

November XX, 2022

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20510

To Majority Leader Schumer, Speaker Pelosi, Minority Leader McConnell, and Minority Leader McCarthy:

We, the undersigned organizations, urge you to enact the “Reforming Disaster Recovery Act” (S.2471) introduced by Senators Brian Schatz (D-HI), Susan Collins (R-ME), Todd Young (R-IN), Patrick Leahy (D-VT), Bill Cassidy, M.D. (R-LA), Ron Wyden (D-OR), and Representative Al Green (D-TX). This bipartisan legislation will make the flow of disaster recovery funds faster, more equitable, and more accountable to taxpayers. The bill was also included in the Senate Transportation, Housing, and Urban Development appropriation bill for FY 2023, and the House version of the National Defense Authorization Act (NDAA). We ask that this urgent, bipartisan, legislation be included in any emergency disaster supplemental appropriation bill or other must-pass package.

Millions of disaster survivors across the country are facing catastrophic, life-threatening, extreme weather events, including stronger hurricanes, extreme heat, unprecedented drought, and severe wildfires. From Hurricane Ian along the Florida Coast to catastrophic flooding in East Kentucky, there have been fifteen separate billion-dollar disasters in 2022, leaving behind devastated households and communities across the country. This comes after multiple disasters in 2021, including Hurricanes Ida, tornado outbreaks in Tennessee, Arkansas, and Kentucky, and large wildfires across the west.

If enacted, the Reforming Disaster Recovery Act would permanently authorize the U.S. Department of Housing and Urban Development’s (HUD)’s Community Development Block Grant - Disaster Recovery (CDBG-DR) program, which provides flexible grants to help cities, counties, and states recover from Presidentially declared disasters and rebuild affordable housing and other infrastructure after a disaster, especially in low-income areas.

Insurance and short-term federal assistance are unable to cover the cost of a disaster for many low-income homeowners, renters, and people experiencing homelessness. State and local governments often struggle to repair infrastructure and facilitate economic development in low-income communities. Many of the lowest-income households – who are disproportionately affected by disasters but receive the least amount of assistance afterward – face homelessness or displacement as shorter-term assistance programs end. As the only source for federal long-term

recovery funds, CDBG-DR can fill this gap in assistance and ensure every disaster survivor and their communities are able to fully and equitably recover.

Although other federal agencies have standing resources to quickly serve communities when disasters strike, CDBG-DR funds are only made available through special congressional approval. Due to the program's lack of permanent authorization, HUD must write a new set of regulations to guide state and local grantees each time it appropriates funds. This ad hoc system can delay funding for over three years after a disaster occurs. As a result, recovery timelines are lengthened, economies stagnate, and homelessness and out-migration from disaster-impacted areas increase.

The Reforming Disaster Recovery Act will help ensure that long-term disaster recovery funds are made quickly available after disasters and that all disaster survivors and their communities can fully and equitably recover. The 2019 version of the bill was unanimously passed out of the House Financial Services Committee and was approved by the House of Representatives through a bipartisan vote. HUD and the Government Accountability Office under the past two administrations have agreed that permanently authorizing the CDBG-DR program would vastly improve how the country's most important long-term disaster recovery program operates.

In addition to codifying the CDBG-DR program in statute, the bill contains critical reforms to help ensure a more efficient and equitable disaster recovery and mitigate future risks by:

- Requiring that the use of funds are balanced between infrastructure and housing;
- Ensuring that housing funds are spent proportionally between homeowners and renters;
- Requiring HUD to release information on disaster recovery to the public – disaggregated by income, race, geography and all protected classes of individuals under federal civil rights and nondiscrimination laws;
- Requiring federal agencies to share all data to improve coordination of the disaster recovery process, as well as increase oversight and data transparency;
- Authorizing the creation of a CDBG-DR Reserve Fund that can quickly disperse initial recovery funding post-disaster without waiting for a new congressional action;
- Developing a formula to allocate assistance to the most impacted areas;
- Maintaining the current requirement that 70% of the funds benefit Low and Moderate Income households;
- Creating a capacity building and technical assistance set-aside for grantees;
- Ensuring that state action plans receive at least 14 days for public comment and requiring states to engage with stakeholders in the impacted areas;
- Promoting disaster mitigation and resiliency by establishing an Office of Disaster Recovery and Resilient Communities at HUD;
- Creating a significant set-aside for disaster mitigation activities; and
- Creating specific minimum construction standards for areas designated as hazard prone by HUD and FEMA.

Again, we urge you to support this important bipartisan legislation. By passing the Reforming Disaster Recovery Act, Congress can provide meaningful relief to the millions of disaster survivors most in need.

Sincerely,

National Low Income Housing Coalition

CC:

Chairman Sherrod Brown, Committee on Banking, Housing, and Urban Affairs, U.S. Senate
Ranking Member Pat Toomey, Committee on Banking, Housing, and Urban Affairs, U.S. Senate
Chairman Maxine Waters, Committee on Financial Services, U.S. House of Representatives
Ranking Member Patrick McHenry, Committee on Financial Services, U.S. House of
Representatives