
REBUILDING AFTER HURRICANE SANDY

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS
FIRST SESSION

SPECIAL HEARING
MARCH 1, 2013—STATEN ISLAND, NY

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CONTENTS

	Page
Opening Statement of Senator Mary L. Landrieu	1
FEMA Reforms	2
Prepared Statement of Senator Mary L. Landrieu	4
Sequester	6
10-Year Anniversary of the Department of Homeland Security	6
Statement of Senator Kirsten E. Gillibrand	6
Prepared Statement of	8
Flood Insurance	10
Statement of Hon. Craig Fugate, Administrator, Federal Emergency Manage- ment Agency	11
FEMA's Early Response	11
Climate Change	12
Prepared Statement of Hon. Craig Fugate	13
Immediate Response Operations	13
Disaster Relief Fund and Disaster Relief Appropriations Act of 2013	14
Recovery—Working as a Team	14
Individual Assistance	14
Public Assistance	15
Hazard Mitigation Grant Program and National Flood Insurance Program	15
Housing	16
National Disaster Recovery Framework	17
Procurement	18
Statement of Laurel Blatchford, Executive Director, Hurricane Sandy Re- building Task Force	19
Hurricane Sandy Task Force	19
Prepared Statement of Laurel Blatchford	21
The Impact of and Damage Caused by Superstorm Sandy	21
Ongoing Response and Recovery Efforts and Lessons Learned From Hurri- cane Katrina	21
The Role of the Hurricane Sandy Rebuilding Task Force	22
The Task Force and Supplemental Funding	23
Sandy Recovery Improvement Act	23
Regulatory Flexibility	24
Insurance Shortcomings	25
Flexible Community Development Block Grant	26
Rebuilding Smarter	27
Oversight/Transparency	28
Sequestration's Effect on Disaster Rebuilding	28
Future Disaster Funding	28
Cost Savings	29
Report to the President	30
Statement of Hon. Joseph H. Mancini, Mayor, Township of Long Beach, New Jersey	31
Prepared Statement of	32
Statement of Hon. Scott J. Mandel, City Council President, Long Beach, New York	34
Damaged Facilities	34
Prepared Statement of Hon. Scott J. Mandel	35
Recommendations	36
Damage and Costs	36
Rebuilding Approach	37
Currently	37
Federal Fund Appropriations	37

IV

	Page
Statement of Brad Gair, Director of Housing Recovery Operations, New York City, New York	37
Expedited Repairs Program	38
Community Development Block Grant Program	39
Prepared Statement of Brad Gair	40
General Housing Recovery Operations Activities	40
Federal Program Issues	41
Lapse in Funding	43
Barrier Islands	44
Infrastructure Deficit	46
SBA Response	47
Engineered Levees	49
Additional Committee Questions	50
Questions Submitted to the Federal Emergency Management Agency	50
Questions Submitted by Senator Mary L. Landrieu	50
Questions Submitted to the Hurricane Sandy Rebuilding Task Force	51
Questions Submitted by Senator Mary L. Landrieu	51
Questions Submitted to the City Council of Long Beach, New York	52
Questions Submitted by Senator Mary L. Landrieu	52

REBUILDING AFTER HURRICANE SANDY

FRIDAY, MARCH 1, 2013

U.S. SENATE,
SUBCOMMITTEE ON HOMELAND SECURITY,
COMMITTEE ON APPROPRIATIONS,
Staten Island, NY.

The subcommittee met at 10:32 a.m., at 212 Coast Guard Drive, in Staten Island, New York, Hon. Mary L. Landrieu (chairman) presiding.

Present: Senators Landrieu and Gillibrand.

OPENING STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Good morning, everyone. Let me call this field hearing to order, and I thank all those who are participating today.

I want to begin by thanking the U.S. Coast Guard Sector New York for being such wonderful hosts for us today in this facility that served as a tactical command in the response to Hurricane Sandy. And I thank the Coast Guard leadership, Captain Gordon Loebel and his team that have done a wonderful job today. Thank you for being such wonderful hosts to us today.

I also want to say how pleased I am for my colleague, Senator Gillibrand, who we will hear testimony from today, and to thank her for her extraordinary leadership not only on behalf of her citizens that she represents, but the whole country, when it comes to disaster response for Hurricane Sandy and for better response for all other disasters as well.

I was with Senator Schumer and Senator Gillibrand earlier this morning. Senator Schumer is not going to be able to be with us today, but I think he was helping to open Fairway grocery in Red Hook in Brooklyn, and I want to thank Senator Schumer for his leadership as well.

Let me begin with an opening statement, and then we will go right into Senator Gillibrand's questions and testimony.

We meet here today to receive testimony and evaluate the massive rebuilding effort that is now underway in the aftermath of Hurricane Sandy to restore homes, communities, and the economy of this region. Hurricane Sandy struck on October 29, 2012, as the largest sized storm system in the history of the United States.

Two of our Nation's most populous States—New York and New Jersey—were especially hard hit. The storm claimed the lives of more than 120 Americans and destroyed 340,000 homes and 200,000 businesses. The storm left more than 8.5 million families

without power, heat, or running water for weeks—in some communities, much longer.

The National Hurricane Center estimates that Hurricane Sandy will be, when all costs and estimates are in, the second costliest in our Nation's history, only behind Hurricane Katrina, which devastated New Orleans, the region, and the gulf coast almost 8 years ago.

The scale of this disaster has created significant housing and transportation challenges, and the successful rebuilding will require a sustained and coordinated effort at the Federal, State, and local government level, along with significant help from the private sector and voluntary organizations.

Unfortunately, thousands and thousands of my constituents in Louisiana know exactly what our friends here along the east coast are going through in their efforts to recover from this devastating storm. Substantial Federal support was delivered to the gulf coast after Hurricanes Katrina and Rita in 2005, but navigating the Federal bureaucracy to access that help was, at times, maddening.

Homeowners had to wait for years before repair and elevation grants became available. Insurance companies refused to pay thousands of legitimate claims. Business owners were denied emergency loans by the Small Business Administration (SBA). Local officials were forced to painstakingly document every iota of damage and negotiate with frequently rotating, poorly trained staff that lacked proper experience in damage assessment.

Work was delayed by lengthy and duplicative environmental reviews. Federal agencies argued with one another for years over the responsibility for rebuilding public housing, removing waterway debris, and filling the void in mental health service delivery systems, as families waited, as neighborhoods atrophied, and as hope dissipated.

As a result of these hard lessons from Hurricanes Katrina and Rita, I worked closely with the delegation members from New York and New Jersey, including this extraordinary Senator, Senator Gillibrand, Senator Schumer, Senator Lautenberg, Senator Menendez, Congressman King, Congresswoman Lowey, and Congresswoman Slaughter, in particular, to include many of the reforms in the \$50.5 billion Hurricane Sandy relief bill that passed the Congress in January.

FEMA REFORMS

For example, the Federal Emergency Management Agency (FEMA) can provide debris removal and infrastructure repair grants in advance now, on a fixed, reasonable estimate, instead of forcing communities to carry out the work at their own expense and submit an exhaustive volume of paperwork in order just to seek Federal reimbursement.

Projects can be consolidated, which was not available before, to ensure that schools, police stations, and fire stations are strategically rebuilt where they are needed.

In other words, this recovery should be about building the future, not rebuilding the past.

This act helps us to have a smarter recovery. The act also established a dispute resolution process, which we used very regularly

during Hurricanes Katrina and Rita to resolve disputes between the local, State, and Federal Government about how much a project costs. There was no end to that debate, and, of course, it lengthened considerably the time of recovery. We hope we have solved that problem.

One other example of the many improvements in the act is the requirement for the President to establish a unified and expedited environmental review process, which should substantially expedite the rebuilding of neighborhoods and public infrastructure while respecting the environment.

I believe these reforms will free FEMA to become a smarter, more efficient agency that can act quickly to cut through the unnecessary red tape while ensuring the appropriate stewardship of taxpayer funds.

I look forward to learning how FEMA will be implementing these new authorities and utilizing them for the benefit of the people here on the east coast that need our best efforts right now.

Another of the most important tools included in the Hurricane Sandy relief is the \$16 billion for flexible community development block grants (CDBGs). I am particularly interested in learning how affected communities are planning to use these funds to support their recovery.

There are ample examples of planning for safer, stronger and smarter disaster communities since Hurricane Katrina, through an initiative—I am going to give you just a few examples—called Louisiana Speaks, established in the aftermath of our storms by Governor Blanco, long-term community planning to build better levees, restore barrier islands and wetlands, design sustainable neighborhoods, enhance local economies, and modernize transportation options were initiated.

In addition, Harvard stepped up through their Kennedy School of Government and did a first-of-its-kind study on one of the dozens of neighborhoods that were destroyed in the New Orleans region named Broadmoor. It happens to be my neighborhood; that is not why they chose it. But they have done some wonderful tracking in efficiency of methods that were deployed to rebuild that neighborhood. And those lessons are readily available for communities here in the Northeast corridor.

This information and study is now available to serve as a guide to disaster-affected communities. I hope the leaders here will tap into that and other resources that are available.

And finally, as the record will reflect, President Obama established the Hurricane Sandy Rebuilding Task Force on December 7, 2013, and designated Shaun Donovan, Secretary of the Department of Housing and Development, to chair it, consistent with the principles of the new interagency recovery framework that was also issued by this administration to try to get this right.

Secretary Donovan, as you all know, is a native New Yorker with extensive housing and community development experience working with both the public and private sector.

I cannot think of a more capable, more experienced, or more passionate leader to spearhead the Federal Government's efforts here in this region.

The President has directed his task force to convene Federal agencies with a role in recovery to eliminate stovepipe operations. The task force is busily at work developing a strategy. We will hear about that strategy today.

And finally, I think it is important to take a moment this morning to reflect that the Department of Homeland Security was officially established on this day 10 years ago in the aftermath of a horrific and unprecedented attack on the World Trade Center here in New York.

Over the last decade, this Department has been organized, stood up, restructured on several occasions, subject to multiple new laws, under tremendous pressure, and has experienced a steady increase in funding until 2010 where this funding has been leveled off due to the gridlock in Washington. Yet, under the able leadership of Janet Napolitano, the Secretary, the Department has really been stretched lately to meet the ever-evolving threats and challenges, both manmade and natural disasters. That work continues. That is what our work is about today.

As part of this new Department, FEMA has experienced significant change in the last 8 years after a shameful response to Hurricane Katrina with a lot of hard work, particularly by Craig Fugate, who is with us this morning. FEMA has been reconstituted, professionalized. And the Congress, thanks to Kirsten Gillibrand and others, has provided substantial resources to restore it to a higher level of competency and performance, doubling its workforce, dramatically augmenting its capabilities.

However, we know there are still gaps. We know there are still challenges. We know that communities are having difficulty as they recover from this catastrophic event. So that is what this hearing is about, to hear what is working, to hear what is not working, and to continue to improve.

PREPARED STATEMENT

With that, I would like to introduce our first witness. We will hear from Senator Gillibrand who has fought tirelessly and effectively on behalf not only of the constituents she represents but the entire region to jumpstart this recovery.

And on our next panel, we will hear from two Federal agencies leading the recovery process. And on the final, most important panel, we will hear from local officials who are on the ground trying to make sense of the damage they see with their eyes, the heartbreak they feel with their hearts in trying to help their communities recover and get back to normal.

So, Senator Gillibrand, we welcome your testimony this morning, and thank you for being such a smart and compassionate leader for this region.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MARY L. LANDRIEU

We meet today to hear testimony and evaluate the massive rebuilding effort that will be required in the aftermath of Hurricane Sandy, and a subsequent nor'easter that struck the region. Hurricane Sandy struck on October 29th as the largest sized storm system in United States history. Two of the Nation's most populous States—New York and New Jersey—were especially hard hit. The storm claimed the lives of more than 120 Americans, destroying over 340,000 homes and 200,000 busi-

nesses. This left more than 8.5 million families without power, heat, or running water. The National Hurricane Center estimates that Hurricane Sandy will be the second costliest in our Nation's history behind Hurricane Katrina. The scale of this disaster has created significant housing and transportation challenges, and successful rebuilding will require sustained effort at the Federal, State and local level, from government, private businesses, and voluntary organizations.

Unfortunately, my home State of Louisiana knows exactly what the States trying to recover from Sandy are facing. When Hurricane Katrina struck in August of 2005 it laid waste to 90,000 square miles, killing more than 1,800 people. Federal support was critical, but navigating the Federal bureaucracy was an exercise in frustration. Homeowners had to wait over a year before repair and elevation grants became available, insurance companies refused to pay thousands of legitimate claims, businesses owners were denied emergency loans by the Small Business Administration, local officials were forced to painstakingly document every iota of damage, and negotiate with frequently rotating poorly trained bureaucrats who lack construction experience in order to get funding for school, hospital and road repairs. Work was delayed by lengthy environmental reviews. And Federal agencies argued with one another for years over who was responsible for rebuilding public housing, removing waterway debris, and filling the void in mental health service delivery.

As a result of the lessons learned from the Hurricane Katrina experience, I worked to include Stafford Act reforms in the Hurricane Sandy relief bill that passed the Congress in January. It was a tough battle to secure the needed extra funding for the Federal agencies most engaged in supporting the recovery such as the Federal Emergency Management Agency (FEMA), the Department of Housing and Urban Development (HUD), and the Corps—but we finally educated enough Congressmen on the criticality of the funding to get the \$50.5 billion supplemental appropriations act passed and signed into law. Also included in the supplemental legislation is the Sandy Recovery Improvement Act which makes significant changes to the way FEMA can deliver disaster assistance. For example, FEMA can provide debris removal and infrastructure repair grants based on a reasonable fixed estimate instead of waiting for months to jump through unnecessary bureaucratic hoops. Projects can also be consolidated to ensure schools, police stations, and fire stations are strategically rebuilt where they are needed. The act also established a dispute resolution process which we used during Hurricanes Katrina and Rita to resolve disputes over project eligibility cost between FEMA and the affected communities. One other example of the many improvements in the act is the requirement for the President to establish a unified and expedited environmental review process. These new authorities are drawn from legislation that I worked on with Senator Cochran from Mississippi. I believe they will free FEMA from an antiquated process and cut unnecessary red tape, and I look forward to hearing how FEMA will be implementing these new authorities.

We do have successful examples of planning for a safer, stronger and smarter future. Through an initiative called Louisiana Speaks, long-term community planning to build better levees, restore barrier islands and wetlands, invest in sustainable neighborhoods, diversify the economy, provide a job attracting education system, and modernize transportation options was completed. The effort was designed to focus on rebuilding with the whole region in mind and the plan was developed as a guide for years to come. In addition, Harvard's Kennedy School of Government did a case study on the Broadmoor neighborhood which demonstrated that citizens pulling together a dynamic plan for their own neighborhood is often critical for survival.

While these success stories are real, the time it took to implement recovery and rebuilding plans was a challenge—in fact work is still on-going. That is why I incorporated lessons learned into the Post-Katrina Emergency Management Reform Act. Through this legislation we established recovery offices to expedite progress in States hit hard by Katrina. Further, I fought to ensure adequate resources were included in subsequent appropriations acts to develop and implement the National Disaster Recovery Framework which led to improving the recovery planning process at all levels of government. The framework focuses on how best to restore, redevelop and revitalize the health, social, economic, natural and environmental fabric of the community and build a more resilient Nation. All levels of government must participate, and plans are made prior to disaster striking to quicken the pace of rebuilding. The recovery framework was fully deployed after Hurricane Isaac hit Louisiana in August 2012. It has been activated for Hurricane Sandy as well, and I look forward to hearing about how it is going from the witnesses. We still have work to do on the recovery planning front. The National Preparedness Report found that States are less than halfway to achieving their recovery-focused core capabilities.

The President established the Hurricane Sandy Rebuilding Task Force on December 7, 2012, and designated Secretary Donovan of the Department of Housing and

Urban Development to chair it consistent with the principles of the recovery framework. The task force is directed to convene Federal agencies with a role in the recovery to reduce obstacles and promote an efficient recovery. By early August this task force is required to develop a strategy that includes specific outcomes, goals, and actions, and a process for monitoring progress. I look forward to hearing more about the status of that effort today.

SEQUESTER

Holding this hearing today is significant for a couple of reasons. First, a dire cost-cutting measure, known as sequestration, takes place for the Federal Government. I am disappointed that we could not reach agreement on a thoughtful way forward to reduce the deficit. A disproportionate share of our Nation's debt and deficit reduction has come from spending cuts as opposed to increased revenues. The reality is that our deficit reduction so far has been completely lopsided—72 percent has come from spending cuts and only 28 percent has come from new revenues. We have already cut \$1.5 trillion from discretionary spending over the next 10 years, and before this cut, revenues into the Federal Government as a percentage of the GDP were at the lowest level since before the Eisenhower administration—15.1 percent. I am very concerned about the impact sequestration will have on the Nation and in particular the Hurricane Sandy rebuilding effort. Chairwoman Mikulski from the State of Maryland is actively leading the Senate Appropriations Committee to be a part of the solution to our Nation's fiscal situation and I look forward to continuing to work with her and others.

10-YEAR ANNIVERSARY OF THE DEPARTMENT OF HOMELAND SECURITY

Second, the Department of Homeland Security was officially established on this day 10 years ago. The creation of DHS brought together 22 Federal agencies after the September 11, 2001, terrorist attacks in an effort to better defend against our threats. Over the last decade, the Department has been reorganized, subjected to new laws, and has experienced a steady decrease in overall funding since fiscal year 2010. Under the leadership of Secretary Napolitano, the Department has been stretched to meet ever evolving threats in a strained economy and we have kept terrorists at bay and responded well to natural disasters. The work does not stop.

As a part of the Department, the Federal Emergency Management Agency has experienced significant change, too. After a failed response during Hurricane Katrina, FEMA has been reconstituted, professionalized, and Congress has provided the necessary resources to have a competent Agency, including doubling the size of its workforce since 2005.

With that I would like to introduce our witnesses. First, we will hear from Senator Gillibrand who has fought tirelessly to secure resources needed by Hurricane Sandy-affected communities. On the next panel, we will hear from the two Federal agencies leading the recovery process. On the final panel, we will hear from local officials whose communities are heavily engaged in recovery efforts. State officials are obviously critical to the recovery effort but due to the heavy workload and time pressures representatives were unable to make it on short notice.

Senator Gillibrand we welcome your testimony.

[Gillibrand testimony]

Thank you Senator Gillibrand. Our next panel will speak to the Federal role in Hurricane Sandy recovery. FEMA Administrator Craig Fugate will testify first. Then we will hear from Laurel Blatchford, the Executive Director of the Hurricane Sandy Rebuilding Task Force. Administrator Fugate.

[Fugate and Blatchford testimony. Questions to witnesses]

Our final panel consists of State and local witnesses who represent areas where the detailed rebuilding effort will be planned and implemented. If you would, please introduce yourselves at the beginning of your testimony.

[Testimony from Joseph H. Mancini, Mayor, Township of Long Beach, New Jersey; Scott Mandel, City Council President, Long Beach, New York; Brad Gair, Director of Housing Recovery Operations, New York City, New York. Questions to witnesses.]

STATEMENT OF SENATOR KIRSTEN E. GILLIBRAND

Senator GILLIBRAND. Well, thank you, Madam Chairman, for holding this hearing. I can't tell you how much the families, small businesses, communities, and leaders appreciate you holding this

hearing in New York, here in Staten Island, to give a voice to what happened here and to give a voice to what we can do better.

And I just cannot thank you for your leadership. People don't know this but you have been such a stalwart in fighting for New York and New Jersey and the region. Your expertise with what took place with Hurricane Katrina could not be matched by anyone in the Senate. And so your ability to advocate effectively for the resources we need has been such a tremendous asset. And I just cannot thank you enough on behalf of all New Yorkers for your dedication to helping our families.

When Superstorm Sandy hit just over 4 months ago, our State suffered unimaginable losses. More than 300,000 homes were damaged or destroyed. More than 250,000 businesses were affected, and many of them still have not been able to open their doors today.

Tragically, 60 New Yorkers lost their lives, and too many of our neighborhoods and communities have been left scarred by these heartbreaking losses.

In Staten Island, perhaps in the most devastating moment for me when I first came to Staten Island, I met with law enforcement who were trying to recover the bodies of two children who were literally whisked out of their mother's arms because of flooding waters, and who drowned.

I met with a woman on the trip who came up to me in tears, saying I am going to die if I don't get help.

That is how this community was so badly damaged, so badly hurt.

But I also met so many New Yorkers who, even though a boat crushed their restaurant because of the flooding tides, they said, I am from here, I am going to rebuild, and it is going to be better than it was before.

So we saw these great stories of sadness and horror, but also many stories of courage and strength.

Flooding left damage in Lower Manhattan and Red Hook all the way into the Bronx and into Westchester. The hardest hit in New York City were our most vulnerable coastline neighborhoods like Staten Island's South Shore, Coney Island, Breezy Point, and the Rockaways.

And the nature of this storm was so severe that even areas outside the mandatory evacuation zone, like Gerritsen Beach and Howard Beach, were absolutely devastated by the storm.

On Long Island, I toured communities like Lindenhurst and Massapequa, and saw homes that were destroyed and washed away.

The power of the storm was so great that it knocked some buildings clear off their foundations, left both boats and vehicles dislodged into homes and strewn across people's yards.

In Long Beach, the shore was destroyed beyond recognition. On Fire Island, the barrier island that took the brunt of the storm for Suffolk County, communities are still trying to clean up the debris.

Across the region and right here on Staten Island, many residents have been displaced, and many people are still not able to return to their homes. They are waiting for the additional assistance that the Government can provide to fill the gaps.

They need our help. And the longer they have to wait, the more they are confronted with additional problems, like mold in their homes, rodent infestation, and other complicating factors for rebuilding.

An issue I believe that we could fix is the reoccurring 2-week extension for temporary FEMA assistance, which basically compounds the worries that families face when they don't know if it is going to be there after a week or after another week. So I am urging FEMA to extend temporary assistance for 120 days to eliminate that worry and anxiety.

Now, for too many of our families, the trauma of the storm, the aftermath, has been exasperated by the continuing struggle just to navigate the maze of Federal bureaucracy. Insurance companies, mortgage lenders are all slow in the claims process, and, in too many instances, are holding insurance claims in escrow.

My office alone has been contacted by more than 1,000 households and businesses asking for our direct assistance in the recovery. And each day, more and more are still reaching out for the help they desperately need.

So I am so grateful for today's testimony from leaders on the ground who can provide some of the insight as to how we can ensure this rebuilding process is done as efficiently and as quickly as humanly possible.

Last, we all know that we are seeing the storm of the century over and over again, every single year. So we have to be better prepared for the next, and rebuild not just better but smarter and more resilient.

So one piece of legislation I am working on, hopefully, with your help and support, will be a study requiring the Federal Government to develop a national resiliency strategy to improve access to information, so that all levels of government have the tools they need to make smarter decisions and do the work that is necessary to actually protect our coastlines.

PREPARED STATEMENT

So I look forward to hearing from my colleagues. I am so grateful, again, Madam Chairman, for you being here. Thank you for the opportunity to speak on behalf of New Yorkers.

[The statement follows:]

PREPARED STATEMENT OF SENATOR KIRSTEN GILLIBRAND

On behalf of the families and small business owners throughout New York City still suffering from the effects of Superstorm Sandy, I would like to give a warm welcome to Chairwoman Landrieu and the members of the subcommittee to Staten Island. Your being here, in one of the borough's that was hardest hit by the storm to ensure that we have the Federal response in place to rebuild quickly . . . shows your deep commitment to standing by New York in our time of need.

I also want to especially thank Senator Landrieu for her extraordinary leadership on this subcommittee. She helped us literally every step of the way in passing the critically needed \$60 billion in Federal emergency aid. Having lived through Hurricane Katrina, she didn't wait a minute to extend her hand to help our region in any we should could. She is not just a friend to me . . . she is a friend to all New Yorkers. Thank you for your leadership.

When Superstorm Sandy hit our shores just over 4 months ago, our State suffered unimaginable losses. 305,000 homes were damaged or destroyed, many due to extreme flooding. More than 256,000 businesses were affected, and many are still un-

able to open their doors. Tragically, 60 New Yorkers lost their lives, and too many of our neighborhoods and communities are left scarred by heartbreaking loss.

Just a few miles from here on Staten Island's south shore, I witnessed an NYPD scuba team carry out a rescue and recovery mission of two young boys who had drowned in the floodwaters. I met one woman who was so desperate she literally sobbed to me, "I am going to die." I saw boats from the marina washed into restaurants.

Flooding left damage in lower Manhattan and Red Hook all the way north into the Bronx and Westchester. And hardest hit in New York City were our most vulnerable coastal neighborhoods like Staten Island's south shore, Coney Island, Breezy Point, and the Rockaways.

The nature of this storm was so severe that even areas outside of the mandatory evacuation zones like Gerritsen Beach and Howard Beach were devastated by this storm.

On Long Island, I toured communities like Lindenhurst and Massapequa and saw homes that were nearly washed away. The power of the storm was so great that it knocked some buildings clear off of their foundations and left boats and vehicles lodged into homes and across strewn yards.

In Long Beach, the coastline was destroyed beyond recognition. On Fire Island, the barrier island that took the brunt of the storm in Suffolk County, the community is still trying to clean up the debris left by the storm.

Across this region, and right here on Staten Island, many residents are still displaced. They are waiting for additional assistance that the government can provide to help fill in the gaps. They need our help . . . and the longer that they have to wait . . . the more they are confronted with the additional problems of mold and rodent infestation, among other complicating factors.

An issue that I believe we can and should fix is the reoccurring 2-week extensions for temporary FEMA assistance which compounds the worries of families trying to get through this crisis. I encourage FEMA to extend temporary assistance to 120 days and eliminate that worry for families.

For too many families, the trauma of the storm and its aftermath has been exacerbated by a continuing struggle to navigate the maze of Federal bureaucracy, insurance companies and mortgage lenders that are slow to process claims, or in too many instances, are holding insurance claims in escrow.

My office alone has been contacted by well over 1,000 households and business asking for our direct assistance in their recovery and each day more and more are still reaching out. I hope today's testimony from leaders on the ground will help provide us with valuable insight for how to ensure this rebuilding process is done as efficiently and quickly as humanly possible.

Lastly, we all know we are seeing the storm of the century over and over again. We have to be better prepared for the next storm . . . and rebuild not just better . . . but smarter . . . and more resilient.

I will be introducing legislation later this year requiring the Federal Government to develop a national resiliency strategy, and improve access to information so that all levels of government have the tools they need to make smart decisions and better protect our coastlines. I look forward to working with my colleagues on the subcommittee on this legislation.

Thank you again, Chairwoman Landrieu, for the opportunity to testify today.

Senator LANDRIEU. Thank you so much, Senator Gillibrand.

I don't know how much your time will allow. I just maybe would like to ask one question, and then I know you probably have to slip out.

What are you hearing from your local officials that really resonated with you about their plans for recovery? Are they encouraged, are they anxious, a combination of both? What do they tell you about some of the difficulties that they might be having in trying to get their plans for recovery in place?

Senator GILLIBRAND. Well, different local officials will have different challenges, depending on how they were hit.

But the stories that I hear most from residents is the runaround, it is the constant runaround from their insurance agent who doesn't want to reimburse until they get recovery money here. The number of denials they get. First they will be denied over and over

and over again, because there is a typo or a piece of information that is missing. Just a lack of information and understanding of how they will possibly rebuild.

FLOOD INSURANCE

Most of the FEMA money certainly can't cover the loss. A lot of people have insurance, but that is not going to cover the full loss. Some people have some flood insurance, but that doesn't cover the full loss.

And so the reality of New York is it is a very expensive State to rebuild. And for a lot of these families, they are just not getting the money they need to do the work. So there is a lot of delay, and there is a lot of runaround.

So what we need to do, and I know this was a challenge in Hurricane Katrina as well, how do you streamline these operations? How do you make them more efficient? How do we get the funds flowing that are so desperately needed?

Those are the challenges I think most communities are facing: getting the funds flowing, getting the right amount of funds for the real severity of the problems these communities are facing.

Senator LANDRIEU. And I would just like to underscore that I think this was one of the successes of your advocacy and the team from this region, to advocate for the \$50 billion—actually, we were hoping for \$60 billion, as you know, and had to take some compromises to get it. But to get that money so that the local communities know what they can count on.

There were some that suggested that dribbling out \$5 billion here, \$10 billion there, because, of course, all the money is not going to be spent in the next 6 months. But what people have to realize is, you can't do very efficient or effective planning, unless you have that lump sum that you know you can count on, and then operate over the next 2, 3, 4, 5 years for recovery.

So we have won that battle, but I am not sure we have completely resolved that argument. And I hope people will see, despite the fact that there is still a lot of bureaucracy and red tape, that getting a significant contribution toward this effort to give the local officials and local communities some hope to come up with a plan that may work is better than dribbling it out over time.

Senator GILLIBRAND. And I think this hearing is such an important component to that, because not only are you going to hear from the Federal representatives, but you are going to hear from some local leaders to begin to create a record of what has to be done going forward to streamline current operations, but also to fix future operations.

Senator LANDRIEU. Well, I just want to assure you that I know from personal experience that it is not just the money. It is how the money comes, under what categories, and with what flexibility. And I am going to continue to work with you every step of the way until the rebuilding is done.

Senator GILLIBRAND. Thank you, Madam Chairman.

Senator LANDRIEU. Thank you very much.

If panel two will come forward?

And thank you again, Senator Gillibrand.

Our next panel will speak to the Federal role in Hurricane Sandy recovery. FEMA Administrator Craig Fugate will testify first. Then we will hear from Laurel Blatchford, the Executive Director of Hurricane Sandy Rebuilding Task Force.

Let me say that Administrator Craig Fugate comes with outstanding credentials to serve in the important position that the President has tapped him to serve. Having years of experience with disaster recovery, most specifically, I guess, with the State of Florida, leading their efforts through multiple storms in very difficult circumstances.

So, Mr. Fugate, let me just thank you for your leadership, for being the kind of innovative leader that I think that taxpayers are looking for, as well as the survivors of storms. And I really appreciate you and your team sticking with it until we get it right.

Administrator Fugate.

STATEMENT OF HON. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. FUGATE. Thank you, Madam Chairman.

You have outlined the severity and the size and the scope of Hurricane and then Superstorm Sandy. I want to back up a little bit, though.

Why our response worked the way it did has a lot to do with your efforts and the efforts of others after Hurricane Katrina to address known shortfalls. I want to give some examples, because I think in the legislation you introduced and passed as part of the supplemental, we are able even to move further. But let's start with the Post-Katrina Emergency Management Reform Act.

FEMA'S EARLY RESPONSE

One of the big concerns in Hurricane Katrina was the State had to be overwhelmed before the Federal Government could provide assistance. We know in a large-scale disaster, that slows everything up. Given the authority that you invested in FEMA, we were able to move supplies and a personnel team, and had more than 1,000 people deployed throughout the risk area.

Again, we now know that New Jersey and New York took the brunt of this and were ground zero for Superstorm Sandy. But at the time, before it made landfall, the concern was anywhere from the Delmarva Peninsula, including Washington, DC, all the way to Maine. And as we saw with Hurricane Irene, there were inland impacts, and for the first time in my career, the National Hurricane Center had a blizzard warning for West Virginia. So over a larger area, we were preparing for those impacts.

The night of the landfall, another provision that had been implemented was the ability to more rapidly do expedited disaster declarations.

President Obama, in conversations with Governors of both New York and New Jersey, concurred with our recommendation and declared major presidential disaster declarations based upon the verbal requests of both Governors—again, something that was enabled through this.

Our ability to respond was part of the budget agreement that, if you remember in Hurricane Irene, we went into immediate needs

funding, because the Disaster Relief Fund, the mechanism by which we prepare for and provide assistance and recovery, had almost run out at the end of that fiscal year.

This year, we were both adequately funded to continue our work on existing disasters, most recently Hurricane Isaac in your home State and Mississippi, as well as prepared.

But the size and gravity of Superstorm Sandy definitely pointed to the limitations of FEMA's programs, as designed in many cases, and the need for additional funds.

And again, we thank you for your work, Senator Gillibrand, Senator Schumer, and everybody else who got the supplemental, and understanding that our job at FEMA does not make people whole. That is why our partnership with the Department of Housing and Urban Development (HUD) and other Federal agencies is so key for the long-term recovery.

We have implemented the National Disaster Recovery Framework, which was, again, directly from the Post-Katrina Reform Act. But we also felt, and the President directed, that because this was going to involve such large rebuilding efforts in multiple States, the President wanted a Cabinet-level official who had local knowledge and expertise. And as you pointed out, he has asked Secretary Donovan to lead the long-term recovery of implementing all of the Federal programs that go beyond the FEMA programs that are most immediate and deal with the immediate impacts, and focus on a lot of the pre-existing and longer term conditions that will be required for successful recovery.

So the response, while challenging, didn't end when the power came back on for far too many residents that are still dealing with this. We still have more than 1,400 families, as Senator Gillibrand pointed out, in temporary or transitional shelters. Those are hotel and motel rooms. And we worked very well with the State in trying to find longer term solutions, because we realize those are not good places to be for long periods of time. Yet, in many cases, the availability of rental properties, and other suitable locations, limits our ability to rapidly move people out. But we continue to work with our State partners to find long-term housing and work with the States on that.

CLIMATE CHANGE

The last piece I want to give to you, though, was something you brought up, and it is something that the President has directed us to look at. Although many people have debated climate change, the President's direction to us is we need to be looking at climate adaptation; the term "100-year storm event" seems to lose its meaning if we are having 100-year events every couple of months.

And so looking at rebuilding, our normal way that we look at cost-benefit, and how we determine a good investment for mitigation strategies, is oftentimes based upon the value of the structure and the insured loss. We want to take a different approach and look at what is the function of that critical facility and look at applying mitigation both for the known and for the unknown.

PREPARED STATEMENT

We think it is more appropriate to look at enhancing our mitigation for certain types of critical facilities beyond those we have normally looked at, because it does not seem like that these storms are going to slack. And I don't see a need to rebuild a fire station only to be flooded out in the next hurricane because we did not build it for the future.

Thank you, Madam Chairman.

[The statement follows:]

PREPARED STATEMENT OF HON. CRAIG FUGATE

INTRODUCTION

Good morning, Chairwoman Landrieu, Ranking Member Coats, and other distinguished members of the subcommittee. I am Craig Fugate, the Administrator of the Federal Emergency Management Agency (FEMA), and I am grateful for the opportunity to speak here today.

I look forward to discussing the coordinated response that was undertaken in the immediate aftermath of Hurricane Sandy and the ongoing recovery efforts.

Prior to Hurricane Sandy making landfall, FEMA worked with our partners at all levels of government as well as within the private sector to assist our citizens and first responders as they prepared for the storm. As a result of these efforts, at the request of State and local officials the Agency was able to support a prompt, coordinated response that brought to bear the full resources of Federal, State and local government, in conjunction with our private sector partners. The multifaceted coordination that took place on the front end provided our team with a keen understanding of the challenges that lay ahead, which allowed for planning for the recovery phase to begin before the storm even made landfall.

Over the past several years, FEMA's regional offices have worked closely with the State, local and tribal governments across the country—including those directly in Sandy's path—to develop catastrophic, worst case scenario plans that are flexible and scalable for incidents of all magnitudes. FEMA's ongoing partnership with States allows coordination and collaboration with the whole community to plan and prepare for a range of disaster events.

IMMEDIATE RESPONSE OPERATIONS

On October 28, 2012, the President authorized emergency declarations for Connecticut, the District of Columbia, Maryland, Massachusetts, New Jersey, and New York. The following day, the President authorized emergency declarations for Delaware, Pennsylvania, Rhode Island, and Virginia. Initially, these declarations authorized FEMA to provide direct Federal assistance for emergency protective measures. The President later authorized major disaster declarations for Connecticut, Delaware, Maryland, New Hampshire, New Jersey, New York, Rhode Island, Virginia, and West Virginia. These declarations provide declared counties and States assistance with emergency work and debris removal as well as access to FEMA programs, most notably Individual Assistance, Public Assistance, and the Hazard Mitigation Grant Program which provide assistance to individuals and local and State governments following a disaster.

Hurricane Sandy also represented one of the largest personnel deployments in FEMA's history. By Sunday, October 28, there were 1,032 FEMA personnel deployed in anticipation of Sandy's impacts. Approximately 1 week after the storm made landfall, there were 5,384 FEMA personnel deployed. Furthermore, at the peak of the response, more than 17,000 Federal personnel, and over 11,000 national guardsmen were on the ground assisting with response efforts. This included the historic activation of the Department of Homeland Security Surge Capacity Force totaling 1,100 volunteers.

Before the storm made landfall, FEMA and its emergency management partners facilitated the establishment of shelters, disaster recovery centers (DRCs), points of distribution (PODs), and joint field offices (JFOs) in the affected areas. At peak, 716 shelters were open with a population of 26,913 in 16 States. FEMA, in collaboration with our interagency partners, moved to transition survivors out of shelters into long-term housing solutions as quickly as possible. As of February 22, 2013, only two shelters remain open in New York, with an aggregate population of less than

100. FEMA continues to work with our partners to help disaster survivors who remain in shelters find permanent housing solutions.

DISASTER RELIEF FUND AND DISASTER RELIEF APPROPRIATIONS ACT OF 2013

The Disaster Relief Fund (DRF) provides funding for eligible response and recovery efforts associated with domestic major disasters declarations that overwhelm State, local and tribal resources. Through the DRF, FEMA funds Federal disaster support activities as well as eligible State, territorial, tribal, and local actions, such as providing emergency protective measures, individual and housing assistance, and debris removal. The DRF also funds: the repair and rebuilding of qualifying disaster-damaged infrastructure, hazard mitigation initiatives and other assistance to eligible disaster survivors.

FEMA was appropriated \$7.1 billion for the DRF in fiscal year 2012—\$700 million for non-major disaster declaration funding and activities authorized under the Stafford Act, and \$6.4 billion exclusively for major disasters. The fiscal year 2013 short-term continuing resolution (CR), H.J. Res. 117, sustains this funding level until March 27, 2013. The CR provided FEMA with the resources to assist State, local, territorial, and tribal governments to recover from ongoing catastrophic and non-catastrophic events that took place prior to Hurricane Sandy and respond to other major and non-major disasters during fiscal year 2013.

Hurricane Sandy ravaged communities along the east coast from Maine to West Virginia leading to 13 major presidential disaster declarations. Given the scope of the damage wrought by the storm, Congress passed the Disaster Relief Appropriations Act of 2013, which the President signed into law on January 29, 2013. The bill provides an additional \$11.49 billion for the DRF along with critical funding for FEMA's interagency partners who will be leading efforts to help rebuild infrastructure, modernize flood control systems and revitalize damaged housing. The appropriation will allow the recovery from Sandy to move forward while ensuring that ongoing operations from previous disasters continue.

As of February 7, approximately \$3.5 billion has been obligated from the DRF for FEMA's response and recovery operations stemming from Sandy.

I want to thank the members of this committee for working to include several key changes to the Stafford Act within the broader Sandy appropriations measure. The provisions include significant reforms to the Agency's recovery and mitigation programs which will help FEMA lower costs while helping improve services to disaster survivors. Furthermore, a provision was also included that allows federally recognized Native American tribes direct access to Federal disaster relief. FEMA has strong, long-standing relationships with tribal governments, and they are essential members of the emergency management team. Fully implementing this historic provision will require consultation with tribes and other stakeholders, particularly as FEMA develops the administrative and programmatic requirements and procedures necessary to execute the law.

Given the current discussion on the Hill, I will note that if the impacts of sequestration are not addressed, the Disaster Relief Fund (DRF) would be reduced by nearly \$1 billion, potentially affecting survivors recovering from Hurricanes Sandy and Isaac, the tornadoes in Tuscaloosa and Joplin, and other major disasters across the Nation, as well as the economic recoveries of local communities in those regions. Sequestration cuts could also require FEMA to implement immediate needs funding restrictions during what is historically the season for tornados, wild fires, and hurricanes, which would limit funding for new projects in older disasters.

RECOVERY—WORKING AS A TEAM

Federal assistance is an important step in helping disaster survivors recover from events like Hurricane Sandy, but is not the only option. State and local governments have robust capabilities to respond to and recover from natural and manmade disasters. In addition, the wide and diverse numbers of nonprofit and voluntary agencies provide an extraordinary amount of disaster relief and recovery resources to affected communities. As I highlight throughout this testimony, FEMA also works with many other Federal and State agencies, such as the Small Business Administration (SBA) and the Department of Housing and Urban Development (HUD), to assist disaster survivors. Finally, we rely on the whole community's participation, including the help of the public to prepare for disasters.

INDIVIDUAL ASSISTANCE

In response to the Hurricane Sandy recovery efforts, the Individuals and Households Program (IHP) has provided monetary assistance to over 170,000 disaster survivors in New York, New Jersey, and Connecticut. Assistance available through IHP

includes housing assistance, such as temporary housing, repair, and replacement, and assistance for other serious and necessary expenses, such as personal property, medical and funeral needs caused by the disaster.

As of February 25, FEMA, along with our partners at the U.S. Small Business Administration (SBA), who assist by providing low-cost loans to cover uninsured property losses and for business owners, have approved more than \$1.7 billion for Hurricane Sandy survivors in New York. Under IHP, FEMA has approved over \$900 million including more than \$789 million for housing assistance and nearly \$123 million in assistance for other needs.

In New Jersey, disaster survivors from 21 counties have been awarded more than \$360 million including \$314 million for housing assistance and more than \$47 million in assistance for other needs. Our partners at the SBA are also working diligently to help New Jersey businesses and families get back on their feet by approving nearly \$470 million in low-interest loans.

PUBLIC ASSISTANCE

In New York, over 1,700 requests for Public Assistance have been submitted and nearly \$670 million has been obligated. Given the significant structural damage that Sandy left in its wake, debris removal, which is funded under FEMA's Public Assistance program, is a paramount factor in getting hard hit communities on the road to recovery as quickly as possible.

In addition to assistance for emergency protective measures and debris removal, Public Assistance provides funding for the repair, restoration, reconstruction, or replacement of infrastructure that is damaged or destroyed by a disaster. Eligible applicants include State, local and tribal governments. Certain private nonprofit (PNP) organizations that provide governmental services may also receive assistance.

I am pleased to report that as of the beginning of February, debris removal efforts are nearing completion. More than 95 percent of the debris has been removed within 95 days of the storm hitting New York. That includes everything from fallen trees to vehicles, boats, drywall, furniture, washers, dryers, and insulation amounting to 5.25 million cubic yards of debris.

In New Jersey, over 1,600 requests for Public Assistance have been submitted and nearly \$153 million has been obligated. FEMA obligated \$29 million to the New Jersey Department of Human Services for providing temporary housing and resources for electrical crews working to restore power. Additionally, FEMA has approved 465 projects to help remove hurricane debris and restore disaster-damaged roads, bridges and other infrastructure. Among the largest grants to date was \$11.2 million to the Passaic Valley Sewerage Commission for emergency repairs to a wastewater treatment plant that serves 48 communities and treats 330 million gallons of sewage daily.

FEMA is working closely with its partners to proceed to project formulation and project worksheet preparation to address damage caused by Sandy. Through expedited payments, FEMA can reimburse local governments more quickly in order to help the local communities recover from the disaster. These are commonly referred to as expedited project worksheets (PWs). FEMA will obligate a portion of the Federal share of the estimated cost of work under category A (debris removal) and category B (emergency protective measures) as estimated during the preliminary damage assessment.

HAZARD MITIGATION GRANT PROGRAM AND NATIONAL FLOOD INSURANCE PROGRAM

The Hazard Mitigation Grant Program (HMGP) assists in implementing long-term hazard mitigation measures following major disaster declarations. Funding is available to implement projects in accordance with State, tribal, and local priorities. HMGP funds may be used for projects that will reduce or eliminate losses from future disasters. Projects must provide a long-term solution to a problem, for example, elevation of a home to reduce the risk of flood damages as opposed to buying sandbags and pumps to fight the flood. In addition, a project's potential savings must be more than the cost of implementing the project. Funds may be used to protect either public or private property or to purchase property that has been subjected to, or is in danger of, repetitive damage. Eligible applicants include State, local and tribal governments as well as certain nonprofit organizations. Individual homeowners and businesses may not apply directly to the program; however a community may apply on their behalf.

In both New York and New Jersey, FEMA mitigation staff has met and continues to work closely with the State hazard mitigation officers to discuss the States' priorities, types of projects available, and how best to proceed within that framework.

FEMA recognizes that mitigation is an essential component to national preparedness and emergency management. Working closely with the whole community, before, during and after a disaster allows States and communities to plan and invest wisely into critical projects that save not only money, but most critically, lives. As I will discuss in an upcoming section on the National Disaster Recovery Framework (NDRF), the Agency is urging our State and local partners to take concrete steps to mitigate against future events as they work to help their communities recover from Sandy.

In terms of the National Flood Insurance Program (NFIP), Hurricane Sandy has generated more than 143,000 claims in New Jersey, New York and elsewhere. Since that time, the NFIP has paid out more than \$5 billion to our policyholders. In New Jersey, there were over 73,000 flood insurance claims made and to date, over 51,000 have been closed. Congressional passage of H.R. 41, a bill which temporarily increased FEMA's borrowing authority under the NFIP, insured that the payment of claims has continued uninterrupted.

HOUSING

Housing in many communities was significantly impacted due to the widespread effects of Sandy. FEMA convened the Hurricane Sandy Catastrophic Disaster Housing Task Force on November 6, 2012, to address housing issues in support of State and field operations.

As all disasters are local, each community and State faces different challenges. The State-led disaster housing task forces in New York and New Jersey involve a collaborative approach to addressing the temporary housing and long-term needs of the disaster survivors, including the collection of available rental resources, projecting housing needs and exploring other options. Task forces include representatives from State, local and voluntary agencies, and Federal partners including FEMA, the Department of Housing and Urban Development (HUD), the United States Army Corps of Engineers, the Small Business Administration (SBA), the Department of Veterans Affairs (VA) and the United States Department of Agriculture (USDA). The teams are working together to ensure they are making the greatest use of existing housing resources (such as apartments and rental units), enlisting voluntary agencies to make minor repairs so survivors can remain in their homes, and investigating other temporary housing options suitable for the area.

In both New York and New Jersey, FEMA has completed over 99 percent of all requested housing inspections. If a home cannot be repaired easily to safe and sanitary conditions, then local rental resources are the preferred first choice for housing disaster survivors as they recover. To address the difficulty in finding suitable rental properties at HUD fair market rent (FMR), FEMA temporarily raised the rental assistance amount provided to eligible disaster survivors in New York and New Jersey and Connecticut to 125 percent of FMR. This increase was implemented immediately after the disaster and will continue as survivors are recertified for temporary housing assistance for up to 18 months. In addition, through the FEMA Housing Portal, eligible individuals and families who have been displaced by Hurricane Sandy can search for available rental units in their area that have been provided by Federal agencies such as HUD, U.S. Department of Agriculture, U.S. Veterans Administration, the Internal Revenue Service, as well as by private organizations and individuals.

As a particularly densely populated area, New York presents FEMA with many housing challenges. The Agency—along with the State, Federal partners and voluntary organizations—has been working to implement housing solutions that will best serve Hurricane Sandy survivors in New York. A committee composed of FEMA, HUD, the State, and other agencies convened to specifically address long-term housing solutions for survivors in New York. A similar committee was also convened in New Jersey. Both committees discussed the implementation of housing assistance strategies to address the unique needs of disaster survivors in each State.

On November 3, 2012, FEMA activated the Transitional Shelter Assistance Program (TSA) in both New York and New Jersey. The program allows survivors to stay in area hotels while FEMA, the State and voluntary agencies assist them with their long-term housing plans. Since its activation in New York, the TSA program assisted nearly 6,000 survivors. On February 21, 2013, FEMA extended the TSA program at the request of the State of New York for an additional 14 days. The extension was approved to help those applicants still eligible for the program to remain in hotels as FEMA and its State and local partners work to identify longer term housing solutions.

In New Jersey, FEMA and the State temporarily sheltered more than 5,500 individuals and families through TSA, enabling survivors to work on longer term hous-

ing solutions. On February 20, 2013, FEMA extended the TSA program at the request of the State of New Jersey for an additional 14 days. FEMA also coordinated a housing mission that included HUD, the New Jersey Department of Community Affairs and the U.S. Army Corps of Engineers, which used \$3.3 million to refurbish 115 housing units at Fort Monmouth, New Jersey.

On November 15, 2012, the President announced that Housing and Urban Development Secretary Shaun Donovan will lead the Sandy Rebuilding Task Force. In this capacity, the Secretary will work closely with Governors, mayors and local officials in New Jersey and New York as they begin the process of identifying redevelopment plans for affected communities. HUD is already an integral partner in the response and recovery of areas affected by disasters. As I noted, we work closely with HUD to identify housing resources, provide the best housing support to disaster survivors, and serve as a crucial base of knowledge and guidance in disaster housing missions. FEMA looks forward to supporting Secretary Donovan in his mission and HUD's continued support of FEMA as we respond to and recover from Sandy.

NATIONAL DISASTER RECOVERY FRAMEWORK

This National Disaster Recovery Framework (NDRF) is a guide that defines how the whole community will work together following a disaster to best meet the recovery needs of individuals and families, communities and States. The framework is based on the principle that all of our partners, including the private sector, non-profit organizations and individual citizens, and local, State, tribal, and Federal Government agencies have a role to play in the recovery process.

The NDRF introduces six new recovery support functions (RSF) that are led by designated Federal coordinating agencies. In addition to FEMA's established stakeholders, recovery support functions involve partners in the local, State and tribal governments and private and nonprofit sectors that traditionally have not been involved in emergency support functions but are critical in disaster recovery. Each RSF has a designated coordinating agency along with primary agencies and supporting organizations with programs, resources or focus relevant to the functional area. The six RSFs and their coordinating agencies are: Community Planning and Capacity Building (DHS/FEMA), Economic (Department of Commerce), Health and Social Services (Department of Health and Human Services), Housing (Department of Housing and Urban Development) Infrastructure Systems (United States Army Corps of Engineers), and Natural and Cultural Resources (Department of Interior).

As the level of response activities declines and recovery activities accelerate, the Federal disaster recovery coordinator (FDRC) will engage with the RSF agencies to organize and coordinate Federal recovery assistance. As we saw in the aftermath of Hurricane Sandy, during this early recovery phase, the FDRC and the RSF coordinators are working closely with emergency support function (ESF) leads to share information about impacts and assistance provided and working to foster relationships at all levels.

As we move into the long-term recovery phase for areas affected by Hurricane Sandy, the benefits of working collaboratively under the NDRF are being demonstrated. The FDRC for New York initiated a Beach Infrastructure Task Force which brings together stakeholders from the Federal, State and local level to identify key damage areas and prioritize recovery efforts. Through a mission assignment, the task force utilized the technical expertise of the U.S. Army Corps of Engineers (USACE) to complete assessment of damages for emergency shoreline repair and compile environmental data related the sand sources.

Through the use of the mitigation advisor, the NY FDRC convened an Advisory Base Flood Elevation/Mitigation Task Force to ensure senior management and partners at the Federal, State and local level had visibility on the development and release of flood advisory data that could significantly influence rebuilding and restoration decisions. Comprised of FEMA program offices that administer Stafford Act programs, representatives across all RSFs, and FDRC staff, the task force is working in conjunction with State and local partners to identify and address the impacts of advisory data on insurance rates, building codes, and other intermediate and permanent efforts to recover.

In New Jersey, the FDRC has recruited and hired 10 local community recovery assistance specialists with local community expertise to provide redevelopment and planning technical assistance in impacted communities. These personnel, who will focus solely on Sandy recovery operations in the State, come from diverse professional backgrounds including community planning, economic development, finance, transportation, architecture, civil engineering, and municipal management.

In support of local disaster leadership, the Community Planning and Capacity Building RSF worked with local philanthropic organizations to identify funding sources for long-term recovery planning and capacity building. This culminated in an opportunity to work with the Council of New Jersey Grantmakers, who selected New Jersey Future to receive a \$150,000 MERCK Foundation grant. New Jersey Future is a citizen-based, nonprofit, nonpartisan group that promotes smart land use policy; they will use the funds to hire a local disaster recovery manager to support recovery in at least three New Jersey communities.

In partnership with the New Jersey Department of Labor and Workforce Development, the Economic RSF in New Jersey developed an economic Data Sharing Task Force and established three working groups focusing on small business recovery, tourism, and marine and aquaculture industries. In coordination with the New Jersey Department of Economic Development, the Economic RSF sponsored three business forums for over 100 stakeholders to identify financial resources for small business recovery and facilitated Access to Capital forums throughout the State to communicate business funding and networking opportunities for struggling businesses. Participants of the forums included lending institutions, Chambers of Commerce, local economic development officials, freeholders, mayors, and businesses.

PROCUREMENT

Before concluding, I wanted to touch upon the role of FEMA's Office of the Chief Procurement Officer (OCPO) in the context of our disaster operations. OCPO partners with FEMA's program offices to establish prepositioned disaster response contracts. These contracts, used to provide much needed commodities, resources and services to devastated communities, are put in place well before disaster strikes, ensuring competitively awarded contracts with firm fixed prices, and reduced risk to the government. Presently, there are dozens of prepositioned contracts available to those managing the response to Presidentially declared disasters and emergencies.

Following Hurricane Sandy's landfall, FEMA's Disaster Acquisition Response Team (DART) was deployed to the States of New York and New Jersey. The DART focuses on providing high-level disaster contracting and quality assurance support, contract oversight and quality assurance monitoring and timely closeouts of disaster contracts. The DART provided initial contracting support to Hurricane Sandy in New Jersey and will continue this contracting support through the close of this disaster.

On another note, the Industry Liaison Program (ILP), which includes our local business transition teams (LBTT), is the single point of entry for vendors seeking to do business with FEMA. Our industry liaison also maintains an enterprise-wide repository—used to supplement market research for contracting officers—of vendors who contact the Agency. Staffed with a help desk, the program processes and routes vendor profile data to the appropriate FEMA program offices, including the Small Business Office, for follow-up.

To date, the ILP/LBTT has responded to approximately 6,000 phone and e-mail inquiries providing vendors with information on how to do business with FEMA in support of Hurricane Sandy. LBTTs were deployed to Connecticut, New York, and New Jersey, where they conducted vendor business outreach and provided acquisition support for acquisitions targeted for local buying.

CONCLUSION

FEMA will continue to work closely with the whole community, including our State, local and tribal government partners, Secretary Donovan, HUD and other Federal partners as long-term recovery efforts move forward. FEMA recognizes that we must look to local, tribal and State leaders, as well as the whole community, to ensure the Agency is able to help locally driven efforts to rebuild impacted communities better and stronger than they were before Sandy made landfall.

Thank you Chairwoman Landrieu for providing me this opportunity to appear before you today to discuss our ongoing recovery operations and the work that remains. I look forward to answering questions you or other members of the subcommittee may have.

Senator LANDRIEU. Thank you. And I really am going to revisit with you on this smarter rebuilding, because it may be shocking to the audience to know that literally in Hurricane Katrina, under the rules that were mandated by the Congress, that it was actually illegal to build smarter, and you received a penalty for doing so. If you moved the fire station and didn't rebuild it exactly the way it

was, you would get a 25-percent penalty, which really didn't make any sense. And, of course, that has been corrected. But there are many more things like that that need to be done to really make everybody put their oars in the water at the same time, moving in the same direction, to spend taxpayer money smartly, again rebuilding these communities for the future, not rebuilding past communities, which, I think, everybody would be appreciative.

So we will have some questions to follow up.

Laurel, and I know you will start. We have read your testimony. But if you could really focus on what your role is, because I think it is a new—well, relatively new role under the new framework plan. And if you could make sure that we get that into the record and then go into your testimony.

STATEMENT OF LAUREL BLATCHFORD, EXECUTIVE DIRECTOR, HURRICANE SANDY REBUILDING TASK FORCE

Ms. BLATCHFORD. Thank you again, Madam Chairman, for having me here today. This is really an honor to be here to testify regarding the ongoing effort to rebuild the region.

And thank you too Senator Gillibrand and the rest of the delegation for their support as well.

I currently serve as the Executive Director of Hurricane Sandy Rebuilding Task Force established by President Obama, as you know, and chaired by Housing and Urban Development Secretary Shaun Donovan.

Hurricane Sandy and the nor'easter that followed had immense impacts in New York, New Jersey, Connecticut, Rhode Island, Maryland, and a number of other States. And as you know well, the storm caused tens of billions of dollars in damage and was the second most costly storm in American history, damaging or destroying thousands of small businesses and tens of thousands of homes.

The administration's primary focus remains on addressing the region's most pressing needs and, as Administrator Fugate has discussed, the administration's coordinated Government-wide approach to response and near-term recovery.

But as we learned from Hurricane Katrina and other past disasters, planning for long-term rebuilding must begin even as response activities are underway. That is why the President created the Hurricane Sandy Task Force to deliver the same level of government wide coordination and responsiveness to help communities as they make decisions about long-term rebuilding.

HURRICANE SANDY TASK FORCE

The task force does not seek to impose a one-size-fits-all approach to rebuilding. While the Federal Government has a very important leadership role to play, State and local governments must rebuild based on their own visions.

We are working to support States and local communities within the National Disaster Recovery Framework. The task force complements the National Disaster Recovery Framework, by building on the unprecedented coordination that has already taken place among Federal, State, local, and tribal authorities during the response and ongoing recovery efforts to date. And we seek to carry

this coordination forward as the recovery and rebuilding phase begins.

With expertise of virtually the entire Cabinet represented, we are actively helping communities with their long-term rebuilding efforts in five key ways: First, by coordinating with all stakeholders to support cohesive rebuilding strategies and develop a comprehensive, locally driven regional plan within 6 months of our first meeting; second, by identifying and removing obstacles to effective rebuilding efforts and reducing regulatory burdens; third, by helping to coordinate the flow of Federal recovery funds and ensuring that the resources the Federal Government provides are informed by local priorities; fourth, by monitoring progress in rebuilding efforts to enhance accountability at every level, as well as prevent waste, fraud, and abuse; and finally, the task force will work with member agencies to ensure that the Federal Government is lending critical support to those on the ground so they can realize their respective visions for rebuilding and redevelopment.

As you know, the task force is a short-term entity by design. Building on lessons learned from Hurricane Katrina and other disasters, the President asked the task force to convene early in the recovery process to ensure the principles for Federal investment are aligned, so there is less confusion down the road.

Supporting local rebuilding efforts through financial means is a key part of the Federal role, and on January 29, 2013, President Obama signed the Disaster Relief Appropriations Act of 2013. Federal agencies and departments have already begun the process of making this money available.

In addition to the work that FEMA has done, the Department of Transportation made available \$2 billion through the Federal Transit Administration's new emergency relief program to repair and rebuild public transit equipment and facilities. And as you know, HUD has also announced the first round of allocations of the CDBG Disaster Recovery Program, totaling \$5.4 billion, and HUD plans to make additional allocations very quickly, as quickly as it can in the coming months.

The task force's role is not to supplant the agencies that have received appropriations at all, but to work with them to find ways to maximize the impact of these dollars and help support communities' redevelopment priorities, for example, by working with the SBA to find opportunities for data sharing that will help us identify areas of unmet need more quickly and more effectively.

We will also help impacted communities use this funding to mitigate future risk from storms that science tells us will have intensity and severity increase in the future.

As you know, mitigation is sensible and cost-effective, offering a \$4 return on each \$1 invested by preventing future damage.

PREPARED STATEMENT

We look forward to continuing our work with this subcommittee and others in the Congress and the Federal family and our State and local partners to help communities rebuild in a way that makes them stronger, more economically sustainable, and better prepared.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF LAUREL BLATCHFORD

Chairman Landrieu, Ranking Member Coats, and members of the subcommittee, thank you for the opportunity to testify today regarding the ongoing effort to rebuild in the region impacted by Superstorm Sandy. I currently serve as Executive Director of the Hurricane Sandy Rebuilding Task Force established by President Obama and chaired by Housing and Urban Development (HUD) Secretary Shaun Donovan. The President established the task force by Executive order in December and charged us to “work to ensure that the Federal Government continues to provide appropriate resources to support affected State, local, and tribal communities to improve the region’s resilience, health, and prosperity by building for the future.”

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

THE IMPACT OF AND DAMAGE CAUSED BY SUPERSTORM SANDY

Superstorm Sandy and the nor’easter that followed have had immense and varied impacts in New York, New Jersey, Connecticut, Rhode Island, Maryland, and a number of other States. Within the United States, the storm caused 162 fatalities, major flooding, structural damage, and power loss to over 8.5 million homes and businesses, directly affecting more than 17 million people as far south as North Carolina, as far north as New Hampshire, and as far west as Indiana. Sandy caused tens of billions of dollars in damage and is estimated to be the second most costly storm in American history.

Especially hard hit were New York and New Jersey, which employ 12.7 million workers. Combined, they export about \$90 billion in goods annually, accounting for about 7 percent of such exports, and contributed \$1.4 trillion to our gross domestic product (GDP) in 2011, accounting for more than 11 percent of GDP.

The widespread damage from Superstorm Sandy impacted communities in a variety of ways. Hundreds of small businesses and tens of thousands of homes were damaged or destroyed. State, local and tribal governments must address damage to roads, bridges, mass transit and other essential infrastructure, including electrical and water treatment facilities, public hospitals, and shorelines.

ONGOING RESPONSE AND RECOVERY EFFORTS AND LESSONS LEARNED FROM HURRICANE KATRINA

Before I describe the task force’s activities, it is important to note the unprecedented cooperation that is taking place among Federal, State, local, and tribal authorities. HUD, the Federal Emergency Management Agency (FEMA) and other parts of the Department of Homeland Security (DHS), as well as the Departments of Transportation, Health and Human Services, Interior, Commerce, and Agriculture, plus the Small Business Administration and the U.S. Army Corps of Engineers (USACE) and other agencies are all working together. For example, as a result of coordination under the National Response Framework (NRF), within a week after Sandy hit there were almost 11,000 National Guard and 17,000 Federal responders on the ground from FEMA, the Department of Defense, USACE, HUD, Department of Transportation, Department of Energy, and HHS, as well as tens of thousands of utility workers from across the Nation. In addition, in the weeks since the storm, FEMA has approved approximately \$3.5 billion in emergency assistance and has paid over \$5 billion in flood insurance claims to help those insured rebuild their lives. We are all coordinating our work with State, local and tribal officials, who are doing a truly Herculean job on the response and recovery. The private sector has been deeply involved as well. This unprecedented level of cooperation and partnership will help us continue to deliver recovery resources with speed and provide related assistance to the most affected areas.

Early in his first term, President Obama recognized that our experience during Hurricane Katrina and other previous disasters highlighted the need for additional guidance, structure, and support to improve how we as a Nation address disaster-related recovery and rebuilding challenges. In September 2009, President Obama charged the Departments of HUD and Homeland Security to work on this effort and to establish a Long Term Disaster Recovery Working Group, composed of more than 20 Federal agencies. HUD, DHS, and the Working Group consulted closely with State, local and tribal governments as well as experts and stakeholders, and worked

to improve the Nation's approach to disaster recovery and to develop operational guidance for recovery efforts.

In September 2011, FEMA published the National Disaster Recovery Framework (NDRF). The NDRF addresses the short, intermediate, and long-term challenges of managing disaster-related recover and rebuilding. It sets forth flexible guidelines that enable Federal disaster recovery and restoration managers to operate in a unified and collaborative manner and to cooperate effectively with State, local, tribal, and territorial governments. The NDRF defines core recovery principles; roles and responsibilities of recovery coordinators and other stakeholders; flexible and adaptable coordinating structures to align key roles and responsibilities and facilitate coordination and collaboration with State, local, tribal, and territorial governments and others; and an overall process by which communities can take advantage of opportunities to rebuild stronger, smarter, and safer after a disaster.

The NRF and the NDRF contributed to the Federal Government's ability to respond to and initiate recovery from the enormity of the devastation caused by Hurricane Sandy with a massive, multi-agency, multi-State coordinated response in support of State and local efforts.

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

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

Second, this must be an all-of-nation approach to rebuilding. While the Federal Government has a key role to play in recovery, State, local and tribal governments must be key partners in this effort. Third, the recovery effort must include rebuilding in a more resilient fashion rather than simply recreating what was already there so that we are prepared for current and future disasters.

THE ROLE OF THE HURRICANE SANDY REBUILDING TASK FORCE

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

On November 15, President Obama announced that HUD Secretary Donovan would provide coordination in support of our rebuilding efforts, and issued Executive Order 13632 on December 7, 2012, providing that Secretary Donovan would serve as chair of the Hurricane Sandy Rebuilding Task Force.

The Secretary's responsibilities in this role occur in coordination with the NDRF and involve cooperating closely with FEMA and the 20 other agencies already involved in recovery efforts. The focus of the task force is on coordinating Federal support as State, local and tribal governments identify priorities, design individual rebuilding plans, and over time begin implementation. The Secretary is the Federal Government's primary lead on engaging with States, tribes, local governments, the private sector, regional businesses, nonprofit, community and philanthropic organizations, and the public on long-term Hurricane Sandy rebuilding.

Secretary Donovan has explained that the task force does not seek to impose a one-size-fits-all solution on localities. Instead, drawing on expertise across the Federal Government, it provides leadership and connections that actively support local visions and rebuilding efforts. It has five major responsibilities:

- First, and most important, the task force coordinates with all stakeholders to support cohesive rebuilding strategies and develop a comprehensive regional plan within 6 months of its first meeting.
- Second, the task force works to identify and remove obstacles to effective rebuilding efforts and reduce regulatory burdens.
- Third, the task force is working to coordinate Federal recovery resources and to make sure that the resources the Federal Government provides are informed by local priorities.
- Fourth, the task force will develop a plan for monitoring progress in rebuilding efforts.
- Finally, the task force provides coordination in rebuilding efforts, including with respect to technical assistance and capacity building tools.

The task force officially commenced its efforts on February 5. Secretary Donovan and I have been in constant contact with Federal, State, local, and tribal officials to help identify areas where the task force can be particularly helpful, and we both

look forward to working with this subcommittee and other Members of Congress on this important effort.

THE TASK FORCE AND SUPPLEMENTAL FUNDING

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

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

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

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

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

Science tells us that extreme weather events are likely to be more intense in the future, so it is vital that communities rebuild in a way that mitigates the risks posed under future conditions as well as current storms.¹

We look forward to continuing to work with this subcommittee, others in Congress and our Federal, State, local, and tribal partners to help make local rebuilding visions a reality—and to support communities that are rebuilding in a way that makes them stronger, more economically competitive and better prepared to withstand the next storm.

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

SANDY RECOVERY IMPROVEMENT ACT

Senator LANDRIEU. Thank you very much.

Let me begin, Administrator Fugate, with you, if you could elaborate.

The Sandy Recovery Improvement Act, which you helped us through your good testimony to design, passed in January. It gave you some additional authorities, some of which you mentioned. One in particular to make awards in advance based on past estimates.

I understand that you are currently right now planning on issuing guidance to applicants in mid-April, just about 2 months, 1.5 months from now. Can you talk a bit about FEMA’s collecting

¹NOAA’s fact sheet at http://www.nrc.noaa.gov/plans_docs/SoS_Fact_Sheet_Hurricanes_and_Climate_FINAL_May2012.pdf: “Studies available for the Atlantic basin suggest increased hurricane intensity, hurricane rainfall rates and the numbers of the most intense hurricanes over the 21st century. However, the projections for intensity and intense hurricane numbers in particular have relatively large uncertainty and further research is needed to increase understanding.”

the guidance it needs to ensure estimates are done in a fair and reasonable manner? Are you tracking the savings that FEMA might garner from this new approach? And if no, I would like to ask you to consider thinking about that.

But give us a little bit more detail, because I think this is really key to the recovery of how we are going to do this a little differently to get this recovery going more quickly.

Mr. FUGATE. Yes, Madam Chairman.

Although the legislation passed, it will require extensive rule-making to implement. And rulemaking, as you know, can take years. We are going to implement this under pilot programs to apply some of the things we had already been working on, but with your legislation, it now allows us to move forward.

I want to give an example. We well know the tragedy of Charity Hospital, but then the tragedy of not being able to come to resolution and going to arbitration and delaying for years. When I came on board, as you well know, we had not even resolved charity, which meant, for that community, a hospital had not even begun construction to rebuild.

Here in New York, we are talking more than nine hospitals. I have been in the basements of Bellevue Hospital. I have been in the basement of New York University. I have been at Coney Island.

What you have given us is the ability to do this: bring in their experts and their engineers, tell us what the damages are, do the reviews, come up with the design, tell us what the repairs are, and certify them. Our goal is to have a professional engineer or licensed architect of that State of record certify those damages.

I don't need my experts to go look at the damages if they are going to have a professional engineer tell me that more than 50 percent requires substantial improvement. Give us your estimate as you would design to build this, and we will provide initial grant dollars to do that. But once we have the finished design and you know what your estimates are, we want to be able to write a worksheet that says we will obligate the full amount, allowing them to go forward and build and not wait for reimbursements or for us to monitor each individual piece.

REGULATORY FLEXIBILITY

The other advantage is, as you point out, what if they choose to make an alternative decision? We have penalized that before. The legislation eliminates that penalty.

The other piece of this, though, that you touched on, and that we really want to focus on, is we don't want to rebuild it in such a way that we have known vulnerabilities. And there is a great example of this at Bellevue Hospital.

Bellevue Hospital, after Hurricane Irene, mitigated its oxygen storage tanks based upon the 100-year flood risk. The problem with that 100-year flood risk was Hurricane Sandy overtopped it.

So we know that in mitigating, we have to go beyond our traditional tools. And this flexibility allows us to look more at the function vs. the mere insurance cost value of repair or replacement.

INSURANCE SHORTCOMINGS

Senator LANDRIEU. Well, I am very excited to hear that. And I don't know if the local officials realize what a great benefit this is to you all that we did not have in Hurricanes Katrina and Rita, and the difference that it could possibly make.

So, I thank you for getting the rules done quickly. Thank you for initiating the pilot. And we are really going to be focused to make sure that this pilot is effective. And if there are additional authorizations that you need, let me know.

Administrative Fugate, would you comment for 1 minute or 2 on the shortcomings of insurance, because a lot of critics of what I am doing say the Federal Government has no role or a limited role. They want to pull back the Federal role in disasters, claiming that if everyone was just fully insured, that after a disaster, there would be nothing really for State or local governments to do. The private insurance market would step up.

Could you explain a little bit to us why that really is not possible?

Mr. FUGATE. As you ask me the question, I go back and I ask people another question: How many people right now check their home mortgages and have replacement value? In most cases, your insurance is now only covering your exposure to your mortgage. And when you have owned your home for a number of years, you may not even have a mortgage anymore. Your insurance oftentimes does not cover the replacement cost for your homes.

So we find people, when we say upside down on their mortgages, they are upside down on their insurance coverage. And they can't afford to have that kind of replacement cost.

So oftentimes we do find that people, even if they are insured, are actually underinsured for the rebuilding costs.

And then when we talk about Government, the cost for Government to insure—again, many of them have become self-insured but don't maintain sufficient reserves. And again, if the commercial insurance was affordable and was available, I think it would be something that you could suggest we could do.

But even our own flood insurance program, as designed by the Congress and as we operate it with a new authorization, is going to become more expensive, but continues to focus on protecting the mortgages and limited contents, not providing, necessarily, full replacement value. And there are limits on the total amount of flood insurance you can purchase.

So, particularly in those areas that are very expensive, as we know here in New York, it is oftentimes not even possible to purchase enough insurance to cover what replacement costs you would have.

Senator LANDRIEU. And, listen, I am not underestimating the importance of responsible insurance. It is a system that the United States uses. To my surprise, the Netherlands does not use it at all. The Netherlands does not have private insurance. Their government funds completely their flood insurance. Instead of people making premium—I am not suggesting this, but just to say that there are different models in the world—instead of all the premiums that go to insurance companies, all of that money goes to

the local government to build levees that don't fail, to build barrier islands that protect.

Now, that is a different model. It is not one I am suggesting. But I do think that we have got to have a little bit more thought in this country, if we are going to have an insurance partnership with the Government, what people need to do a little bit better, what governments need to do a little bit better, because what is true, the Federal Government can't continue to pick up more and more and more. We are going to do our part, but we really have to focus on this, particularly for communities that are vulnerable. And frankly, I think there is not a community in the United States that is not vulnerable from something, whether it is a hurricane or a nor'easter or an earthquake or a fire or a flash flood. I mean, think about it.

That is, I think, a concept that Americans have to really understand, that we are all at risk, particularly with the climate change and weather patterns changing.

Laurel, let me ask you, please elaborate a little bit more on this flexible CDBG, because this was a great victory. We fought very hard.

And to underscore this for the press here, in the past, the most flexible Federal program that we could quickly get to local governments was the CDBG program. The CDBG program was not designed to respond to disasters. It was designed to build communities in the future. There is a big difference in the urgency of both of those tasks and the intensity.

You can take your time building for the future. You can't take a lot of time rebuilding immediately what needs to be rebuilt. So we fought very hard to get a more flexible program—I even wanted to call it something different but was rebuffed. I wanted to call it the disaster recovery grant, but that was a bridge too far for people. So we called it the same thing, but made it more flexible.

Please tell us, for the record, how you believe that you can use this money, what difference does that flexibility make, if any?

FLEXIBLE COMMUNITY DEVELOPMENT BLOCK GRANT

Ms. BLATCHFORD. Well, first of all, thank you for your advocacy and support. I think you are right. It is an enormously valuable tool.

And based on the lessons learned from Hurricane Katrina and other disasters, this is a program that has basically emerged for HUD in the last 10 years. I think a lot of what you and your partners in the Congress put into the legislation codifies the kinds of directions we want to go and we think are best for flexibly responding to disaster.

A couple things I would highlight. We—"we" meaning HUD—have gotten the first third of the initial \$16 billion out the door. We have been working closely with the local communities as they assess their needs, in partnership with FEMA and other agencies. Our understanding is that they are planning to use that first tranche for a whole set of needs that will really follow on the first round, if you think of it, of Federal investment as well as insurance payments.

So the idea here is that flexibility can support what might not be covered under FEMA's programs and the first set of caps that people may have already reached.

Senator LANDRIEU. Which is about \$30,000, right?

Ms. BLATCHFORD. Yes, that is correct.

So it is designed to follow on that.

The second two-thirds, we are working with HUD on that. And my guess is there will be a notice of allocations in the coming months. And that is also—as you know, people's assessments of needs change. Things develop as rebuilding plans form. So we will be working closely with the grantees in the region to understand how they want to use those longer term investments in things like mitigation, elevation, other kinds of innovative programs, not just for housing, but for small businesses and other entities in the region.

So I really think it is that kind of flexible tool that works with, again, the Federal family of programs, but is designed to complement them and really supplement them.

Senator LANDRIEU. We are going to get more testimony on the third panel, but have you gotten any mitigation requests that come to your mind that you would like to share with us that really makes some sense to you? Or is it too early for you to have received that information?

REBUILDING SMARTER

Ms. BLATCHFORD. So we are still working with the grantees. As you know, Governor Cuomo has recommended the possibility of buyouts. That is the kind of strategy that is allowable under the program in certain cases. We have not approved—to be clear, we have not approved this particular plan. But it is the kind of plan that I think, if it is done right, at the community level, and it is done thoughtfully and doesn't lead to blight or other problems, and communities really want that, it is the kind of longer term solution that could be really innovative.

I also think there are so many things, whether it is from the gulf coast region or the Netherlands or other parts of the country, innovative technologies and other things that can be used to help rebuild, for example, places I have seen on the New Jersey shore, houses that were rebuilt and renovated most recently before the storm look fine. And there is no better demonstration to people of how those kinds of building codes and different materials can help. So that is the kind of thing we are working with the region to think about.

Senator LANDRIEU. Smarter designs, better materials can withstand some of these storms up to 150, sometimes 200-mile-an-hour winds. And if you are building higher, they can withstand the water.

If you are going to live in a coastal area, it is a smart way and probably the only way to rebuild.

Let me ask a few more questions. In the past, it was difficult, Ms. Blatchford, to do collective oversight of Federal expenditures because there was no aggregate tally across all the agencies. Senator Cochran and I have introduced legislation that requires the

Federal Government to comprehensively track spending for catastrophic disasters across agencies. It is not just FEMA.

Will your task force begin to do this? And how are the plans for this coming along?

Ms. BLATCHFORD. Yes, we will. One of the interesting things that is coming into play for us, are lessons learned from the Recovery Act. As you know, that was a stimulus program in 2009. Agencies like HUD learned a lot about how to track money as soon as it left our doors. So understanding what grantee performance was.

OVERSIGHT/TRANSPARENCY

So we borrowed from that model and created a project management office. Again, as you know, the task force is a short-term entity. Part of what we are going to do is stand this up, working very closely with the Office of Management and Budget, which works with the chief financial officers of each agency that has supplemental appropriations, as well as the inspector general and oversight community, as well as the Recovery Act Transparency Board, which was put into effect in the Recovery Act, to kind of work as a team to understand a catalog of performance metrics to communicate performance and spending, to provide transparency.

And as I said, I think the longer term goal will be to institutionalize that. We are not sure exactly where, but we are really charged, at this point, with standing it up, so as to set the tone for that kind of performance management and transparency from the beginning.

SEQUESTRATION'S EFFECT ON DISASTER REBUILDING

Senator LANDRIEU. Administrator Fugate, the Congress, as you know, provided \$11.5 billion in needed FEMA funding for response and recovery for Hurricane Sandy and other ongoing disasters. People in this region may be interested to know there were 47 Presidential declared disasters in 2012. And I believe that 2011 was a record year of 14, as I remember, disasters of more than \$1 billion, which was unprecedented and the first in history.

In 2011, there were 99 Presidential declared disasters in total. Every State in the Nation has a pending disaster recovery project now open with FEMA.

You have testified that sequestration, which is technically going into effect as we speak, will reduce the total amount available in the FEMA disaster fund to help rebuild communities by \$1 billion. Is it true that a sequester of \$1 billion could result in FEMA having to shut down some disaster rebuilding processes or other disasters as early as August? Would you comment about the probability or possibility of that?

Mr. FUGATE. Yes, Madam Chairman.

FUTURE DISASTER FUNDING

What will happen is we won't run out of money, but we are going into peak hurricane season, and in the fiscal year, we will be in the final quarter. We will get to, potentially, a budget amount that will require us to look at and ensure we have sufficient funds to continue immediate needs funding, which is for the families. We don't

want to take away from the survivors. That may mean that we go into a system where permanent work that has not already been started will be delayed until we get additional funding.

The other part of that is part of that Disaster Relief Fund is the dollars we use to respond to the next disaster and deal with wildfires and emergencies. That also took a cut. And, again, the drought and the other things that took cuts to get ready for Hurricane Sandy will also impact our ability to ensure the capability to respond to not only the existing disasters as well as to Hurricane Sandy recovery, but future potential impacts.

So, again, we are very concerned and are working to manage those dollars effectively. But, again, the original request was based upon what was anticipated for the full fiscal year, and the concern will be, if we draw down at a rate we project, we may reach a point going into the peak hurricane season where we would have to postpone permanent work to preserve the capability to respond and ensure that we are still meeting the survivors' needs in those programs.

COST SAVINGS

Senator LANDRIEU. And I would just like to underscore that testimony, because this has been one of my very strong points I have tried to make to colleagues on both sides of the aisle, that when a community is going through a recovery, they do not want to see yellow lights flashing. They do not want to see red lights. They do not want to see stop signs. They want to see green lights going forward, because this is a long, hard road.

And what happens is, if the Congress nickels and dimes FEMA, as it has a tendency to do—we have had to fight very hard against a philosophy that I do not agree with—they end up having FEMA, get to a level of funding that would prevent them from responding should a disaster happen next month.

And so they end up having to slow down recovery all over the country, which (a) is not fair to survivors; (b) counter to local governments having to then be on the hook for some of these projects and small businesses on contracts; and (c) it has an immediate impact on the recovery of our economy, which is very negative.

So while every part of the budget is sensitive to budget cuts, I want to underscore that, under the law, when FEMA's bucket gets low, the only thing they can do is stop ongoing recovery to anticipate and hold a reserve for disasters that might happen. And that is why I fight so hard for full and robust funding, to avoid that happening.

And that is just worth underscoring. We hope that this will not happen, but sequester is a real threat, in my mind, to this whole effort.

I think that I have had my questions, most of them, answered. I am going to check with the staff in a minute. Why don't you give a 1-minute close, if there is anything that I haven't asked, either one of you, that you would like to get on the record before your panel is over.

Mr. FUGATE. Madam Chairman, there are a couple things that were in Sandy legislation, one of which I really appreciate was your

support for tribal recognition. We are implementing that as we speak.

But to the other question you asked, which I did not answer fully, was cost savings with these new procedures. Yes, ma'am, we are very much tracking those. We think there are substantial reductions in FEMA's overhead in not having to have long-term management of projects where we are reimbursing with multiple changes and multiple revisions, but are able to use an estimate that both parties can agree to, to fully fund the project and ensure fiscal stewardship on our part without the burdensome process of managing a long-term recovery. We think there are substantial savings, and we are documenting those.

We can tell you that in the debris rules you gave us, we have seen substantial savings when local governments are able to use their personnel to pick up debris and get reimbursed, vs. having to rely upon hiring contractors and going into overtime. And we have also documented that and greatly appreciate your support in those changes.

Senator LANDRIEU. Good. Thank you.

Ms. Blatchford.

REPORT TO THE PRESIDENT

Ms. BLATCHFORD. I just want to say thank you for having me here today. We haven't talked much about the timeline for the task force, but we are hard at work. We will be delivering our report to the President with all of our Federal partners in August, and we look forward to working with you and your staff to make the recommendations as effective and forward leaning as possible.

Senator LANDRIEU. Well, I saw that in your testimony, I sure hope we can get that delivered before August. I know that the law says you have until that time, but this storm was 4 months ago. There is a spring and summer season coming up that is so important for New Jersey and the coastal communities that rely on this tourist season. It is just imperative for us to really push forward to get particularly these small businesses back up and running along, so that this community can have as normal a season as possible.

It is going to be very difficult. I mean, the gulf coast did not come back that next year. It took a long time. But it can happen, and it can be, as you said, even better and more resilient.

Let me also mention, before they leave, I want to give credit to Senator Lieberman and Senator Collins, who led the Homeland Security Committee these last 10 years. Both have retired now—well, Senator Collins is still there, but moved on to another committee. Senator Lieberman has retired.

And without their leadership, a lot of these reforms would not have been possible. So I want to make sure that we give them credit at this hearing.

Thank you all very much. And, of course, you can submit other things for the record.

As the third panel comes forward, let me thank these local officials who have been on the frontline for the last 4-plus months. It has been, I know, a very difficult task that you have all been facing.

We will first hear from Mayor Joseph Mancini, who I had an opportunity to meet when we toured your community, Mr. Mayor, with I think it was with Senator Menendez and Senator Lautenberg, of course, who are supportive.

Scott Mandel, city council president of Long Beach, New York, and Brad Gair, director of Housing Recovery Operations for New York City.

So we know that there are hundreds of other local officials like yourselves, elected and appointed, that are struggling with this recovery. You represent just a small group that we could accommodate at this hearing.

But as the rules of this subcommittee go, we can receive testimony from anyone on this subject. This record will stay open. Encourage your colleagues to submit their statements for this record, because it will be thoroughly reviewed. And we hope to take some of these ideas, of course, back to help you in every way that we can be helpful.

So with that, Mayor, why don't we begin with you?

STATEMENT OF HON. JOSEPH H. MANCINI, MAYOR, TOWNSHIP OF LONG BEACH, NEW JERSEY

Mr. MANCINI. Thank you, Senator Landrieu, for holding this meeting. And I want to thank you for your leadership on the FEMA subcommittee.

And I also want to thank you for coming to Long Beach Island to see firsthand, with your knowledge from Louisiana. And your dad and brother being mayors, you can feel our pain. And I want to thank you for that.

Long Beach Island is an 18-mile long barrier island. Long Beach Township is 12 out of the 18 miles. The other towns are Beach Haven, Ship Bottom, Surf City, Harvey Cedars, and Barnegat Light.

About 12 years ago, the Congress approved our engineered beaches on Long Beach Island. Unfortunately, only 4 miles were completed, because of lack of funding.

Behind those dunes, which are our levees, the homes behind those engineered dunes did not suffer any damage by wave velocity. Also, none of the communities on the mainland directly in the shadow of those dunes were damaged significantly. We had a lot of water, but no wave action.

On the remaining section of the island, we had millions of cubic yards of sand displaced and moved around onto properties. It looked like a blizzard that never melted. And unfortunately, FEMA did not pick up any of the sand removal from personal residences, which is something that we should be really looking at, because it was \$10,000 to \$20,000 per residence to move that sand.

We definitely need, and we have put into our legislators and Senators, a request for funds to finish our levee, so to speak, the remaining 12 miles. In meeting in Washington yesterday, our New Jersey Senators and our Congressmen have assured us they are going to work for that. And we appreciate FEMA's help in funding that.

Two problems that we had during this event that I would like to bring to your attention. Number one, as you have just stated

previously, it has been 4 months since the event occurred, and 50 percent of our people still do not know what their settlements are going to be—50 percent.

Along with that, FEMA just released a preliminary flood elevation map, which, in our area, a 20-mile radius, has just added 16,000 homes to a bayside velocity zone (V zone).

Out of those 16,000 homes, 8,000 of those homes are built on slabs, which cannot be raised and put on pilings. So we have a lot of anxiety occurring between people not knowing what funding they are going to be receiving from the National Flood Insurance Program, number one; and number two, how are they going to raise the homes.

We all agree on the maps that the elevations are correct. We absolutely disagree with the new V zones. The new V zones, there is no such thing as a 3-foot mythical wave that is going to go through 1 mile of housing developments. It just doesn't work.

So we would really like to work with FEMA on correcting this. Unfortunately, 2 weeks ago, we met with the New Jersey State deputy commissioner, Bob Martin, a member of FEMA, and two of their engineers, and eight of the local mayors, asking them how come there was no input from the local government and our local engineers.

They would not respond. They told us that we had an opportunity to appeal it, if we could bring our data. I requested their data, and we still have not seen it.

So, Senator, this is a major problem.

Senator LANDRIEU. We will get it for you. Don't worry.

Mr. MANCINI. Once again, I want to reiterate, the elevations, we all agree on. But I would like to say, on Long Beach Island, the 1984 base flood elevations worked. We had nothing built after that tide that was compromised.

PREPARED STATEMENT

The last thing is Long Beach Island is moving forward. By Memorial Day, we will be 95-percent open, business-wise. On June 15, 2013, we are inviting you and all the other first responders back to the island for a thank you fest. And I would just like to inform you that we have 20 Louisiana State troopers coming back, so thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. JOSEPH H. MANCINI

I would like to thank Chairwoman Mary Landrieu and Senator Frank Lautenberg for holding this hearing and for your leadership in helping to secure the funding needed for us to clean up from the worst natural disaster New Jersey has ever seen and to start the process of rebuilding. I would also like to thank the chairwoman for taking the time to come to Long Beach Island to see firsthand the devastation to our homes and businesses. Your experience with rebuilding after a major storm and your guidance on the best practices for communities like mine is invaluable. Senator Lautenberg, you have always been a champion for our State and I knew that with you in Washington fighting for the funding we so desperately needed we would certainly win in the end. Thank you for all you have done for the State and will continue to do as you finish your term.

Long Beach Township has a total of 8,000 homes of which 3,000 homes were breached by water and another 1,000 homes suffered gas leaks. We had homes knocked off their foundations. Cars, boats, refrigerators, and other personal property were swept into other homes and into the streets. With all that, we were approxi-

mately 3 feet to 4 feet deep in sand. We had no water, power or sewer for 2 months in certain areas. With help from the New Jersey State Police, the Louisiana State Police, the National Guard, and our own law enforcement, we were able to maintain search and rescue, security and patrol operations while we rebuilt our dunes and beaches to ward off the next nor'easter which followed just days after Hurricane Sandy. Due to this cooperative operation, we were able to allow residents to get back onto the island for a brief time to grab necessary salvageable items and do a quick assessment of the damage a little over a week after the storm. What many residents found was catastrophic with personal effects completely washed away or damaged beyond repair by the water and sand. Sadly, this story was repeated up and down the New Jersey coast with many people still displaced, unable to return to their homes.

There is a solution to minimize the magnitude of the destruction in any future storm and that is the Army Corps engineered dune project. On Long Beach Island, the 18-mile stretch of land that includes my township, the sand dunes and beaches became our levees and the damage was significantly less in the parts of the island that had beaches widened and dunes constructed as part of the ongoing Army Corps of Engineers storm protection project. This Corps project was authorized in 2000 and was determined to be technically feasible, economically justified and environmentally acceptable and with the help of Senator Lautenberg and his colleagues, we have been able to secure funding to complete 4.4 miles of the island including the towns of Harvey Cedars, Surf City and a portion of Brant Beach. Those towns received very minimal damage to their homes, businesses and infrastructure proving that the Corps storm protection project worked. It's clear that the funding was well spent because the high level of protection from the unprecedented storm surge saved millions of dollars in property and infrastructure reconstruction. We know that these efforts are successful so now, 13 years after being authorized, it is time to finally complete the remaining 13.5 miles of the project to ensure the long-term sustainability of the shore area. I look forward to working with Senator Lautenberg and the entire New Jersey congressional delegation to provide that protection to our community.

In the meantime, residents are beginning to rebuild. I would like to thank FEMA for their work in ensuring the public is appropriately informed of all deadlines and for providing informative presentations for the residents and local governments. In addition, we appreciate that FEMA has worked closely with the township's emergency management providing quick answers when asked about making purchases to move forward during the storm and keeping us informed on what expenses can be reimbursed. That being said, we do have concerns with the flood maps recently released by FEMA. We all want to work together on common sense solutions to make sure the maps provide for adequate levels of protection. However, our concern is not about the additional heights added to the base flood elevation (BFE) but to newly designated bayside velocity zones (V zones). None of the homes on the Island that were built according to the 1984 BFEs were flooded and the additional heights have been accepted. The newly established V zones put 16,000 homes in a 20-mile diameter in a new V zone. 8,000 of these homes are built on slabs and cannot be raised. According to FEMA and its engineers, this was based on the assumption of a 3-foot wave that would potentially travel through 2 miles of homes and break apart the existing homes. According to FEMA, this data was obtained by doing a flyover at 10,000 feet which I don't believe can provide an accurate picture for common sense map adjustments. In addition, FEMA's calculations did not take into account the new engineered dune project which would mitigate any wave action. FEMA informed us that this was not taken into account because it did not exist last summer when the flood maps were prepared. This miscalculation of adding a V zone to an area that does not have wave action is placing an incredible and unnecessary burden on the residents. I hope to continue to work with FEMA, the State and this subcommittee to find an effective alternative that does not put undue hardship on homeowners.

There will be challenges as we rebuild but Long Beach Township continues to move forward. All streets are clear and utilities are working at the present time and we will have 95 percent of our businesses back by Memorial Day.

In some ways it's hard to believe the storm was only 4 months ago because so many have worked hard to restore the vital infrastructure that allows us to get back to business as usual but in many ways, particularly when dealing with homeowners or businesses who lost everything and are struggling to rebuild their lives, it's like the storm happened yesterday.

I want to thank you again for holding this hearing and for your continued attention to the needs of those impacted by Hurricane Sandy. I look forward to working

with the subcommittee and FEMA to provide the highest level of assistance to the many people who are lucky enough to call the beautiful Jersey shore home.

Senator LANDRIEU. Thank you, Mr. Mayor.
Mr. Mandel.

**STATEMENT OF HON. SCOTT J. MANDEL, CITY COUNCIL PRESIDENT,
LONG BEACH, NEW YORK**

Mr. MANDEL. First, Madam Chairman, thank you for allowing us this opportunity and venue to share our experiences with Superstorm Sandy.

I also want to take this opportunity to thank New York State Governor Cuomo, the Department of Homeland Security, the Office of Emergency Management, Nassau County, as well as the Nassau County Executive Ed Mangano, Assemblyman Weisenberg, Senator Skelos, Congressman King, Congresswoman McCarthy, Senator Schumer, and, of course, Senator Gillibrand.

And dovetailing to Senator Gillibrand's testimony earlier today, we share those concerns and frustrations.

I am honored to have this opportunity to participate on today's panel on behalf of Long Beach, New York, the other Long Beach. And to that end, also talk a little bit about other Long Island areas that were affected as coastal communities, regarding storm preparedness, response, recovery, and mitigation.

As I mentioned, Sandy was a one-of-a-kind superstorm. Long Beach is a barrier island sandwiched between the Atlantic Ocean on the southern border and the bays on the northern border.

Going into the storm, and before the storm, the city made extensive operation efforts several days prior. We provided advance notice to our residents. We evacuated. We provided means for evacuation. We used Robo calls, text, emails, radio, television, newspaper, Web site, and social media. We created temporary barriers on the beach and made sure all hands were on deck to be of assistance.

And then the storm hit. The brunt of the storm was between 5 p.m. and 9 p.m. And, literally, the ocean met the bay.

Our recovery efforts began immediately, and we were fortunate to secure assistance from all levels of government.

Unfortunately, Superstorm Sandy brought with it many obstacles, including a complete cutoff of all communication. Unfortunately, in a world where we rely on technology, when that is taken away from us, we have to scramble to find other means to reach our residents. We relied on flyers, bullhorns, large signs, and even door-to-door reaching out efforts.

In that period of time, we were still a new administration, only 10 months into the administration when the storm hit. And we came into office facing a \$10 million deficit.

Thankfully, all of our city personnel stepped up quickly and rose to the occasion. Without the heroic efforts of our city personnel and our elected officials, our city would not have stood.

Our city consists of 35,000 residents. It is a unique community.

DAMAGED FACILITIES

Some of the things that were compromised by the storm: Our sewer facility was severely damaged; we had no sewer system. Our

water treatment facility was severely damaged. For approximately 10 days, there was no drinking water, no water to shower in, no sanitary water. Our recreation center was compromised. Our library is still closed. Our schools were closed, some of which still remain closed.

Miles of street were covered with sand and debris from both the bay and the ocean, seaweed and other sea items.

And just as a symbol of how traumatic this was, we have a 2.2-mile boardwalk that is the heart of our city. Portions of that, some of to 14 feet with railings still attached, were found six blocks north of the boardwalk where it had ripped off of the boardwalk foundation and floated, literally, up to the center of our town.

Our businesses have been severely stressed. Residents are terrorized. Some even haven't been able to return.

Long Beach is a summer community, but we have residents who live there year-round. Our neighbors are also our business owners, our local community members. Without the security that we are able to rebuild safer, smarter and stronger, and knowing that the financial backing is there to do it, we don't know if we would be able to come back from Superstorm Sandy.

We have mitigation needs that range from raising homes to allowing us to rebuild our boardwalk in a way that would prepare us to never have to have, unfortunately, these type of experiences again. And we also have a loss of revenue for our businesses and loss of jobs for residents.

PREPARED STATEMENT

So again, I thank you for this opportunity, and I appreciate the opportunity to share our unfortunate experiences with you.

[The statement follows:]

PREPARED STATEMENT OF HON. SCOTT J. MANDEL

I'm honored to have this opportunity to participate in today's panel on behalf of Long Beach and other affected coastal communities concerning storm preparedness, response, recovery, and mitigation.

Thanks all around to New York State, Department of Homeland Security, Office of Emergency Management, Nassau County, as well as Nassau County Executive Ed Mangano, Assemblyman Weisenberg, State Senator Skelos, Congressman King, Congresswoman McCarthy, Senator Gillibrand, and of course, Senator Schumer.

So many visits to us met with real immediate aid and assistance.

Sandy was a one-of-a-kind Super Storm. Thorough preparation efforts began several days prior to the storm. We provided advanced notice to our residents to evacuate (robocalls, texts, emails, radio, television, newspapers, Web site, and social media). The ocean met the bay, resulting in catastrophic flooding. Our recovery effort began immediately, securing assistance from all levels of government.

Sandy brought about many obstacles.

There was a complete communications cutoff. In a world where so many rely so much on their cell phone, TV, and computer for communication, we had to resort to extremely alternate forms of communication (e.g., flyers, bullhorns, large signs).

We were still a "new" administration (together only 10 months prior to the storm). City personnel united quickly and all stepped up. Without the heroic efforts of our city personnel, our city would not be standing.

Long Beach is a unique community. We are the only city in New York State located entirely on a barrier island. Our emergency response was successful—good coordination under unified Long Beach command, a disciplined battle rhythm, and marshaling tremendous resources and assets. And now, as we address recovery, we have identified six recommendations for this subcommittee to assist Long Beach and other affected communities. These recommendations address our long-term needs, mitigation, and preparation for future storms.

RECOMMENDATIONS

I have the following three recommendations.

Establishing the FEMA Match

This is especially critical right now.

We are calling on the Federal Emergency Management Agency (FEMA) to provide at least 90 percent reimbursement as opposed to the standard 75 percent. This has been done during other major storms—in fact, according to a Congressional Research Service report (FEMA Disaster Cost-Shares: Evolution and Analysis) FEMA has provided reimbursements over the minimum 75 percent for 222 events in 24 years (from 1985 to 2009).

If we receive a combined 87.5 percent reimbursement from the government, the remaining 12.5 percent of repair costs could do catastrophic financial damage to the city. Our annual budget is approximately \$87 million, and we are estimating damages in the multiple hundreds of millions. Being on the hook for the additional 12.5 percent, which would equate to tens of millions of dollars, is not something we can afford. By comparison, we only estimated \$2 million in damages due to Irene in 2011—12.5 percent in a storm of that magnitude is something that was manageable; Sandy is not.

While, we are still hopeful for a 100-percent reimbursement between Federal and State government, we have established a City of Long Beach Relief fund to help rebuild stronger, smarter, and safer. To date, we have received approximately \$360,000. All donations will be allocated to specific projects (e.g., boardwalk, rec center, senior center, parks) via city council resolution.

Focus on Mitigation, Protecting and Hardening Critical Infrastructure

We must protect our barrier islands if we want to protect the south shore of Long Island. Aging infrastructure needs to be addressed as we build a smarter, stronger and safer Long Beach. One of the city of Long Beach's major issues before, during, and after the storm is the aging infrastructure of the city. The sewer plant went down. The water plant went down. Essential city buildings sustained substantial damage. Up and running now in makeshift and masses. We need a long-term real fix, hardening.

Cutting Through the Red Tape

It is imperative that there is a quick pass through of FEMA funds to those who are most in need. We cannot have red tape holding up the process—there is simply no time. Senator Schumer and Governor Cuomo set a fantastic precedent for this.

Community Development Block Grant and Economic Development Funds will assist in our rebuild—flexible and necessary for business and city assets. Our businesses need help to be up and running and residents need expedited funds to get back on their feet. We need to have a successful summer season. The beach and boardwalk are synonymous with our city, and we absolutely must generate revenue during the summer months. It is our hope that we will be able to inject adrenaline into our local economy in June, July and August. Coordinated planning and emergency training among government entities is essential.

Our city administration is one of the only to have a plan ready to go to provide immediate assistance to homeowners and businesses. Here is a brief overview of some of the assistance programs that our residents sorely need, and they need it now. Our homeowners need assistance with raising homes, demolition, mitigation, and mold remediation. Our businesses need direct storm damage grants, business retention/loss of revenue grants, and business startup grants.

DAMAGE AND COSTS

I have submitted supplemental materials, which includes a detailed spreadsheet that was completed shortly after the storm hit, it itemizes our infrastructure funding needs and estimates the total cost at just under \$336 million. Our water and sewer plants, our roads, our beaches, our vehicles, our boardwalk, our recreation center, and many other city facilities all sustained substantial damage.

[The referenced supplemental materials were not available at press time.]

There is also a spreadsheet in my supplemental materials that breaks down the nearly \$292 million request we made to New York State for community development block grant funding. The plan includes programs to raise homes, perform mold remediation, provide small business assistance, rebuild infrastructure, and strengthen the city's emergency response.

REBUILDING APPROACH

Our first steps were naturally to restore critical infrastructure and services (e.g., water, sewer, power). Once those facilities returned, our focus shifted to essential quality of life services and issues such as debris removal and city facilities. We have initiated a thorough and thoughtful process every step of the way, based on the “recovery support functions model.” One major project we are currently in the midst of working on is our boardwalk reconstruction. 88 percent of our residents have said that they’re priority is to rebuild the boardwalk stronger, and that is exactly what we are going to do.

CURRENTLY

The city has been actively assisting residents to the best of our ability. We have worked together with various entities to establish a disaster recovery center that has become a one-stop-shop for our residents in regards to all of their disasters needs.

The city has addressed many of the building and zoning issues brought forward from this storm. We have reduced red tape in our building department permit process. Various zoning changes have made it easier for residents to mitigate for future storms and to assist them in complying with FEMA standards.

We have begun dialogues with the Army Corps of Engineers as well as other stakeholders to rebuild our beach in such a way to protect future storms. Temporary sand barriers have been built on the beach to protect against the rising winter tides and have been successful thus far. These barriers will not withstand a large storm. We must mitigate and protect our city for the future.

FEDERAL FUND APPROPRIATIONS

To date, we have only received \$24 million which has been fully allocated for debris removal costs. This was a helpful start, but we still require significantly more money.

CLOSING

We were prepared for a hurricane, but Sandy was beyond imagination—330-year storm. We sought and received help at every level but we are still in dire need of assistance. With help from all levels of government, Long Beach will rebuild stronger, smarter, and safer. Thank you again.

Senator LANDRIEU. Thank you. I am going to have some questions for you about your budgets and how you all have managed to keep your operations going with the \$10 million deficit and with the impact to your tax base. So I will come back to that.

Mr. Gair.

STATEMENT OF BRAD GAIR, DIRECTOR OF HOUSING RECOVERY OPERATIONS, NEW YORK CITY, NEW YORK

Mr. GAIR. Good morning, Madam Chairman. My name is Brad Gair. I am the director of Mayor Bloomberg’s Office of Housing Recovery Operations. Thank you for allowing me the opportunity to testify on our efforts to find and rebuild permanent, sustainable housing for displaced New York City residents in aftermath of Hurricane Sandy.

According to our estimates, Hurricane Sandy impacted as many as 60,000 housing units in New York City. And, of course, many thousands more were temporarily displaced from their homes due to power outages and service disruptions.

We have more than 800 buildings representing 900 units that were destroyed or made structurally unsound; another 1,700 buildings representing 19,000 units that sustained major damage; and another 16,000 buildings representing 40,000 units that sustained less severe damage; plus 32 public housing developments, which sustained major damage to building systems; and there were 241 first-floor residential units that sustained damage at facilities.

We estimate the total cost to rebuild or repair the damaged housing in New York City will be approximately \$3.2 billion. Of that, about \$1.5 billion will be covered by existing or identified public and private resources, while the balance will, hopefully, be covered by the HUD CDBG funds allocated to New York City.

Today, I would like to specifically address the challenges and opportunities in post-disaster housing recovery in the context of Hurricane Sandy. There are five particular issues that I will just go through briefly.

First, the best temporary solution is a permanent one. FEMA's temporary housing program continues to rely on options that are expensive, slow to implement, not well suited to an urban environment, or all of the above. Cruise ships, mobile homes, converted shipping containers and other similar methods may cost tens of thousands of dollars per family just to implement and are all simply throwaway options that contribute nothing to a permanent solution.

On this disaster, New York City, in cooperation with FEMA, devised and implemented a pilot program that FEMA calls STEP and we call Rapid Repairs. In less than 90 days, New York City Rapid Repairs has restored heat, hot water, and electricity for nearly 20,000 residential units, and allowed many thousands of New Yorkers to return to their homes more quickly than otherwise would have been possible.

EXPEDITED REPAIRS PROGRAM

One of our key takeaways from Hurricane Sandy is that FEMA should institutionalize an expedited repairs program that is ready to go and easy to turn on in any disaster. Doing so will make every \$1 spent count as a true investment in recovery.

And on the record, I would like to recognize our Federal coordinating officer, Mike Byrne, who is in the audience, who was instrumental in getting Rapid Repairs rapidly approved. So, many thanks.

Senator LANDRIEU. Thank you, Mr. Byrne.

Mr. GAIR. The second item, in general, the Federal post-disaster housing recovery approach simply does not meet the needs of many disaster survivors. We are 7-years-plus now after Hurricane Katrina, and we still have programmatic weaknesses in our large-scale housing disaster programs, and we still need to work on a comprehensive, viable strategy.

The current National Disaster Housing Strategy is mostly a compilation of basic principles, best practices, and rudimentary guidance. It still needs a strategic framework and operational guidance necessary for actual implementation in a disaster like Hurricane Sandy.

Furthermore, FEMA's basic housing recovery programs remain hard to understand for many key stakeholders and are not specifically designed to naturally progress to permanent rehousing solutions.

For example, the individual assistance cap of \$31,900 per household often forces our families to choose between fixing their homes, replacing their belongings, renting an apartment, and even paying for funerals. It is really difficult to have to hear FEMA tell hard-

working families in tough economic times that the Federal Government is not here to make you whole when whole for so many right now means just getting by.

Similarly, temporary housing solutions from FEMA and HUD, including direct housing, direct leasing, and the disaster housing assistance program, need to come online more quickly, have better defined activation thresholds, and have programmatic parameters and details already in place.

Most importantly, it would be extraordinarily beneficial to have a Federal permanent housing reconstruction program that builds upon lessons learned and best practices already in place and ready to go in the immediate aftermath of disasters. It would have a variety of options that we could customize to our own specific needs.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The CDBG program provides tremendous flexibility, as you know. We would like to take advantage of those, but having something already in place, so we don't have to re-create the road home every time, would be a huge benefit for us, so we don't face that gap that we are having right now where we are waiting for supplemental appropriations and then we have to design a new CDBG action plan from scratch.

Finally, we need to promote and provide routine programmatic support for building back better, safer, and more resilient. The FEMA Hazard Mitigation Grant Program is competitive, and so it leaves a lot of people out who need help in building their homes back in a more resilient way.

Third, we would like to see more effort and emphasis to promote regional cooperation on housing. There are lots of opportunities there. We have people from multiple jurisdictions here today. We really don't have a strategy in place yet for cooperating on post-disaster housing even across the thinnest of jurisdictional boundaries.

Fourth, our experience should teach us that mold is always an important public issue in the aftermath of a natural disaster. While health experts may not see mold as an immediate threat to public health, homeowners and residents have a visceral reaction to seeing the mold form on their walls, especially after having gone through the trauma of a flood or hurricane. We know that homeowners can use their FEMA assistance to address mold, but the costs are significant. And there is no distinct Federal program to help with mold, which leaves State and local governments trying to figure out the programs on their own.

I will just point out, on this disaster, that we put together a \$16 million philanthropically funded collaboration between New York City, the Mayor's Fund to Advance New York City, the Robin Hood Foundation, and American Red Cross, that will address mold in about 2,000 homes, so that is to start. But we really need a permanent program for that as well.

Fifth and finally, we are just continuing to work to try to better integrate Government, private sector, and voluntary agencies. We need to find better ways to do that. The whole-of-community approach is the right way to go. We need some more programmatic support to help us institutionalize that, so we can turn it on very quickly and do it more effectively on every disaster.

In summation, let me be clear that I am not intending to be at all critical of FEMA, HUD, or any Federal agency. We have had a great partnership on this disaster and have already accomplished some truly amazing feats of response and recovery together.

PREPARED STATEMENT

The Federal agencies are doing the best they can with the programs and tools they have been given. But the housing recovery legacy of Hurricane Katrina and the experience of every disaster from then through Hurricane Sandy should prove to us that we can do a lot better with fewer, clearer, and more efficient programs.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF BRAD GAIR

Good afternoon Chairwoman Landrieu, members of the subcommittee on Homeland Security and distinguished guests.

I am Brad Gair, director of the Mayor Bloomberg's Office of Housing Recovery Operations. Thank you for allowing me the opportunity to testify on our efforts to rebuild and find permanent, stable housing for displaced New York City residents in the aftermath of Hurricane Sandy.

By way of introduction, I will give you a quick professional bio: I have over 20 years of emergency management experience, working around the globe and working right here in the city. I believe that this past experience will equip me to help New Yorkers now. While serving at the Federal Emergency Management Agency (FEMA), I was the Presidentially appointed Federal coordinating officer for numerous major disasters, was appointed the Federal recovery officer after the terrorist attacks of September 11th with full authority for an \$8.8 billion budget, and worked in key post-disaster housing leadership positions on several major disasters including Hurricane Floyd, the 2004 Florida hurricanes, and Hurricane Katrina. In addition, I served 3 years in New York City government as the deputy commissioner for operations at the Office of Emergency Management.

I have learned through all of my experiences that disaster recovery is an extremely difficult process, with a steep learning curve. And every recovery is a failure, to some extent, because what many people whose lives have been affected by a disaster really want is to have things back the way they were. And no one can give them that. This is especially true for a housing disaster like the one we now face.

According to our estimates, Hurricane Sandy impacted as many as 60,000 housing units in New York City, and many thousands more New Yorkers were temporarily displaced from their homes due to power outages or other service interruptions. Over 800 buildings—representing 900 housing units—were destroyed or made structurally unsound by the storm. Another 1,700 buildings (19,000 units) sustained major damage and 16,000 buildings (40,000 units) sustained less severe damage, while 32 public housing developments sustained major damage to building systems, including 241 residential units which sustained direct damage.

We estimate the total cost to rebuild or repair these damage housing units will be \$3.2 billion. Of that, about \$1.5 billion is covered by existing or identified public and private funding resources, with the balance to be hopefully covered by Community Development Block Grants to New York City by the Department of Housing and Urban Development (HUD).

GENERAL HOUSING RECOVERY OPERATIONS ACTIVITIES

Mayor Bloomberg recognized that traditional housing assistance programs and the normal structures and processes would not be sufficient to meet the incredible housing demands in the aftermath of Sandy, and thus he created and asked me to lead the Office of Housing Recovery Operations or HRO. And—as all New Yorkers know—this city brings unique circumstances and opportunities that are not faced by other communities recovering from disasters.

In the simplest terms, the mission of the HRO is to ensure that residents owning or renting homes before Sandy are returned to homes after Sandy—homes that are permanent, safe and sustainable. The office is a division of the mayor's office, and coordinates closely with city, State and Federal agencies including FEMA.

FEDERAL PROGRAM ISSUES

Today I would like to address the challenges and opportunities in post-disaster housing recovery in the context of Hurricane Sandy. Specifically, I would like to address five issues and offer a few basic recommendations for improvement:

- The best temporary solution is a permanent one. FEMA's temporary housing program continues to rely on options that are expensive, slow to implement, not well-suited to an urban environment, or all of the above. Cruise ships, mobile homes, converted shipping containers, and similar methods may cost many tens of thousands of dollars per family to implement and are all simply throw away options that contribute nothing to a permanent solution. On this disaster, New York City in cooperation with FEMA devised and implemented a pilot program that FEMA calls STEP (Sheltering and Temporary Essential Power) and in New York City we call Rapid Repairs. In fewer than 90 days, NYC Rapid Repairs has restored heat, hot water and electricity for nearly 20,000 residential units, and allowed many thousands of New Yorkers to return to their homes more quickly than would have otherwise been possible. One of our key takeaways from Hurricane Sandy is that FEMA should institutionalize an Expedited Repairs program that is ready to go and easy to turn on as needed in any disaster. Doing so will make every dollar spent count as a true investment in recovery.
- In general, the Federal post-disaster housing recovery approach simply does not meet the needs for many disaster survivors. More than 7 years after Hurricane Katrina revealed substantive programmatic weaknesses for a large-scale housing disaster; this Nation still needs to work on a comprehensive, viable strategy. The current National Disaster Housing Strategy is mostly a compilation of basic principles, best practices, and rudimentary guidance; however, it needs the strategic framework and operational substance necessary for actual implementation in the aftermath of any major disaster by the Federal Government, the States, tribal governments, counties, and cities. Furthermore, FEMA's basic housing recovery programs remain hard to understand for many key stakeholders and are not specifically designed to naturally progress to permanent re-housing solutions. For example, the Individual Assistance cap of \$31,900 per household often forces our families to choose between fixing their homes, replacing their belongings, renting an apartment, and even paying for funerals. It is really difficult to hear FEMA have to tell hard-working families in tough economic times that the Federal Government is not here to make disaster survivors whole—when whole for so many means just getting by. Similarly, temporary housing solutions provided by FEMA and HUD—including direct housing, direct leasing, and the Disaster Housing Assistance Program (DHAP)—need to come online more quickly, have better defined activation thresholds, and have programmatic parameters and details already in place. Most importantly, it would be extraordinarily beneficial to have a Federal Permanent Housing Reconstruction program built upon lessons learned and best practices already in place and ready to go in the immediate aftermath of a disaster, with a variety of optional components that local governments can adapt to their specific needs. While we appreciate the flexibility to design programs customized to the disaster and the locality, not having to wait for supplemental appropriations with special allocations of Community Development Block Grant funds could accelerate recovery and avoid the gaps in progress we are now experiencing while developing a new program and HUD CDBG Action Plan from scratch. Finally, we need to promote and provide routine programmatic funding support for building back better, safer and more resilient. FEMA's Hazard Mitigation Grant Program requires localities to compete for funds to rebuild stronger and other similar programs may incentivize this behavior, but we will only truly start to get ahead of the growing frequency and power of natural disasters when we begin requiring resilience measures and pay for them routinely as a part of every recovery process.
- More effort and emphasis needs to be given to promoting regional cooperation on housing recovery in the aftermath of catastrophic disasters. While FEMA's Regional Catastrophic Grant Program is designed for this purpose, it is not clear yet that any major metropolitan area has completed the admittedly daunting task of devising a comprehensive post-disaster housing plan. Our post-disaster response would be faster and more efficient if all levels of government found an enhanced mechanism for coordinating housing recovery efforts across all jurisdictional lines. For example, coordinating housing efforts between States

could not only expand available temporary housing options, but also help re-house displaced residents more quickly.

- Our experiences should teach us that mold always is an important public issue in the aftermath of a natural disaster. While health experts may not see mold as an immediate threat to public health, homeowners and residents have a visceral reaction to seeing the dark spores form on their walls, especially after having gone through the trauma of a flood or hurricane. Homeowners can use FEMA Individual Assistance to address mold, but costs can be significant, and there is no distinct Federal funding program available for mold remediation. Thus, local governments must scramble to address this issue utilizing limited local funding or with creative public-private partnerships—such as our \$16 million philanthropically funded collaboration with the Mayor’s Fund to Advance New York City, the Robin Hood Foundation and the American Red Cross. Most often, local governments must rely on funding from Community Development Block Grants or other post-disaster assistance to address mold, but that takes months to reach the affected residents—and by then even more mold has grown in even more homes. Therefore, it would be extremely important for FEMA to be able to make mold remediation a standard post-disaster program or agree to reimburse local governments for performing mold remediation in private homes, so this issue can be addressed quickly and effectively and more resources could be dedicated to the bigger challengers of long-term housing.
- We are still struggling to successfully coordinate the great work of voluntary agencies and the private sector with government recovery efforts. Perhaps this would work best when government takes the lead to fully integrate these various entities. For instance, in this disaster, my office is in the process of creating a nonprofit repairs consortium, utilizing private funds, in which a lead nonprofit organization with experience in homebuilding will select and oversee a set of nonprofits to scale repair work and serve more homes. This consortium will coordinate voluntary efforts to ensure repairs to a targeted group of homes; streamline interaction between organizations; leverage city programs and use private dollars to repair homes in advance of the launch of the public sector CDBG program. This approach is entirely consistent with FEMA’s “whole of community” philosophy.

In summation, let me be clear that I am not intending to be at all critical of FEMA, HUD or any other Federal agency. We have had a great partnership on this disaster and have already accomplished some truly amazing feats of response and recovery together. The Federal agencies are doing the best that they can with the programs and tools that they have been given, but the housing recovery legacy of Hurricane Katrina and the experiences of every disaster from then through Hurricane Sandy should prove to us that we can do a lot better with fewer, clearer and more efficient programs which would enable families to get back into better, safer homes faster and more easily.

Senator LANDRIEU. Thank you very much, all three of you, for that excellent testimony.

And, particularly, Mr. Gair, with your focus on housing, it has been one of the focuses that I have tried to bring, and I could not agree with you more that, while we have made some incremental progress, there is a long way to go in having America and our States and local governments come together on a smarter, more efficient, more permanent housing solution in the aftermath of catastrophic disasters.

Housing is not a luxury; it is a requirement. Second homes, you could argue. But not primary homes, shelter is an absolutely fundamental part of any community. And we do not have the Federal programs yet, although we have made great improvements since Hurricane Katrina.

But I love your throwaway housing model. We should be spending that money in every way for something that is permanent and better. And also think about the differences between rural areas. I mean, the Joplin, Missouri, response to housing is a lot different than the Newark, New Jersey, or New York, New York, response,

because the communities are completely different. And having a one-size-fits-all model, it just is not smart, and it does not work.

So I think your analogy to a toolbox is something that I have used or tried to use in explaining to the Congress that we may have one toolbox, but there are different tools available already sharpened and ready to go to work.

And when we opened that toolbox in Hurricane Katrina, there were very few tools. The ones that were there were dull and not appropriate to the job that we had to do.

And so I think that is a good analogy. And if you can continue to stay on that housing piece, we will work with you and try to get some additional testimony to help.

Now, I do want to ask you, and then I am going to come back to Mayor Mancini, in your thinking about how not to have throw away housing programs, could you elaborate a little bit about what role you see the State of New York playing, what role you see the City of New York playing, and what, again, the private sector or the philanthropic community could play in this effort?

Mr. GAIR. Absolutely. Thank you very much, Senator. I appreciate your comments.

And having been a part of FEMA at the time and worked post-disaster housing after Hurricane Katrina, I do see the difference. But there is quite a long ways to go.

I think that what we saw in Hurricane Katrina and subsequently was spending really, at times, hundreds of thousands of dollars per family on developing sites and putting in trailers and mobile homes. And for that amount of money, we could create permanent solutions for people without going through a lot of that.

So we saw in this model of Rapid Repairs, which was really a great joint effort between FEMA and the State and New York City to get online very quickly, if we had that in place in advance and didn't just have to limit it to the very temporary pieces—hot water, electricity, and heat, which were essential. But we finished that very quickly, and then we had a gap.

So if we were able to have the program continue to do floors and the sheet rock and the cabinets, not only would we have gotten people back in their homes more quickly, their housing recoveries would now be complete or virtually complete.

LAPSE IN FUNDING

Instead, now we have this pause between now and probably 60 days from now when we get our action plan done and can start with the CDBG funds.

So I think that is where we really need the State and Federal Government to help us with a program to allow us to do this. And then the city and the private sector can really work in advance to get contracts in place to be able to turn that on quickly.

And by the way, the voluntary agencies also are a partner with us on this. We are putting together a consortium of all the home-building voluntary agencies that will work in cooperation with the city, and we are going to try to do about 1,000 units even before the CDBG funds become available, all using philanthropic dollars.

Senator LANDRIEU. And I just think it is very important for the public to understand that there are no cheap solutions to this dilemma, but there are better solutions than others.

FEMA right now, and I don't know what the number is, but we will find out and put it into the record, is spending tens of thousands of dollars maintaining families in hotel rooms at a cost of—what?—\$150 a night? \$200 a night? \$300 a night?

Mr. GAIR. This is New York City.

Senator LANDRIEU. I am not in Louisiana. I am not in Kansas anymore.

Senator LANDRIEU. You know, \$300 a night when you could add that money up and put it to the rebuilding of their home in a smarter way.

Now, the taxpayer is going to pay the money anyway under the law. Now we could change the law and say people should just be homeless until their homes are built; I don't think that is going to happen. Or they should spend their time in a homeless shelter; I don't think that is going to happen.

So we back up and look at it and say, why would we spend \$50,000 for a hotel bill for this family? What if you took that \$50,000 and put it with the insurance they had, the equity that they themselves, sweat equity that they can put in, much like maybe in the Habitat for Humanity model, and some other things. You could get them back in a better house, a stronger house, for less money.

Thank you, Brad. But I mean, I just can't say it enough. Some people might not listen to me. Maybe they will listen to you.

I sound like a broken record, but that is exactly what we are trying to do. So, thank you, and let's keep pushing.

Mayor, let me go back to your description, because I saw this with my own eyes, and I was so impressed with this when I saw it. And you know, your barrier islands are very different than, of course, the barrier islands in the gulf coast, but they serve the same purpose. They blunt the forces of the wind and water, protect what is behind them.

Your beaches are little bit different than ours, but the same thing, same physics work.

You said that, 13 years ago, you had a project that was authorized, but yet not completed. Only a fraction of the engineered levee was completed, and you testified that on the other side of that levee, the citizens were protected, homes were not destroyed. But yet, beyond that engineered levee, there was great destruction.

BARRIER ISLANDS

Can you tell us, if you know, what the cost of that project would have been 13 years ago? And have you been able yet to calculate the savings to the public had that project actually been done, because the damage would have been virtually, at least in your community, completely mitigated? Or much of it would have been mitigated?

Mr. MANCINI. Yes, Senator. Originally, the project was authorized at \$89 million.

Senator LANDRIEU. \$89 million?

Mr. MANCINI. \$89 million to do 17 miles. We are not funding with drips and drabs. We have had three separate projects, first, Surf City, 1 mile; Harvey Cedars was 1.8 miles; and a section in my town, about 1 mile.

The projection to complete the remainder of the island plus to refurbish the existing is about \$160 million now. We have requested those funds through all the channels.

Behind the jobs that were completed, I am going to say for every \$10 spent, it was \$100 saved. It was an incredible cost to improve vs. cost to save. It was an incredible amount of money.

And that doesn't even take into consideration the properties of the communities on the other side of the bay that, on the unengineered dune systems that were breached, that surge went over and took out Beach Haven, and West Mystic Islands, and Tuckerton Beach.

So we are not looking even looking at that savings.

Senator LANDRIEU. Okay, because I want to make sure that we get this in the record. And I am going to say what I can repeat. Thirteen years ago, there was a project for \$89 million that was authorized. Had it been funded, you would have saved yourself at least a portion or maybe all of the \$160 million you have now requested to finish it, because it would have been done 13 years ago.

In addition, you have millions of dollars, that we would like your staff to get into the record of this subcommittee, of damage that was done. And it is going to be 10 times the \$160 million, or maybe more, that was ruined because the \$89 million wasn't there initially when it should have been.

This brings me to my other really tough point that I am trying to bring home to the Congress. The Federal Government has \$1.6 billion for the entire country for new construction for the Army Corps of Engineers. I have said it before, and I am going to say it again for the record, I could spend \$1.6 billion in Louisiana alone on actual Army Corps of Engineers projects that must be done to mitigate against storms and disaster, to dredge the ports that are necessary to support the economic activity of the whole Nation, not just the 4.5 million people.

I think I could spend \$1.6 billion in Texas next door, which I am very familiar with.

So you can see what a deficit we have here in Army Corps of Engineers funding, because with that \$89 million that could have been funded, it would have saved hundreds of millions of dollars of damage, heartbreak, loss of income. And some of it is hard to calculate, because some people will just not come back, or reopen their businesses. So the loss of future earnings, the loss of ability for a business to grow; they just shut their doors and left. We don't even really calculate that in our calculations of loss.

Now, there is a solution to this. I am not sure what it is. But there must be a solution, because we are just playing now devastating catch up.

And we have a \$40 billion backlog—\$40 billion—of which your project was one of those backlogs. And this is what happens to those backlogged communities. You get devastated.

And a storm is going to come, or a river is going to overflow, or a levee is going to break, because it wasn't repaired correctly. And the taxpayers will pay on the backend out of their noses.

So we have a lot of deficits in Washington to worry about. One of them is this infrastructure deficit, particularly as it comes to the Army Corps of Engineers.

Let me ask, if I could, Scott, to you, try to describe in a little bit more detail your community. You said you had a \$10 million deficit coming in. What is the budget of your community? And how did the impact to your tax base, how is it affecting your ability to operate, if it is at all, your police, your fire, your schools, your library? Try to give a little bit of context to that.

And do you have the money that you need to operate? And if you do, where did you borrow it from, or where did you get it from?

Mr. MANDEL. Thank you, Madam Chairman.

INFRASTRUCTURE DEFICIT

The budget is approximately \$82 million. Unfortunately, when we did take office, this deficit was something that preexisted that we found out about after the fact. The ability to go forward at that point was mostly based on our ability to bond and to restructure the best we could, under whatever limitations we had.

Unfortunately, due to the storm, Superstorm Sandy compounded now the burden that will be placed on our tax base. Basically put, our residents are still reeling from the deficit, and now to have to share in additional costs by contributions to FEMA would be devastating.

We managed to get by. We are very conservative in our financing. We have streamlined our Government to make sure that we meet the needs and are as cost-effective as possible. But going forward, that will only cover so much, especially—

Senator LANDRIEU. Did you lay off people? Or did you push back maintenance? How did you streamline your budgets to absorb that?

Mr. MANDEL. We downsized. We also, unfortunately, during the turnover of the administration, some staff were let go. Other staff were hired back at lower salaries. The city council itself took a reduction in pay. We negotiated with our unions. Any way possible to reduce this burden, we have explored.

We have reached out to our local legislators, and we have even at times attempted to pass—to allow us to finance our debt in various different ways.

Again, that now compounded with the extra cost from the storm is insurmountable for our residents.

In my materials that I submitted, we have an itemization of our financial needs going forward. Just being practical in rebuilding, but not rebuilding for the sake of rebuilding, but rebuilding to be safer and stronger, and under those figures, we are looking at the upwards of \$291 million.

It is truly a concern, not only at the government level but for our residents.

Senator LANDRIEU. So your annual budget is \$82 million, and you have \$291 million in damage.

Mr. MANDEL. Approximately, yes, due to the repairs, yes.

It is something that, again, unanticipated, but this impacts not only on our residents, but also on our economic development. This is something that takes into account aspirations for business grants, for enticing businesses to come back to Long Beach, those that have closed up shop.

There is no reason for them to stay. Again, as a seasonal community impacted by this type of storm, we are wondering if there will be a summer in Long Beach, wondering if there will be a boardwalk for residents to come to and spend their days and spend their funds.

And again, these numbers we believe are on the conservative side, but it is a reality that we have to deal with.

Senator LANDRIEU. Okay, let me ask one more question, and I am sorry our time is going to cause us to have to close. But for each of you, particularly, Mayor, and, President, what are you hearing from your small-business owners?

Now, the SBA, they are not here to testify, but I would still like to hear, are they being responsive? Are your communities getting the loans that they need? Are they not interested in loans; they are really interested in grants, because they already had a good bit of debt or their normal debt burden that most businesses will carry some?

Can you give us a little flavor of what you are hearing? Because I was so impressed to see the density of the number of small businesses that were devastated and destroyed, from restaurants to bars to souvenir shops, et cetera, et cetera, et cetera, which we are familiar with in the gulf coast, but we don't nearly have the density that you have for such a long stretch. We will have communities rebuilding, and then you will go for a while without many businesses but just homes.

When I was going through your town, Mayor, I was just struck by a mile after mile after mile of small business after small business after small business. What are you hearing from them? Are they getting help from their local banks? Are they getting help from their credit unions? Are they getting help from the SBA or from the State?

SBA RESPONSE

Mr. MANCINI. Senator, the SBA, local businesses have been applying. About 50 percent of them are turned down. The interest rates at the SBA are higher than the local banks, and the paperwork is about 3-to-1 greater.

On Long Beach Island, we are very blessed that we have a 10,000-person population in the wintertime. It would go up to 120,000 in the summertime.

Our local businesspeople, we took a poll, brought them in, 95 percent of them are rebuilding.

Senator LANDRIEU. Wonderful.

Mr. MANCINI. Ninety-five percent will be open by Memorial Day. We have a lot of local interaction, a lot of help from other businesses, a lot of fundraisers.

Senator LANDRIEU. And the banks are stepping up to try to help?

Mr. MANCINI. Everybody is helping to get businesses open, because we realize that tourists will not come unless they are open.

And it has been really a great community effort, and it has been wonderful.

As far as the housing, temporary housing on our secondary market, a lot of our people that were displaced just moved into seasonal homes without cost. The community has been incredible in embracing the displaced. So Long Beach Island is a very special place. We are very lucky.

Senator LANDRIEU. Mr. Mandel.

Mr. MANDEL. Thank you, Madam Chairman.

The response from our local businesses have been that, although the SBA has been working with the community, the process itself is arduous. And for some, it is just overwhelming considering the other factors they are dealing with.

I am quite certain more grants would be a more welcomed response. But in reality, any opportunity for these businesses to come back, grants would be preferred, but the path using the SBA, were it simplified, were it more accessible, I think would be well received by the local businesses.

Senator LANDRIEU. Well, I am chair of the Small Business Committee as well, and I am going to commit right now to have a hearing in a short period of time. I would like to work with you all on this issue, because I am not going to give up.

It is not where it needs to be. We have worked and worked for 8 years. We have pushed the SBA. I will continue to push them, because this is just not fair.

I don't expect grants to be given out willy-nilly, but a \$10,000 grant here, a \$20,000 grant there, would be a good investment of taxpayer money, particularly for businesses that have staying power and will generate that rebuilding opportunity in these communities.

So they have to be limited and strategic, but we saw some of them worked pretty well. And while we have reduced the time—we still have not done what we need to do with the SBA.

So I am going to put them on notice today. They are going to be called on the carpet to get this done better.

We have to have some way for small businesses to recover more quickly after a catastrophic disaster. And I am going to call New York and New Jersey, their economic development teams in, to see what they are doing to help some of the smaller communities. Some communities are wealthier than others, and they have resources where they can come back.

But the poor communities, which need extra help, need to have special strategic abilities. They do have a lot to offer. And they are very, very important.

Finally, I will say this, as a woman who grew up on the coast, the last thing I want to see in America is that the only people who can live within a few blocks of the beach are people who have net worth of \$20 million or more.

Our coastal communities are culturally significant to us. They are made up of all kinds of people and backgrounds, fishermen, people that live simply, as well as people who are very wealthy. And if we are not careful with the way we recover, you will lose the culture of these coastal communities. You will not have your

crabbers; you will not have your shrimpers; you will not have your little mom-and-pop businesses. They will not be able to live.

And there has to be a way for America to preserve these coastal communities in a smart, economic, cost-effective way, without burdening the taxpayers too much, because everyone enjoys the coast. And if some of us wouldn't live there, no one would enjoy them, because there would be no one to see when you showed up.

Let me just see if—there are questions about the flood map and the V zones. Let me just ask this final question, because it is very important for the record, and I am going to probably have to come back and do something on these V zones as well, because they are affecting us, particularly in the southwestern part of our State.

Tell me a little bit more, Mayor, about the questions that you all have about the flood maps and the V zones. And what would you like to see our subcommittee focused on to try to help you get the information that you need, so that you can respond, your engineers can respond appropriately to this information you have been given?

ENGINEERED LEVEES

Mr. MANCINI. Senator, when we questioned the FEMA individual who was the head of that that showed up at the State Deputy Commissioner's meeting, we asked them if they take into consideration our engineered dunes. They didn't even know about them.

So this is as of July 2012. Hopefully, we will have the dunes in place within 12 months, and that will facilitate, and should facilitate, the elimination of 16,000 homes. In the meantime, they were not willing to suspend or review—

Senator LANDRIEU. Well, the Congress can mandate them to do so. I will be very interested in doing that.

Mr. MANCINI. It is incredible. You are talking about rebuilding, and rebuilding to the proper elevations.

The V zone rebuilds for these people means they have to move the properties off, their homes off, put the piling in, move them back on. You can't do that with the slab.

So, with the height, with just the foundation, concrete, normal, we can facilitate that at a decent cost.

Senator LANDRIEU. And you can also, for new building, we have a lot of slabs that were built that should not have been built, but they were. So you have your engineered levees, slabs can live safely behind them at times.

But what you want to do, with your new construction, require the raising. I mean, that is what makes the most sense to everyone and is the most effective.

And we are going through that right now. So we will make sure that we get that—

Mr. MANCINI. Just one follow-up to that is we asked them how did they get this information, because we never saw any boots on the ground. This map was done at 10,000 feet. No boots on the ground, Senator.

Senator LANDRIEU. Okay.

Mr. Mandel.

Mr. MANDEL. We echo the same concerns. Our major obstacle is elevation. A lot of our homes were originally bungalow homes in the different part of Long Beach. Basically, they cannot exist un-

less elevated, and the funds just aren't there for the average homeowner to literally elevate their entire life, especially after recovering from the storm, considering that their homes were washed away.

It is insurmountable at this point. We need that open dialogue and communication. We need the process to move a little faster for us and also the security for our residents that the funds are available.

Senator LANDRIEU. Okay, any final words, Mr. Gair?

Mr. GAIR. This topic is obviously a very, very important issue, and I will say that New York City, when the advisory base for elevation maps were coming out here, we have some resources and were able to work with FEMA, taking their data and doing some additional modeling and were able to actually cut back significantly on the V zones before the actual maps were released.

So there is no question, and FEMA is the first to admit, that it is very simplified modeling to get some good information out as quickly as possible. But it leads to some very expensive challenges, if you have to accept those without some additional work being done.

Senator LANDRIEU. Well, I will commit that we will be doing a meeting in Washington with your delegation through my subcommittee on this. And we will get back to you on that.

I thank you all very much for your testimony.

Thank you, and best of luck for your recovery.

ADDITIONAL COMMITTEE QUESTIONS

The record will stay open for 1 week, and I encourage people to submit other testimony for the record.

[The following questions were not asked at the hearing, but were submitted to the Department and the City Council of Long Beach for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. The Sandy Recovery Improvement Act—which was passed in January—gave the Federal Emergency Management Agency (FEMA) the authority to make awards based on estimates. I understand FEMA is planning on issuing guidance to applicants in mid-April. What steps has FEMA taken to inform applicants in the northeast about the new public assistance procedures, grants on the basis of estimates, project consolidation, and advancing hazard mitigation funds?

Answer. FEMA continues to work hard to fully implement the requirements of the Sandy Recovery Improvement Act, which passed in January, and has established a team of senior leaders from across the Agency to lead the implementation efforts for the new authorities in the Stafford Act to make grants based on estimates. As a part of the effort to inform our State, tribal and local constituents, FEMA briefed the National Emergency Management Association; convened the Public Assistance Steering Committee, which includes State and local representation; and began meeting with leadership in open joint field offices (JFOs), which are responsible for the administration of the Public Assistance Program, to discuss the implications and applications of the Sandy legislation. As a result of those meetings, Public Assistance leaders within the JFOs are speaking with applicants concerning Sandy Recovery Improvement Act implementation and the potential impact it may have on current and future disaster operations. Finally, in July 2013, FEMA will host a FEMA-State Sandy legislative meeting with expected attendees from State, tribal and local government to discuss the Sandy legislation at length.

Question. The Executive order directs the Department of Housing and Urban Development (HUD) to support the task force with administrative costs, subject to the

availability of appropriations and also by using funds provided by the Disaster Relief Fund (DRF) by agreement with FEMA. How much funding will your agency spend on the task force in fiscal year 2013? Which account specifically is the funding coming from?

Answer. FEMA established an interagency agreement with HUD to provide up to \$8 million from the DRF in support of task force administrative costs. The agreement was effective December 2012.

Question. How much, by State and by week, has FEMA obligated to the Temporary Sheltering Assistance program for Hurricane Sandy?

Answer. The obligations to the Temporary Sheltering Assistance program for Hurricane Sandy are shown, by week, in the tables below.

NY DR-4085 Total TSA Payments: \$61,340,689 Weekly TSA Amounts		NJ DR-4086 Total TSA Payments: \$35,478,204 Weekly TSA Amounts	
Date	Amount	Date	Amount
11/06/2012	\$7,535.99	11/06/2012	\$6,359.87
11/13/2012	490,073.31	11/13/2012	401,088.45
11/20/2012	1,529,285.25	11/19/2012	1,448,949.97
11/27/2012	3,990,048.86	11/27/2012	2,241,964.20
12/04/2012	4,636,350.06	12/04/2012	2,908,427.15
12/11/2012	4,767,834.52	12/11/2012	2,261,751.81
12/18/2012	5,524,575.48	12/18/2012	3,258,686.34
12/27/2013	4,784,401.46	12/27/2012	2,960,145.74
01/02/2013	3,367,729.77	01/02/2013	2,484,028.96
01/08/2013	4,281,813.64	01/08/2013	2,212,403.34
01/15/2013	4,802,832.10	01/15/2013	3,363,285.96
01/22/2013	3,298,401.26	01/22/2013	1,619,766.74
01/29/2013	4,906,847.25	01/29/2013	1,950,178.05
02/05/2013	2,676,929.93	02/05/2013	1,411,609.50
02/12/2013	2,872,837.16	02/12/2013	1,330,432.34
02/19/2013	2,564,090.98	02/19/2013	1,216,830.57
02/25/2013	1,699,017.30	02/25/2013	1,084,649.80
03/05/2013	2,184,856.34	03/05/2013	1,431,952.70
03/12/2013	1,217,758.74	03/12/2013	801,625.57
03/19/2013	809,397.85	03/19/2013	540,749.91
03/26/2013	928,072.01	03/26/2013	543,317.27

Question. How much, by State, has FEMA obligated to the Sheltering and Temporary Essential Power Program?

Answer. In New York, FEMA has obligated a total Federal share of \$126,154,094 for the Sheltering and Temporary Essential Power (STEP) Program. The current estimate for STEP obligations in New Jersey is less than \$750,000.

QUESTIONS SUBMITTED TO THE HURRICANE SANDY REBUILDING TASK FORCE

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. President Obama signed the Executive order creating the Hurricane Sandy Rebuilding Task Force on December 7, 2012, and charged it with preparing a strategy by early August with specific outcomes, goals, and actions for all levels of government and the private sector to support rebuilding. The Executive order is clear that the strategy should include input from State, local and tribal officials, with mitigation in mind. How will you ensure mitigation measures are substantially leveraged and regionally coordinated?

Answer. This is a key effort of the task force. Our approach is to work with all Federal agencies to ensure we understand the scope and detail of each type of mitigation and then work across the programs to see how we can create economies of scale and other types of leverage and efficiency.

For example, while coastal protection may be funded by USACE, water and wastewater restoration projects along the coast are funded by FEMA Public Assistance or through the States using FEMA, EPA or HUD funds. The coordination of these efforts is key because design for the protection of critical infrastructure should be informed by the work done to protect the area in which it is located. States oper-

ate differently as do the local communities within them, so we have recognized that fact and designed our organization to address it.

For regional coordination, we have taken a matrix approach. We have staff in Washington, DC, who are focused on specific types of issues such as housing and infrastructure and in our New York and New Jersey regional offices we have people focused on geography and needs of the State and local stakeholders. These staff work together to ensure that issues are looked at both broadly across the entire impacted zone as well as understand the local issues that may require a different approach in different areas. This approach allows us to share lessons learned across the States and communities.

As we have seen with respect to previous disasters, CDBG-DR funding offers important flexibility and effectiveness in responding to disasters. Previous uses of CDBG disaster funding have included, for example the State of Indiana budgeted approximately \$40 million in CDBG-DR funds to rebuild and mitigate damaged infrastructure following 2008 flooding. As a result, water and wastewater facilities in the town of Hope were rebuilt safer and more resilient, and the facilities have continued operation without disruption despite subsequent severe storms.

Additionally, throughout the Hurricane Sandy CDBG-DR notice, HUD incorporates guidance regarding mitigation:

- First, the needs assessment must take into account the costs of incorporating mitigation and resiliency measures to protect against future hazards.
- Second, in its action plan, the grantee must describe how it will encourage mitigation of hazard risk and how repair, rehabilitation, reconstruction, and new construction are designed (where possible) to incorporate principles of sustainability, including mitigating the impact of future disasters.
- As part of its action plan, the grantee must also identify how it will address the mitigation needs of each impacted Public Housing Authority (PHA) within its jurisdiction.

Question. The Rebuilding Task Force is made up of 24 Departments and Agencies and charged with delivering a strategic plan to the President summarizing its work and outlining specific outcomes, goals, and actions related to Hurricane Sandy recovery. The task force is also directed to terminate 60 days after the completion of the strategic plan. Once the task force ends how will succession plans be implemented to make sure nothing falls through the cracks and tasks are completed in a timely way?

Answer. At the end of the 180-day process the task force will issue a comprehensive, locally driven regional rebuilding strategy—one that will share best practices of rebuilding communities and reflect their visions for rebuilding.

The strategy will focus on helping communities rebuild in a way that makes them more resilient and economically sustainable—and will address the common policy challenges communities across the region face as they rebuild.

The strategy will also include an implementation plan, likely relying on FEMA's Recovery Support Functions structure to ensure continued cross-government coordination and collaboration as the plan is actually executed.

Question. The Executive order directs HUD to support the task force with administrative costs, subject to the availability of appropriations and also by using funds provided by the Disaster Relief Fund by agreement with FEMA. How much funding will your agency spend on the task force in fiscal year 2013? Which account specifically is the funding coming from?

Answer. The task force's overall budget is \$7,968,000 and comes directly from the Disaster Relief Fund. To date, the task force has received \$2,250,000 and has spent or obligated \$1,600,000.

QUESTIONS SUBMITTED TO THE CITY COUNCIL OF LONG BEACH, NEW YORK

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. Please outline your Corps of Engineers projects: When were they authorized and how much was the estimate at that time?

Answer. The project was authorized in April. The project was authorized after Hurricane Gloria, sometime in the late 1980s/early 1990s. The funding for the project was appropriated in April.

Question. How much of the project has been completed to date and how much did it cost?

Answer. The project has not yet started.

Question. What is the current estimate for the entire project now?

Answer. The project is estimated to cost approximately \$150 million. This is the total cost for the entire project, which spans the entire 6 miles of the barrier island. The cost for the city section is approximately \$75 million–\$78 million.

Question. How much damage (in dollars) was done in areas where the Corps project is authorized but not completed and how much in areas where the project is completed?

Answer. The damage done to the beach in Long Beach is estimated at \$30 million. This is the estimated cost to replace the dunes in the east and west ends, and to replace the sand that was lost as a result of the storm. This does not include the boardwalk (\$41.2 million) or the replacement of the structures that sat on the beach—bathrooms, lifeguard HQ, etc. (\$4 million).

Question. What is your community's annual budget?

Answer. Our annual budget is approximately \$85 million.

Question. Was your deficit before Hurricane Sandy?

Answer. We inherited an annual operating fiscal deficit from the prior administration of approximately \$10 million.

Question. What is the total estimated costs for Hurricane Sandy response and recovery?

Answer. We estimate that the total costs will be approximately \$200 million.

CONCLUSION OF HEARING

Senator LANDRIEU. Let me call the meeting adjourned.

[Whereupon, at 12:14 p.m., Friday, March 1, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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