tagline is Recover. Rebuild. Reimagine. The Reimagine is because we cannot go back to our lives Before the Fire. That day is gone. But we can Reimagine our communities After the Fire. We can even leap ahead, if given the right tools in a timely manner. There is no bigger tool of the federal government for long-term recovery than CDBG-DR funding.

Thank you again for the opportunity to testify here today on this important issue. I look forward to your questions.

¹¹ University of Florida Engineering School of Sustainable Infrastructure & Environment, “Using AI to Improve Wildfire Emergency Response,” November 30, 2023. Available at: <https://www.essie.ufl.edu/using-ai-to-improve-wildfire-emergency-response/>.

¹² AP News, “Artificial Intelligence Tapped To Fight Western Wildfires,” May 7, 2022. Available at: <https://apnews.com/article/space-exploration-technology-science-colorado-denver-51e62da65bcc9e3b7f687cb2acd731e1>.