

**FIVE YEARS LATER: LESSONS LEARNED,
PROGRESS MADE, AND WORK REMAINING FROM
HURRICANE KATRINA**

HEARING

BEFORE THE

AD HOC SUBCOMMITTEE ON DISASTER RECOVERY

OF THE

COMMITTEE ON

HOMELAND SECURITY AND

GOVERNMENTAL AFFAIRS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

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**FIVE YEARS LATER: LESSONS LEARNED,
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FROM HURRICANE KATRINA**

THURSDAY, AUGUST 26, 2010

U.S. SENATE,
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Chalmette, LA.

The Subcommittee met, pursuant to notice, at 10:00 a.m., at Chalmette Elementary School, 75 East Chalmette Circle, Chalmette, Louisiana, Hon. Mary L. Landrieu, Chairman of the Subcommittee, presiding.

Present: Senator Landrieu.

Senator LANDRIEU. Good morning. If everyone would have their seats, I am Senator Mary Landrieu and welcome to our presentation and official Congressional hearing that will start in just a moment.

But I would like to turn the microphone over to the Superintendent of St. Bernard Schools, Doris Voitier, who will welcome you officially, and I think her students have a welcome presentation.

Ms. VOITIER. Well, good morning and welcome to Chalmette Elementary School. During the storm, this facility was under between 8 to 10 feet of water and it was a middle school, Chalmette Middle School. We had to demolish the school and we have built this beautiful structure for our elementary school students, pre-K through five. We have 820 children on this facility, and it is state of the art.

What you are sitting in right now is our Teacher Training Center. So adjacent to this property prior to the storm, we had a Teacher Training Center. So when we rebuilt, we decided to incorporate it into the school itself, and I think that it is—as you can see, it is a beautiful facility, the main meeting room, we have a training lab and some secondary meeting rooms, as we do in-service training for our teachers and our staff, as well as allow the students to use it during the day and community at other times.

So as we rebuild the community, it is truly a partnership with the school system and parish government, all of our community partners as well as our Federal partners. So we thank the Federal Emergency Management Agency (FEMA), we thank members of our Congressional delegation. The Senator has just been phenomenal in fighting that cause for us and we applaud her tremendously for her efforts. [Applause.]

(1)

If it were not for Senator Landrieu, much of this would not have happened. She has just been a tigress in getting that legislation passed for us. And our Representative, Congressman Melancon, has also been phenomenal. I mean, he was here on day one, has done so much to help this community with much of the restart legislation. [Applause.]

So we thank him, and we welcome our neighboring Congressman, Congressman Scalise, as well.

So without further adieu, we would ask that you please stand, because our children from—Victoria and Cory—are going to lead us in the Pledge with some of their classmates behind them.

[The Pledge of Allegiance was recited.]

Thank you. That was wonderful.

Senator LANDRIEU. Beautiful. Thank you, children. [Applause.]

Thank you, and welcome, Congressman Cao. Please have a seat up here.

Winston Churchill once said, if you are going through hell, keep going. [Laughter.]

Five years ago, in the aftermath of Hurricane Katrina and the Federal levee failures that followed, that is precisely what millions of Louisianans and residents of the Gulf Coast decided to do.

I am very honored, actually, to be joined today by leading citizens of St. Bernard Parish, leaders from around the Southeast region of our State, and the heads of three Federal agencies that have had the responsibility to invest over \$40 billion into the recovery efforts underway that you are seeing this morning and will hear about in just a few minutes. We have with us the Secretary of Housing and Urban Development (HUD), Shaun Donovan, Administrator Fugate of Federal Emergency Management Agency, and General Robert Van Antwerp from the Corps of Engineers.

The last 5 years have revealed remarkable strength and resiliency among the people of the Gulf Coast, particularly here in Louisiana. Our faith in government at every level and in elected leadership and in ourselves has been tested along the way, but we continue to adapt, to persevere, to fight for the recovery and renewal of a great American city and region that is uniquely positioned. Our cultural heritage, our rich history, our strong sense of community are unmatched in the United States.

Hurricanes Katrina and Rita and the resulting levee failures claimed the lives of 1,577 Louisianans, displaced 800,000 residents from their homes, forced 220,000 workers out of a job. The floodwaters, storm surge, and winds shuttered 875 schools, destroyed 215,000 homes, 18,700 businesses, and 217 square miles of coastal wetlands was lost. To put that coastal wetlands figure clearly in mind, it would be like losing the entire cities of Shreveport, Lake Charles, Monroe, and Natchez.

We will always be grateful to our first responders who saved so many lives, our firemen, our police officers, the Coast Guard, the National Guard, the Cajun armada of ordinary citizens and individuals who traversed the floodwaters in skiffs and airboats to ferry distressed citizens to safety. We are grateful to the hundreds of thousands of volunteers who have provided relief to help build our communities and we are thankful to the American people for their generosity, their prayers, and their investment in this region's re-

covery, represented by over \$60 billion in Federal aid for rebuilding.

As we approach the 5-year anniversary of the worst natural and manmade disaster in American history, we are compelled to pause and consider the road we have traveled, the condition we find ourselves in today, and a pathway forward. That is the purpose of today's hearing, to take stock of the lessons that we have learned, maintain our momentum, and to make Louisiana safer, stronger, and more prosperous than ever before. And, I might add, in doing so, to share the lessons we have learned with other communities around the United States and world. Haiti comes to mind. Pakistan comes to mind. So when people around the world are suffering, they might look to what has happened here in South Louisiana to make changes for themselves.

We will begin with two brief but very informal presentations on the status of recovery before proceeding with our formal hearing, which will help frame the discussion to gain a perspective on what we are going to hear at the formal hearing.

Our first presenter is Greg Rigamer from GCR and Associates. He will discuss population and recovery. Mr. Rigamer is an acknowledged expert in urban planning and management and CEO of GCR and Associates.

We will then turn to Amy Liu from the Brookings Institute Metropolitan Policy Program for an overview of the recent report released in conjunction with the Greater New Orleans Community Data Center. Ms. Liu is a Senior Fellow and Deputy Director with the Brookings Metropolitan Policy Program. We are grateful for what the Brookings Institute has done from the beginning to help us keep track, actually, of what the situation was and how we were progressing or not.

I would like to again thank everyone in the audience for being here today. We will start with our presentations now and then the members of the Congressional delegation and I will sit at the panel and begin the more formal part of our hearing, and I will turn this over to you, Mr. Rigamer. Thank you.

TESTIMONY OF GREGORY C. RIGAMER, CHIEF EXECUTIVE OFFICER, GCR AND ASSOCIATES, INC., NEW ORLEANS, LOUISIANA

Mr. RIGAMER. Thank you, Senator Landrieu. As we cue up the presentation, I appreciate being invited to participate and feel honored and privileged to be here.

As Senator Landrieu pointed out, obviously, we need not tell anyone here the colossal impact of Hurricane Katrina, but it was a devastating storm by all measures—lives lost, homes lost, assets lost. When you think of a complete cessation of governmental and business activities within a community, it is phenomenal to think that 5 years later, we are sitting here today in one of the hardest-hit areas and having such a meeting to discuss the challenges and also the accomplishments that we have made.

Today, 91 percent of the pre-K population in the New Orleans region is here. We have about 84 percent of the jobs and we have about 86 percent of the commercial businesses that were established pre-storm back today. So there has been over \$10 billion in-

vested in housing in the immediate impact area, and most—I shouldn't say most importantly, but we have the benefit of \$15 billion of hurricane protection for the community that will serve to protect us from future events.

Also, real similar with 2010, following the anniversary of significant change in many aspects of the political landscape within the community, we win the Super Bowl. It is a real statement about that we are back.

Senator LANDRIEU. And we can take credit for that.

Mr. RIGAMER. Absolutely. Well, I think, clearly, you were a motivating factor in this. People wanted to prove that we could do this.

All that said and done, we do have major challenges. We have lost 93,000 jobs in the region since June 30, 2005. These figures are from June 30, 2010. Our rents are high. And we have about 57,500 units that we can identify that are out of service today that are directly related to the impact of Hurricane Katrina. Currently, we have building but diminished public services and we have yet to see significant provident investment within our community.

When we look at the impact area, the five parishes, Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, and the metropolitan area, while the metropolitan area is 91 percent back, St. Bernard is about 63 percent back and the City of New Orleans is about 80 percent back. Now, when you look at the extent of the flooding that we experienced, it is absolutely phenomenal that we are at this level today. We zoom in a little bit closer and look at the St. Bernard and Orleans Parish areas and we can see that the depth of flood was absolutely significant.

One of the things that is very interesting is to look at the sequence of recovery of our communities. We monitor information at the address level aggregated to a block and then compare it to 2005. So in 2005, the community was fully occupied and everything was up. By January 2006, everything in red is a neighborhood or a block that is less than 20 percent back, zero to 20 percent back. For the most part, what you see in red was zero. But within 6 months, by July, we see signs of recovery, green being fully back and the shades between red and green coming up. January 2007, July 2007, January 2008, July 2008, January 2009, July, January 2010, and where we are today.

So when we look at this phenomenal change from where we were in January 2006 to where we are today, throughout St. Bernard and Orleans Parish, it is very impressive. So 5 years after Hurricane Katrina, though, we have 57,500 units that we can put our finger on that are not in service today that were in service in July 2005.

So what does that look like? That is what Orleans Parish looks like. Every red dot on there is a parcel that was in service in July 2005 and not today. This is what St. Bernard looks like. I apologize, the images aren't quite as crisp on this. But every red dot that you see on there is a home or a business that was occupied in 2005, not today. So when we look at this, it is absolutely significant.

Now, how do we address this? Obviously, investment is part of it, but we need jobs. It is not just the short-term money to fix the issue, it is the money to sustain the community. Jobs is the key.

We have lost nearly 94,000 jobs in the metropolitan area since Hurricane Katrina, and if we have any expectation of absorbing these properties that are out of service, it is going to be through economic growth.

Today, our rents are very high. In the New Orleans area, the fair market rent for a two-bedroom unit is now higher than comparable cities like Houston and Atlanta. It peaked in 2009, but still in 2010 we are higher than any of our other major metropolitan areas.

When we look at the affordability index, how easy is it for somebody to live in New Orleans, what is the percent of rent that someone would expect to pay of their income, and the greater New Orleans area is here at the bottom and we are over 25—we are between 25 and 30 percent of our income. And these figures are from HUD. We are more expensive, a more expensive place to live, than places like Miami. This is a real problem for our community.

But on the good side, there is significant money being invested that will result in major new jobs for this area. The LSU-VA Hospital project, Federal City, the Bio Innovation Center, the Port of New Orleans expansion, the growing film industry, and the New Orleans Cancer Research Center will all provide the type of jobs that we need to attract people to our community. If we attract people, we can redevelop our neighborhoods and restore value.

There has been a significant amount of money invested and we know that there is a lot more to be invested. Right off the top, we can identify \$27 billion in project funds that will really have a significant impact on our community.

So the bottom line is we are very positive about New Orleans. We think given where we are 5 years later, we all have a lot to be proud of. We are sitting in a great new facility that is state of the art in an area that was as hard hit as any. It is really remarkable that we have the benefit of having this hearing here today. Thank you for letting me be a part of it.

TESTIMONY OF AMY LIU, DEPUTY DIRECTOR AND SENIOR FELLOW, METROPOLITAN POLICY PROGRAM, THE BROOKINGS INSTITUTION, WASHINGTON, D.C.

Ms. LIU. Great. Good morning. I want to thank Senator Landrieu and other Members of the Subcommittee for giving me an opportunity to present at this very important hearing.

What I want to do with my 10 minutes is to cover two key points. First is that I want to assert the proposition that the goal of post-disaster recovery should, as much as possible, help a community be more resilient and also to help put that community on a path to long-term prosperity. Given those goals, then second, how has New Orleans performed on those fronts since Hurricane Katrina and what does that mean for Federal and State policies going forward.

So let me talk about resilience. There is no doubt that the term “resilience” is used in many different ways and applied to many different contexts, particularly in a natural disaster context, in an ecological context, and in a psychological context. What we want to focus on is regional resilience in the face of any shock, whether it is a hurricane, an economic crisis, or an oil spill.

And the literature then says, given that definition, how do we know a region is resilient? There are two ways to look at it. First

is the one that you can measure. This graph shows that how does a region literally perform after a shock, and this map looks at the job growth in New Orleans metropolitan area after the last 15 years. New Orleans in general would be considered resilient if it bounces back to its prior trend line.

But in this case, in many instances, bouncing back to the prior trend line may not be such a good thing if the prior trend line was stagnation or decline. This is why many of us have been talking about building back better than before. We need to transform the city and the metropolitan area in a way that we start to see indicators and outcomes that improve upon past performance, particularly on key areas of prosperity, the economy, opportunity, sustainability, and quality of place and quality of life.

But the second way of looking at regional resilience is the extent to which a community has the capacities and the characteristics to literally adapt to, minimize, or absorb the impact of a shock, and the literature says there are five key characteristics a community has to really do that well, and the first two are economic. The other three are community.

A strong, diverse regional economy—if a community has this, then if one of their major sectors gets hit hard, whether it is an auto sector or an oil and gas sector, it has other industries it can fall back on.

Second, if a community has a large share of skilled and educated workers, it is more likely that the people are going to be able to adapt to what the changing demands of the industry or economy will be.

Strong social capital—if a community has strong community ties, community relationships, engagement, and trust, they are more likely to work together to get things done. And community competence is about taking that social capital and really resulting in effective problem solving.

And last, wealth. There is no doubt that resources matter—Federal, State, local, philanthropic, corporate, individual resources. If you have that to build a home, invest in the capacities of the people, the organizations, or invest in reform, you are obviously going to be more adaptive to shocks.

So given that definition of resilience and prosperity, how has greater New Orleans performed along this front in the last 3 years? The work that Senator Landrieu talked about, which is the New Orleans Index at Five, co-produced with the Greater New Orleans Community Data Center, we found three findings that, I think, are really relevant for today's hearing.

First is that this region has not just sustained one shock, but three shocks in 5 years—Hurricane Katrina, the worst recession since the 1930s, and now the oil spill. But despite those three crises, this region is becoming more resilient, beginning to demonstrate new capacities to transform its future, and at the same time beginning to show some emerging signs of improving its prosperity better than its past. But this region is a work in progress and key challenges do remain, as Greg Rigamer described. Therefore, it is really important for Federal and State leaders to use the moment of the oil spill to build on the progress made since Hurri-

cane Katrina, but also to finish some unfinished business that will continue to transform this city and region going forward.

So let me talk first about the good news. So first is that of the five factors that can predict resilience, New Orleans has actually demonstrated three of those post-Hurricane Katrina, and they are highlighted here, and I will just talk about them real briefly.

There is no doubt that everyone talks about the power of citizen engagement, of citizen activism that has contributed to a lot of the rebuilding underway. But it goes further than that. The people and the groups are smarter. They are more informed. They are more strategic. They are more sophisticated, therefore being more important partners in both advocating for reform but also in the implementation of reform. There is more capacity in the region, for instance, in the rise of community development organizations, non-profit developers and other community groups that have been really critical to neighborhood transformation. And obviously other coalitions have been enacting reforms.

All those energies have actually led to some systemic changes, which says that this place, this New Orleans is really competent, and we are going to hear about some reforms later on in this hearing and we have produced essays that have really described the outcomes from a lot of these reforms.

But behind each of these reforms are resources, and this is an important part of the recovery story. Behind the increased capacity, behind every single one of these reform areas are Federal dollars and philanthropic partners who have made all these outcomes possible. But let us take a look at the numbers, and I am going to skip this one, given the time.

On the good news, I am going to talk a little bit about the economy and opportunity. There are some numbers that are showing that this region is rebounding better than before, so let us talk about the economy. In our report, we wanted to look at those sectors that are most important to the seven-parish, ten-parish, and New Orleans metropolitan area. We separated the economy from the export sectors and those from the local serving jobs. Export sectors matter because they are the critical drivers of the region's economy. They are the ones that bring value and wealth from outside the region into the region. They tend to—for each export job, it creates two to three local serving jobs. And they do tend to pay more. In the case of New Orleans metropolitan area, it pays \$20,000 more than the typical local serving job, like a grocery store or a dry cleaners and so forth.

So how are the export sectors in the New Orleans region doing? I am going to not—ignore for a moment all the downward-sloping trend lines. We will come back to that. What I think is the positive story here is the upward-sloping red lines, which is in the last 20 years, we are starting to see a steady emergence of knowledge-based service industries in this region in higher education, in legal services, insurance, and that is really important for an economy that has been historically dependent on oil and gas and tourism.

The growth in heavy construction and engineering is not highlighted in red primarily because it has been trending downward for the last 20 years, but got a big bump after Hurricane Katrina. What we are still waiting to see is whether or not that is a result

of purely from the rebuilding activities along the Gulf Coast or whether that trend can be sustained.

But the other positive news is that average wages in the metropolitan area have increased, and this is really important in an economy that has historically been low-wage economy. So since 1990, we are seeing an accelerated growth in average wages catching up finally to the national average. Some of this is the result of the emerging knowledge-based jobs in the economy, but also, honestly, because the loss of many low-wage tourism jobs after Hurricane Katrina. And no doubt, wages matter to the workers.

Entrepreneurship—if you take a look at the blue line for New Orleans, entrepreneurship has really spiked in the metropolitan area since the storm, surpassing the national average. This is really important because it indicates the capacity of innovation in the metropolitan area.

So those are some of the trend lines that show departures from the past, but there is no doubt that there are still challenges that remain, and let me focus on the economy for a moment. If you take a look at the four largest economic drivers in the New Orleans economy in 1980—tourism, oil and gas, shipping, ship building—each of these four sectors have been generally trending downward for the last 20 or 25 years. As a result, the New Orleans economy actually is now smaller than it was in 1980.

I think what is interesting to point out is that tourism actually had grown for a while, but it took a huge hit after Hurricane Katrina and it has actually never recovered. The same four sectors are also the ones that are directly impacted by the oil spill.

I think the big take-away from this graph is that this economy here is still dependent on a high number of sectors that are shrinking and obviously vulnerable to the recent crises and we need to rethink how we strengthen and diversify this economy.

But if we want to modernize and diversify the regional economy, it is going to need skilled workers, and in this regard, we are starting to see that the share of college educated workers in the New Orleans area has actually plateaued since post-Hurricane Katrina, which is counter to the national trend and even counter to its previous history.

Income disparities remain stark in this region between racial groups, and the only thing I would highlight here is in the yellow-green bars, is that the typical African-American household in New Orleans earns about half of the typical—the average wage for a black household, \$32,000 compared to \$58,000 of a white household.

And we have heard that poverty has dropped in the city. As you can see from the yellow line in New Orleans, this is primarily because of the changing demographics of the city after the storm. But what is interesting to note here is the flip that has occurred after Hurricane Katrina. There are now more poor people in the suburbs of New Orleans than in the city itself, 93,000 low-income people in the surrounding parishes versus 68,000 in the city.

And even though we have seen a growth in wages in the area, it has not kept pace with the growth of housing costs, and so you look at the yellow line in the Orleans Parish alone, 58 percent, nearly 60 percent of renters in the community pay more than 35

percent of their incomes on rent. That is enormously high and much higher than the national average of 41 percent. This is also a burden for homeowners.

So those are some of the challenges, and let me just close with one final slide, is what do we do with all of this. One of the advisors to our project, a leading leader in the community debate, simply said to us, the one big take-away I want you to tell folks from your report is that despite all the crises and all the emergencies that this community has faced, we need to keep our eye on transformation and the goal of long-term prosperity, and I think that was very well said.

So what do we do at the Federal and State level to really ensure that? No doubt we need to sustain and build on the positive progress made on reforms post-Hurricane Katrina. Those are early developments, and there is still a lot of unfinished business there, and some of those gains are actually starting to be unraveled because of the State budget cuts.

I think the recession and the oil spill does present new opportunities to do more to move this region forward, and these are just some sample ideas. We do need to, as we think about the Mavis plan, what we think about the post-oil spill recovery plan, which is focused on the economy and the environment, we need to think about ways to strengthen the existing industries, particularly like the Port, if that is going to be part of, say, helping the President's goal of doubling exports. We could continue to diversify the economy with a clear focus on those industries that are growing because that is an asset. We do need to strengthen skills in the area towards those growth sectors. And again, the more you diversify the economy, the more you strengthen skills, the more you increase the resilience of the region. Obviously, we want to make sure that minority-and women-owned firms participate in the clean-up and recovery so we ensure that we grow the black and minority middle class.

And most importantly, we obviously want to focus on restoring the wetlands as part of building on the levee investments that we have made so far. And, of course, restoring the wetlands in a comprehensive way will not only generate jobs, but with that one sector focused on high-construction engineering, we may be able to actually convert wetland restoration and coastal protection and convert that into a true industry in the Gulf region.

So let me just close by saying if we do all these things, I think we are at the verge of really witnessing probably one of the most catalytic urban transformations in recent history.

Senator LANDRIEU. Thank you. Let us give them a round of applause. [Applause.]

OPENING STATEMENT OF SENATOR LANDRIEU

Senator LANDRIEU. I would like to officially call the meeting of the Subcommittee on Disaster Recovery into focus and thank the members of the Louisiana Congressional delegation for joining me at this official hearing.

By way of just very brief introduction, this Subcommittee did not exist when Hurricanes Katrina and Rita and the subsequent storms had hit Louisiana 5 years ago. The Senate reorganized their

Committee structure and allowed this Subcommittee to be formed. I am very grateful to be able to serve as Chairman of this Subcommittee, and we have conducted any number of hearings over the course of the last 5 years related to smarter, better disaster response and recovery and I am pleased to be able to continue to chair this Subcommittee.

The members that are joining me are not members of this Subcommittee, but as members of the Louisiana delegation, they have become experts on disaster recovery themselves and will be giving opening remarks just briefly.

I want to thank Amy Liu and Greg Rigamer for a wonderful presentation. It is comforting as a leader to hear such strong and focused and objective data that will help all of us to make really hopefully good and smart decisions moving forward. That data is a blessing, because in the first 2 years after Hurricane Katrina, it was very hard to figure out what was up, what was down, who was here, who was there, and it really—I thank Brookings for following this so closely and for Greg Rigamer's group that gives the leaders making these decisions the information that we need on your behalf to try to make the best situation moving forward.

I am going to try to minimize what I say. I have a lengthy written opening statement, but I am going to summarize it to keep within 3 minutes and ask my colleagues to do the same.

I just want to touch briefly on a few important challenges that lie ahead. We are pleased to have an extraordinary two panels of Federal and State and local officials with us today.

First, the challenge for this region will always be—the most important challenge for us will always be flood control, levee protection, and coastal restoration. No challenge, not housing, not economy, will ever surpass that as number one. It is because we live in the ninth largest delta in the world. We have to recognize that we live on, around, and some of us actually in water. We have to learn how to manage it. We are learning all sorts of new strategies and you will hear some of that today.

Housing and neighborhoods are so important. There are new ideas coming forward as the Road Home Program wraps up. You have seen the challenge for multi-family housing, senior housing, more affordable rental housing for workers as we struggle to bring our businesses and workers back. Land bank concepts are exciting. We heard about that today in St. Bernard. We are pleased to hear some exciting new opportunities for housing and neighborhood revitalization.

FEMA reform, we have a better and smarter FEMA today and we are very grateful. Craig Fugate is here, our Administrator. We have seen example after example this week of FEMA saying yes as opposed to no. Tony Russell is in the audience. You will hear from them later.

Building smarter schools, you are in one right now. This is a very smart redevelopment project. I cut a ribbon at Salmen High School in Slidell yesterday, and today we got an announcement that \$1.8 billion is coming to this region for rebuilding smarter schools that stabilize our community. So we are excited about the transformation of the new system of public education that is emerging,

building on the strengths of what was here and transforming public education in the places that it needed to be.

New models for health care delivery, you will hear some of that today. We didn't have the greatest health care system in this region before, although there were places like St. Bernard and others that were very proud of the health care system. St. Bernard today does not have a hospital. If you tried to deliver a baby here in St. Bernard, it would take you a minimum of 30 minutes to get to a delivery room. And if it was traffic, it might take you an hour and a half. So needless to say, we have many challenges with hospitals in the region, particularly here in St. Bernard. But the good news is community clinics have been developed, over 92, and we are excited about a new model of delivery that is focused on preventive care and real doctor-patient relationships that are going to be very important.

You heard about the effective nonprofits that are emerging. You will hear more about that today. It really is quite exciting to see neighborhood associations, when they call a meeting, 500 people show up and they keep showing up because they do care very much about what is being done and going on. We have lots of nonprofits all over the region that have received national awards. The St. Bernard Project is here in the house, Cable News Network (CNN) Heroes of the Year Award, and I could list 200 to 300, including those promoting new entrepreneurship.

Criminal justice reform is an exciting thing that is happening in our community, and I will say in conclusion, I thank the Brookings Institute for their support of our delegation and our friends in Washington, and we have many allies and friends from both parties and officials that are helping us to really capture the opportunity of this oil spill to help lay on top of what we are going to see today as progress made.

And specifically in closing, British Petroleum (BP) under the law, the polluter under the law, responsible party under the law, is going to pay to the Federal Government anywhere from \$5 billion to \$20 billion in penalties for violating the law. If they are found simply negligent, they will pay \$5 billion. If they are found grossly negligent, they will pay approximately \$20 billion, assuming five billion barrels was spilled, and that number is rough. Our delegation wants to claim a minimum of 80 percent of that penalty money to be spent on the Gulf Coast in communities that have been hard hit, from Florida to Texas, from the storms in 2005 to the current storms. You have seen the charts. Oil and gas down. Shipbuilding down. Tourism down. The Gulf Coast is a very vibrant region. We will not be able to recover, though, without additional resources, and that penalty money is going to be something that we are very focused on, and others.

Let me turn in seniority to Charlie Melancon, the Congressman from this district.

TESTIMONY OF HON. CHARLIE MELANCON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. MELANCON. Thank you, Senator Landrieu. I appreciate you giving me the opportunity to say a few words. I appreciate you convening this hearing today and I particularly appreciate the fact

that we are doing it here in the Third Congressional District and in the community of Chalmette, St. Bernard Parish.

In the 5 years since Hurricanes Katrina and Rita devastated Louisiana, your leadership in helping our State and its people recover has been unmatched. We are at this point today because of your persistence and your refusal to accept no for an answer when it comes to delivering for Louisiana.

So today's hearing will give us the opportunity to hear from experts, elected officials, and agency heads who have been on the ground driving this recovery every day. We will hear about the exciting progress that has been made and the many difficulties that remain. We will take this information back to Congress, share with our colleagues, and push for solutions that ensure that we meet the challenges of rebuilding our State stronger than ever before.

Five years later, many needs still remain, from education to health care to housing, law enforcement, and we will hear testimony today about those priorities. But for today, to fully recover, we need a serious Federal commitment to rebuilding our coastline and protecting our homes and communities here in South Louisiana.

Our coastal wetlands serve as the first line of defense against hurricanes, yet we are still losing a football field of land every half hour, leaving our towns more exposed to the storms from the Gulf with each passing day. Progress is being made. The House of Representatives recently passed my amendment to invest over \$1 billion in penalties from BP in coastal restoration projects along the coast, and Senator Landrieu is pushing for similar, however better and more money, funding in the Senate. So I encourage the Senate to cooperate with our senior Senator and I encourage the President and his Administration to support these efforts.

While the levee system has been significantly strengthened in New Orleans, hurricane protection throughout the rest of South Louisiana is still well below that which is needed to protect our people from another Hurricane Katrina or another Hurricane Rita. Many of the communities that I represent have little or no hurricane protection, as critical projects are delayed year after year. Morgans [ph.] to the Gulf, for example, has been on the drawing boards for over 15 years. Inadequate funding coupled with bureaucratic red tape have repeatedly stalled this important hurricane protection project, leaving approximately 200 people in the Terrebonne and Lafourche Parish area in harm's way. This should not be.

We need a partner, not a parent, to complete these projects in Coastal Louisiana. Our State has the best coastal engineers and know-how in the country, but until the Federal Government decides to support our efforts, we will not make the progress we need. Louisiana needs a serious commitment from the Federal Government to protect all of our coastal communities from major hurricanes before it is too late.

This weekend, we reflect on a solemn anniversary for the people of South Louisiana and the entire Gulf Coast and our entire Nation. But this is also a time to celebrate the progress we have made, both individually and as a community, in rebuilding what we have lost to these storms.

So let us honor the spirit today and recommit to building a better future for Louisiana. And again, I thank you, Senator Landrieu, for holding this hearing.

Senator LANDRIEU. Thank you. Congressman Scalise.

**TESTIMONY OF HON. STEVE SCALISE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF LOUISIANA**

Mr. SCALISE. Thank you, Senator Landrieu, for having today's hearing and for inviting our panelists to participate. I also want to thank our entire delegation for the work that has been done since Hurricane Katrina. Only through the teamwork and the shared love and commitment to our State have we been able to clear the hurdles necessary to accelerate our recovery.

I also want to thank our witnesses who are here today for their continued work on behalf of Louisiana's recovery. I have met with many of you on multiple occasions to discuss our recovery and I once again look forward to hearing your comments today and working with you to resolve the remaining issues from Hurricane Katrina.

It is hard to believe that Sunday marks the fifth anniversary since Hurricane Katrina's landfall. The images we saw and the challenges we faced on August 29, 2005 and the days and months and even years since are still fresh in everyone's mind and will not be forgotten. Hurricane Katrina is a story of the strength and perseverance of the people of South Louisiana. I think it is very appropriate that we are here in St. Bernard Parish because I think the people of St. Bernard are the embodiment of that strength and resilience, and you can see today the progress that has been made, and as you are leaving and drive away, you can see the work that is still left to be done. So this parish is an encompassment of the entire region's challenges that have both been achieved but still are faced.

During these 5 years, we have experienced many successes in our recovery and made significant progress. But as we all know, there have been setbacks and there is still work left to be done. I think we can all agree that these past 5 years have been a struggle, but one that the people of our State, including many in this room, are continuing to work through every day and will continue to do so until our recovery is complete and until we have achieved our ultimate goal of rebuilding better, stronger, and smarter than before the storm.

In order to do so, we must resolve the issues still lingering from Hurricane Katrina and make necessary improvements to the regulations and laws that govern disaster response and recovery. And we must make the investment necessary to protect our coast and to finally achieve Category Five hurricane protection.

One issue that we are still dealing with 5 years later is the forgiveness of Special Community Disaster Loans (SCDL). While a number of these loans have recently been forgiven, an overwhelming majority of applicants did not even qualify and were recently rejected. In my district, only 5 of 17 applicants qualified for partial or complete forgiveness. I continue to call on FEMA and the Administration to resolve these disparities so that communities

that were equally devastated by Hurricane Katrina are not treated unfairly in the Community Disaster Loan (CDL) process.

In addition, we have learned many lessons from and are still facing problems with the provisions of the Stafford Act and interpretations of FEMA regulations. I have introduced legislation, as has Senator Landrieu and other members of our delegation, to make reforms to the Stafford Act, including expediting the public assistance appeals process and improving cost sharing for debris removal and hazard mitigation.

Debris removal was a significant issue in my district following Hurricane Katrina, especially in St. Tammany Parish. I know Parish President Kevin Davis is here and he will testify about the struggles his parish faced. They learned many lessons about debris removal and project worksheets, including how the use or lack of certain words or phrases in a project worksheet would drastically impact its final outcome. The fact that we are still working through some of these interpretations and assessments 5 years later is unacceptable. We must build upon the progress that has been made by FEMA and The Governor's Office of Homeland Securities Emergency Preparedness (GOHSEP) to close out the remaining projects.

And finally, we must ensure that the Corps of Engineers and the Administration commit to supporting Category Five hurricane protection for South Louisiana. This includes barrier protection at the mouth of Lake Pontchartrain, which will protect both the north and south shores of the lake, as well as major investments in restoring our vanishing coast. The BP oil spill has underscored the critical nature of Louisiana's coast and we must redouble our efforts to protect and restore our valuable wetlands. I share the sentiments of Senator Landrieu that at least 80 percent of the disaster penalties be dedicated to coastal restoration efforts.

As we come to the fifth anniversary of Hurricane Katrina, we are at a critical juncture in our recovery. Over the last 5 years, we have cleaned up and cleared away the debris. We have rebuilt many communities and are still in the process of rebuilding others. We have learned from the challenges we faced and are taking vital steps to complete the remaining work and complete our recovery. Now we must continue to move forward and build upon the foundation that has been set over these 5 years.

On this fifth anniversary, we stand on a strong foundation for future growth, improvement, and prosperity for families throughout South Louisiana. Moving forward, I am eager to continue working with my colleagues in Congress and with the resilient citizens of our region to shape our home into a more prosperous place where all can take part in preserving and strengthening our future. Thank you, and I yield back.

Senator LANDRIEU. Thank you so much, Congressman Scalise.

Congressman Cao, who represents the district of New Orleans and parts of—

Mr. CAO. The West Bank.

Senator LANDRIEU [continuing]. The West Bank, yes.

**TESTIMONY OF HON. JOSEPH CAO, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF LOUISIANA**

Mr. CAO. Thank you very much, Senator, and I would like to thank you personally for bringing us here together for this occasion.

As I reflect on the fifth anniversary of Hurricane Katrina, I am confronted, really, with mixed emotions, a sense of sadness because Hurricane Katrina cost nearly 2,000 lives, destroyed thousands of properties. I remember returning home to my own house and seeing that it was basically destroyed by 8 feet of water and went through the struggles of rebuilding, like thousands of us here.

But also a sense of optimism in the sense that when we look at all of the projects that are springing up thanks to the partnerships that we have built with the Federal Government—thank you to the Secretary of HUD, Shaun Donovan and his hard work, with Paul Rainwater and his hard work with FEMA and their continued cooperation with us to help us to rebuild—the sense of optimism is there and I can feel it as I drive around the city, talking to the thousands of people that I have met in the past 2 years.

When we look at our future, we look at the diversification of our economy. We are looking at building up our levees, the restoring of our coasts, and feel more secure about the future of this region.

And when we talk to businesses and when we talk to citizens, we see that New Orleans has become a hotbed for young entrepreneurs and start-up businesses. If we look at our schools, it has undergone a much needed and overdue transformation, and every student, obviously, deserves a quality education. But we have to make sure that our progress must continue and we have to do everything that we can to provide our children with the best possible education.

But we must also be cognizant of the many problems that we still have. In the City of New Orleans, obviously, we have to get crime under control. We have to be focused more on how to get criminals off the streets while addressing the root causes of crime and to end this violence. I believe that we need to have more focus on better educating our children, to provide youth programs and initiatives as well as other projects that will enable our children to stay off the street and to be more productive.

As we go forward, we have to look at our continued rebuilding of our health care system in the New Orleans East region. We still do not have adequate health care to provide services to the thousands of people who live in Northeast, even though we have made great strides in the past month by purchasing the Methodist Hospital, but we still need about \$100 million to restore that building, which in this day and age seems like an insurmountable hill that we have to climb.

But given all of the problems that we continue to face, again, I cannot help but to feel great optimism, great enthusiasm for the future of New Orleans and the region, and just listening to Dr. Liu and her presentation, to have a clearer picture of what we need to do in order to continue our transformation and to continue pushing forward the recovery of our wonderful State.

So with that, I would like to thank the Senator, the other members of the delegation who are here. I would like to personally

thank the Secretary of HUD, who has been wonderful to the City of New Orleans and to the region with his commitment, and also to the other members of the Presidential cabinet who have been committed and continue to commit all of their resources to help rebuild our great State. So thank you, and I look forward to hearing what he has to say.

Senator LANDRIEU. Thank you, Congressman Cao, so much, and I thank again my colleagues for joining me for this important hearing.

I would like to introduce very quickly the panel, the first panel that is with us. Shaun Donovan is Secretary of Housing and Urban Development. He previously served as the Commissioner of New York City Department of Housing, Preservation, and Development. Before that, he was in the private sector and became an expert on financing issues relative to affordable housing. In my view, he is one of the most outstanding leaders at the Federal level today and we are grateful for him to be here and his absolutely extraordinary commitment to this region and his multiple visits, both to Orleans, Jefferson, St. Bernard, Plaquemines, and the region.

Paul Rainwater is now Commissioner of Administration. He has held in the last 5 years almost every job in the State—[Laughter.]

Senator LANDRIEU [continuing]. And we are grateful—

Mr. RAINWATER. Some in Washington, too.

Senator LANDRIEU. And some in Washington, too. We are all so grateful for his leadership. He currently serves as Commissioner of Administration. He previously served as Chief of Staff to the Governor, Executive Director of the Louisiana Recovery Authority. He was Legislative Director, happily, in my office. He also served as Chief Administrative Officer for the City of Lake Charles. And most importantly, he is a Colonel in the Louisiana Army National Guard and was on duty the night that Hurricane Katrina came ashore. He has done two tours of Iraq, two tours overseas, and we are grateful, Paul, for your service to our State and our Nation.

Doris Voitier became Superintendent of St. Bernard Public Schools in 2004 and has a 33-year career in the St. Bernard School System. She is the first Louisianan and first K through 12 educator to be awarded the John F. Kennedy Profile in Courage Award, which was an extraordinary honor to our entire State when she received that award on the stage in Washington in the aftermath of Hurricane Katrina. She has almost singlehandedly, although with some help from many in this room, but almost singlehandedly rebuilt a school system that was completely destroyed, and you are sitting in one of those buildings today. She holds a B.A. and Master's degree in Education from the University of New Orleans and is truly one of our outstanding leaders.

Mark Schexnayder is a Marine Biologist and Coastal Scientist. He has intimate knowledge of the needs of fishermen and the ecosystem in Louisiana. He graduated from Southeastern Louisiana University and he has been doing a tremendous amount of work on our coastal issues and our fishery issues.

Lauren Anderson serves as the Chief Executive Officer (CEO) of Neighborhood Housing Services in New Orleans since 1992. She has been working to increase home ownership, affordable housing,

enhance the city's neighborhoods, and she previously served as Housing Coordinator for Armstrong Redevelopment in New Orleans and was one of the leaders—and is one of the leaders in the redevelopment of the Treme neighborhood that is now receiving national and international fame because of the show that is on television.

So we thank all of you for being here. And Lauren represents, as I said, hundreds of extraordinary nonprofits that have re-emerged, emerged, or grown to help us handle this challenge.

Mr. Secretary, we will start with you.

**TESTIMONY OF HON. SHAUN DONOVAN,¹ SECRETARY, U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Secretary DONOVAN. Good morning, Chairman Landrieu and Members of the Subcommittee. Thank you for inviting me today to testify before you on the fifth anniversary of Hurricane Katrina as part of my sixth trip to the Gulf Coast since becoming HUD Secretary.

From my first visit with Secretary Napolitano, where we announced millions of dollars in funding to stimulate long-term recovery, to volunteering with my wife and two boys as part of the St. Bernard Project last summer, it has been critical to see the progress we are making and the work that still lies ahead, particularly in the wake of the recent oil spill. So thank you for this opportunity, and more importantly, thank you for your leadership and remarkable friendship over this time.

I also want to thank each and every member of the delegation that is here. I have to work personally with you, not only to see your enormous commitment to this region, but also to see the relentless focus you bring on ensuring that this recovery continues, and you have my pledge to continue to work side-by-side with you in that effort.

Since taking office, the Obama Administration has worked hard to provide residents of the Gulf Coast with the tools that they need to recover and to rebuild their lives and communities. Today, I would like to discuss the scope of HUD's efforts to make that possible, where we were when President Obama took office, the progress we have made since that time, and the steps we still need to take to ensure that the resources we provided are used in the most effective way possible, and I have provided more complete testimony for the record.

When President Obama took office 3½ years ago—when President Obama took office a year-and-a-half ago, nearly 40,000 families who had been displaced by the storms were still relying on government assistance to find housing. And within days of his inauguration, I discovered that more than 30,000 of those families were on the verge of losing that assistance and potentially their homes when the Disaster Housing Assistance Program (DHAP) would come to an end. Working with nearly 350 Public Housing Agencies around the country, we helped all of these families find permanent housing by extending DHAP for an additional 6 months, providing

¹The prepared statement of Mr. Donovan appears in the appendix on page 53.

comprehensive case management, and 12,300 Housing Choice Vouchers to the most vulnerable families.

We also worked closely with our partners across the Administration. From the 7,600 families that remained in temporary housing units throughout the Gulf Coast when we took office, FEMA and HUD worked together to move as many of these families as possible into permanent housing. All told, because of these efforts, Madam Chairman, I am proud to say to you today that of the 40,000 families who relied on temporary government housing assistance when we took office, we have helped 98 percent of them move into permanent housing. But we will not rest until we have completed the job for the remaining 883 families.

One of the reasons we have made progress is that we realized early on that far too many Gulf Coast residents, through no fault of their own, had become stuck in the recovery process due to numerous challenges and barriers that left them unable to complete the rebuilding of their homes or their lives. That is why since taking office HUD has provided the additional clarity and guidance to States that gives them the flexibility to address these so-called unmet needs, including modifying a rigid duplication of benefits rule which failed to account for the true cost of displacement.

My experience with the St. Bernard Project that I mentioned earlier provided a powerful example of how we could get resources to people on the ground more quickly and effectively. Spending a day with my family rebuilding the homes of an elderly woman living alone and a retired couple struggling with advanced Alzheimer's disease, I saw for myself who has borne the greatest need of the road home, our most vulnerable population.

Perhaps most important of all, the work of nonprofits like the St. Bernard Project affirmed my belief that these extraordinary organizations could do even more with the support of a true Federal partner. Indeed, we have already seen how nonprofit organizations partnering with nonprofit rebuilding programs run by the State of Louisiana and Mississippi have housed hundreds of Hurricane Katrina and Hurricane Rita victims. That is why we have provided \$23 million in funding to these groups under the Nonprofit Rebuilding Program of Louisiana to encourage their assistance, as well as \$28 million under Mississippi's Neighborhood Rental Restoration Project.

With hundreds of thousands of homes damaged and destroyed, Louisiana's Road Home Program is among the largest housing efforts ever undertaken by a State in our Nation's history, assisting homeowners across more than two dozen parishes throughout all of Southern Louisiana and nearly 46,000 in Orleans Parish alone. A year ago, more than 4,000 eligible applicants had yet to receive their program award. By working with the State, we have reduced that number to 170, and we have resolved more than 1,700 appeals over the last year with only 103 remaining. Last year, we removed the \$50,000 cap on grants to help low-and moderate-income homeowners rebuild their homes. This change has put nearly \$400 million in rebuilding resources in the hands of homeowners with modest incomes.

None of that is to suggest the job is over, Madam Chairman. In Louisiana, while the Road Home Program is close to its end, we

recognize the decisions made by the previous Administration have left some families with ongoing difficulties and the Obama Administration remains committed to getting those families the help they need. As part of this commitment, HUD's Office of Fair Housing and Equal Opportunity is investigating several complaints concerning practices that may be impeding the availability of Federally-assisted housing to families most in need, as well as new rental permit practices that allegedly restrict rental housing for African-Americans attempting to return to their homes after Hurricane Katrina. No one should have to wonder if the color of their skin somehow influenced whether they could receive a mortgage, access to economic opportunity, or disaster recovery assistance.

But this isn't just about helping families who are living in temporary housing or at risk of homelessness, Madam Chairman. It is also about rebuilding the region's housing stock for families who have yet to return. It is also about helping a community that at one point had lost half its population and is now back over 90 percent, not only rebuild what was there before the storm, but rebuild stronger and smarter.

One of the most important challenges we face today is vacant buildings and blight across the metropolitan area, where we estimate there are 59,000 blighted units today. We have made progress since we came into office. This number has been reduced by 14 percent. But to truly address the problem of blight, we must go beyond recovery to revitalization that also solves the problems that existed before the storm, when the metropolitan area had one of the highest per capita vacancy rates in the country, with almost 30,000 vacant properties.

In that respect, the Neighborhood Stabilization Program (NSP) can be a powerful tool, helping communities purchase and redevelop vacant and abandoned homes. With Mayor Landrieu's leadership, guidance from HUD, a professional procurement process, and technical assistance provided by enterprise community partners, I am pleased to report that HUD expects New Orleans to obligate 100 percent of its Neighborhood Stabilization Grant in the next few weeks, targeting these funds to the families and neighborhoods where they are needed most.

As part of the competitively awarded second round of NSP funding, the New Orleans Redevelopment Authority received a \$29 million grant from HUD that will help the Mayor's plan to combat blight by demolishing hundreds of blighted properties, building and rehabbing hundreds of affordable rental homes in their place, and providing homebuyer counseling and other services essential to the neighborhood success.

I am also pleased to say that we are making real progress building affordable rental housing, which prior to Hurricane Katrina comprised half of all the housing stock here in New Orleans. In the wake of the storm, public housing developments known as the Big Four were severely damaged, disrupting the lives of some of the city's most vulnerable populations. HUD is committed to rebuilding the Big Four and rebuilding the New Orleans Housing Authority under the leadership of David Gilmore.

When we first came into office, the Housing Authority of New Orleans (HANO) was in disarray. Today, it has leased up thou-

sands more vouchers than were in use before the storm. Combined with our other efforts to spur privately-owned affordable housing developments, we have created 8,400 affordable homes in New Orleans since taking office, and in total, this means there is more Federally-assisted housing in New Orleans today than there was before the storm.

But even still, we are committed to doing more. When we first came into office, not a single family had returned to the Big Four. Today, all four complexes are under construction and hundreds of families have returned to their homes there. Programs that were simply stuck under the previous Administration, such as the State of Louisiana's \$684 million Small Rental Property Program, are now producing thousands of units with expenditures of \$7.3 million per month, more than five times before I became Secretary.

But as you also know, this work depends on a mixture of Federal, State, and private sector funds, which will require an extension of the placed-in-service date on Gulf Opportunity Zone Low-Income Housing Tax Credits (LIHTCs). Without an extension of the GO-Zone Tax Credits, more than 6,000 Gulf Coast affordable housing units are unlikely to be completed. This is a top priority for this Administration, which is why I am so thankful for the leadership provided by the members of the Louisiana delegation that are here today to ensure that the extension will be passed by the House and close to passage in the Senate. And I am committed to working with all of you to send this critical legislation to President Obama's desk.

Community Development Block Grant (CDBG) Disaster Recovery Funds have also been critical to New Orleans to help forge partnerships that will create jobs out of this affordable housing development. One example is Louisiana's partnership with a consortium of local nonprofits created to offer vital assistance in the Small Rental Property Program I mentioned earlier, which has produced over 3,000 affordable homes in the State. I am happy to say that the City of New Orleans has committed to participating in this partnership, as well, by creating a bonding pool to ensure small and minority businesses participate in redevelopment construction projects. The Housing Authority of New Orleans has pledged to join with the city to provide similar opportunities in HANO developments.

Of course, comprehensive community development means more than just housing or economic development. It also mean quality health care for community residents. Toward that end today, Madam Chairman, I am pleased to announce that HUD has approved the use of CDBG funds to help keep 87 community health clinics open, reducing the strain on emergency rooms and improving access to health care for the families who need it most. [Applause.]

Last, let me say a word about the lessons we have learned. Perhaps the most important is that when it comes to disaster recovery, it is not just how much money government spends, but how we can spend it better and more effectively. Too often in the past, the Federal Government has paid to rebuild what was there before the storm rather than to build back stronger and smarter, helping avoid disaster when the next storm strikes.

According to an independent study by the National Institute of Building Sciences, every dollar spent on disaster mitigation saves taxpayers \$4 in disaster recovery expenses. That is why HUD created the Disaster Relief Enhancement Fund, a \$300 million pool to incentivize States recovering from disasters to use their funds in a way that also mitigate against future disasters and prepare them for future recoveries.

That is why I am pleased to announce today that HUD is awarding Louisiana over \$32 million and Texas nearly \$68 million from the Enhancement Fund, to complement, enhance, and scale-up their innovative efforts. We are also awarding funds to Mississippi and Florida to help them as they work to recover from the Gulf oil spill.

And so, Madam Chairman, as you can see, while we have a ways to go, we are making progress for a Gulf Coast region still struggling to regain its footing. I know it isn't easy, and I want every resident of this proud region to know that this Administration will never forget you. Indeed, at HUD, we have made Gulf Coast recovery one of the very measures of our agency's success for the next 5 years and we expect to be held accountable for producing results. But as long as we continue to cut through red tape, listen to the voices of people on the ground, and work together to get help to families and neighborhoods that need it most, across agency silos, at the Federal, State, and local levels, I have no doubt we will continue to produce results, results this region needs to not only rebuild, but rebuild stronger, better, and faster.

That is what moving from recovery to revitalization is all about and it remains our goal today. Thank you.

Senator LANDRIEU. Thank you so much. I think that deserves a round of applause. [Applause.]

Thank you for that passionate, informed testimony.

The rest of the panel, I am going to ask if you could limit your remarks to 5 minutes, and we have a second panel starting, but the Secretary was given great latitude and we are thrilled for the funding that he has provided. And he could have as much time as he wants if he keeps giving out money like that. [Laughter.]

Yes, we will invite him back next week. Mr. Rainwater.

TESTIMONY OF PAUL RAINWATER,¹ COMMISSIONER OF ADMINISTRATION, STATE OF LOUISIANA, AND FORMER EXECUTIVE DIRECTOR, LOUISIANA RECOVERY AUTHORITY

Mr. RAINWATER. Thank you, Senator Landrieu. Again, it was a great honor to serve with you in Washington, D.C., as your Legislative Director, and we appreciate very much your tireless efforts, and also to the Congressional delegation who I have all worked with very closely over these last 5 years.

I have had the honor of working through this disaster from day one as part of the original evacuation team that managed the I-10 causeway site and have been humbled by it, to be very frank with you. And it is humbling to be with the folks here in St. Bernard, who I remember going back after managing the I-10 causeway site, going back to Lake Charles, and the first evacuee that the

¹The prepared statement of Mr. Rainwater appears in the appendix on page 75.

City of Lake Charles actually received was an older gentleman from St. Bernard Parish who got off a bus and just said, "Thank you for having us." It is those memories that are ingrained in my mind for the rest of my life.

When I took the job with you and then came down to work with Governor Jindal to run the Louisiana Recovery Authority (LRA), I took it with that in mind, that whatever we did, we needed to make this right from a State perspective. Governor Jindal consolidated our operations here and said, "Get to work." Let us get rid of the silos, get rid of the turf, work with our Federal partners, and let us get this moving. And I will say that we struggled for the first year.

Then when Shaun Donovan took over, Secretary Donovan took over HUD, and FEMA Administrator Craig Fugate came in and took over the Federal Emergency Management Agency, we began to make progress, and I will say thank you to Secretary Donovan for his partnership. He got it right off the bat. When we began to look at what was the wolf closest at the door to us, it was the Disaster Housing Assistance Program. I went and briefed him and he got it within 5 minutes and said, "I am going to make this right," and you did, Secretary, and I thank you for that.

Secretary DONOVAN. Thank you.

Mr. RAINWATER. We have continued to make great progress on the recovery. Of the \$13.4 billion that we had in Community Development Block Grant money in the Road Home Program, we have put out \$8.6 billion. We know that we have 3,000 folks left to serve. We have hired Legal Services to go in and work with those folks. Many of them have title issues that we all know about and we have talked about that issue before. We continue to do outreach to those citizens, understanding that they are the most underserved in our community, and we will continue to work through those issues and providing extensions along the way as best we can within the rules and regulations.

We have listened to people. The Affordable Compensation Grant Program, which again, Secretary Donovan, we briefed him on it, he understood it, helping us raise the cap. I think he, as I understood the story, walked over to the Office of Management and Budget (OMB) himself—I don't know if I was supposed to tell that story or not—and made the presentation himself, and Fred Thombar [ph.], who is one of his special assistants, called and said, "Hey, the Secretary is handling this."

We have put out \$400 million, and you can see the progress for people who needed that money. Now, we just didn't hand out a check. The Secretary said there has to be some rules around this. We have to put a case management program, and we did. And we have made great progress in those terms.

Our elevation program, HUD is not used to doing elevation programs, and so when we went and said, look, we are working with Administrator Fugate on moving these elevation dollars out through the traditional Housing Mitigation Program, we need to front-load some of these elevation projects for homeowners using a \$30,000 grant, we put out over \$897 million in elevation grants, and you can see, obviously, that progress as you go around here and look at the homes in St. Bernard and Orleans and Cameron

and all through the recovery area. People are elevating their homes.

And we are doing things, I think, much smarter here in Louisiana, with new building codes, with elevating homes. As you and I have worked with the Smart Growth Summit last week and talking about what we are doing with urban planning and the things that we are doing in the State, we are doing things smart and I am proud to be part of that culture of change, and it is very humbling to sit next to Doris, who has built some of the best schools in the country, I think, as you look at the sorts of things she is doing, taking FEMA Public Assistance money and taking Community Development Block Grant money and putting it together in a way that is a really smart investment for our communities.

You can't have people back without infrastructure, and the FEMA Public Assistance Program, and I think the things we have done with that program and working so closely with the FEMA Administrator and the challenges that we had with the Transitional Recovery Office here, and Secretary Napolitano, another good partner, brought in Tony Russell to work with us and we sat down in meeting after meeting after meeting with our State partners, Governor's office, Homeland Security, and worked through issue after issue.

We started off—in fact, I will never forget the meeting in 2008 when Governor Jindal came in. I had my first meeting with FEMA and they told me we would never have more than \$5 billion obligated, and today we are at \$9 billion, and we have about 2,600 more large projects to kind of work through, but nobody is complaining because we have a great process, a great partner, and we are going to get there, working together, and not arguing or yelling or just providing data back and forth, and a great example of that is the lump-sum settlement for \$1.8 billion. You passed that legislation. It is fantastic. We worked very closely with our FEMA partners and the Office of Management and Budget and other members of the Obama Administration to make that happen and it was a great success.

And I will finish with this, health care. We know we need health care. Well, we are in the process of purchasing property at a very rapid rate for the VA hospital and the charity hospital. We are going to do a groundbreaking in November. That is what we are pushing towards. We are going to work with the Mayor of New Orleans, Mayor Landrieu, on the fabric of that hospital and how it fits into the community, because I would never dare to cross him.

Senator LANDRIEU. It is a good thing, because he is sitting right behind you. [Laughter.]

Mr. RAINWATER. I could feel his presence. [Laughter.]

And as Secretary Donovan said, we are in the process of—and again, he has been such an outstanding partner—the \$30 million to help assist in clinics, still working with Centers for Medicare and Medicaid Services (CMS) to work out a few pieces of that. HUD has approved the usage, which I have never met an administrator that worked so outside the box, and I appreciate you very much, and with that, I will end. Thank you, Senator.

Senator LANDRIEU. Thank you very much. Doris. And we are going to pick up some time by limiting our questions, so the second

panel, just hold tight. We are going to try to get you all on in about 15 minutes.

**TESTIMONY OF DORIS VOITIER,¹ SUPERINTENDENT, ST.
BERNARD PARISH SCHOOLS**

Ms. VOITIER. Well, good morning, and I am honored to have the opportunity to speak with you this morning and to spend some time highlighting our struggles as well as our progress.

What happened on August 29, 2005, changed the face of our school district and the community we serve forever. In hindsight, there are some things from which we will never recover, yet there are also things that have admittedly moved us forward, and I am going to briefly paint a picture of our school system and community to you prior to the storm.

We were a public school system that worked. Our kids scored above the State and national averages on standardized testing, the first district in the State of Louisiana to be fully accredited by Southern Association of Colleges and Schools (SACS), universal four-year-old program, and we have won awards for fiscal responsibility and financial reporting before Hurricane Katrina hit. We were totally wiped out, as everyone knows, completely underwater, no land access to us whatsoever. The only way you could get in was by boat or landing a helicopter on the levee.

But we were desperate right after Hurricane Katrina to restore educational services for this community. Our firefighters, our sheriff's deputies, our essential personnel had never left, and the refineries which are so vital to this region and the country wanted to bring their workers back, and with them came families and children. And I don't know how to impress upon everyone the importance of getting a school started, because when people want to come back to repopulate, the first thing they want to do is, what can I do with my children? Where can I put them in a safe environment? And schools are critical and crucial, right up there with all of the essential services that we must restore initially.

So then there was also the uncertainty of funding. The mantra was, let the money follow the child, so we looked at Federal obligations with displaced student monies and even our normal Federal allocations. At first we were getting, send the money to where the kids are going and let it follow the child. Our State was in a situation where they felt that—I think about 30, 35 percent of the general operating fund for the State was generated by revenues in this region, so a Special Session was being called and part of that was, well, let us send the money where the kids are going and where the people are going. And then, of course, locally, we had nothing, no sales taxes coming in, no property taxes, because we were totally destroyed.

So there was no course in college that I took in how to rebuild a school system from scratch 101 with no local, Federal, or State resources. So what did I think? I thought, well, my first response was, I live in the most powerful country in the world. Surely our Federal Government is going to come in and provide some assistance to get me up and running initially, and boy, was that a mis-

¹The prepared statement of Ms. Voitier appears in the appendix on page 82.

take. And I am just going to briefly paint this classic picture of what not to do.

I think our FEMA kick-off meeting was the worst experience I have ever had in my entire life. We had 25 to 27 FEMA representatives from historic preservation, environmental review, 504 mitigation, 506 mitigation, interim housing. They all introduced themselves, set a stack of manuals down, and told us what not to do and what we couldn't do. And my basic question to them—I said, well, all I need is some portable classrooms and some temporary housing, some of those little 8-by-29 trailers. Help me get those quickly so that I can provide educational services for the first child that enters St. Bernard Parish.

So we started working. We were going to mission assign it to the Corps. We thought that was a great idea. I felt that there must have been contracts in place, resources that come in immediately and bring those to us, and I quickly found out and was gold that would not happen until March or April 2006.

So we did what we should have done, or what I should have done from day one. We took matters into our own hands. We located classroom trailers in Georgia and North Carolina. We had them shipped down in 3½ weeks. We opened a school with 334 children. So 11 weeks after the storm—

Senator LANDRIEU. Can we give her a round of applause for that, please? [Applause.]

Ms. VOITIER. And in the interest of time, I am not going to go through some of these examples, but this was classic in what not to happen. What should have happened was someone on the ground should have been empowered to make those decisions hand in hand with local government as to what you needed. Secure the area, bring in the vital resources for education and for health care and get us started, and forget the manuals, forget the regulations. Bring it in and get us ready to go. Then step back and start imposing those.

So the first lesson that I hope everyone has learned is how to coordinate from day one in the case of a catastrophic disaster a Federal response that would encompass Federal, State, and local authorities.

Many people have asked us, how do we make it happen? What progress did we have? We have renovated and rebuilt 13 major school sites. We had the first two permanent buildings built in the metro area since the storm. All of our schools are state of the art. When we did the tour this morning, many of you saw the ninth grade academy and the new Cultural Arts Building, and we have plans to consolidate in what we call the Museum of Modern Art (MOMA) center, a planetarium, science interactive exhibits for kids, Hurricane Katrina history museum for the school system.

And how do we accomplish it? Our school board immediately in March 2006, we got a plan together. We haven't deviated from that. We have secured financing not only with FEMA funds, but with the Community Development Block Grant funds, insurance money, and for the first time, as a public educator, we never went out and did fundraising, but we have been able to raise money from the Exxon-Mobil Foundation, the Merrill Foundation, the Kellogg Foundation, Lions Club International, Energy, and the list

goes on, in trying to form that true public-private partnership and be a little creative in the financing of these structures, which will serve an entire community as well as schools.

There are just two things that I would quickly ask, because I know time is of the essence. I am not going to go through the whole thing. Two challenges that we have, as Congressman Scalise mentioned, is the Community Disaster Loan. We were eligible to borrow \$34 million. We only borrowed \$4.5 million because of these other sources coming in. We were financially responsible. We didn't just go out and say, give me, give me, give me. We borrowed only what we needed.

And because of the timing of this mess, they are telling us we are going to have to pay this back. We are beginning—we will begin, with the economy the way it is, to experience some deficits that other school systems across the country have already experienced, and some of that Category A and B FEMA money is considered in these calculations and whether or not you have to pay it back as operational expenses. Some of the money we moved to capital projects to do FEMA-ineligible projects, we are told, well, those are really operational funds that you had control over. So we are going to throw those in the calculation. Somebody has to look at that formula.

Many people have told me, you should have borrowed the whole \$34 million, increased salaries, hired more people, and do national recruitment of teachers to come into this community, and then you would show a deficit. But no, because we were fiscally responsible and we behaved in a prudent manner, we feel we are being penalized.

And last, Senator, with the restart funds, the first year after Hurricane Katrina did this, Representative Melancon was kind enough, you all had your whole delegation down. We met and we talked about those restart funds, because initially we weren't able to spend one penny because of the clauses in there for nonsupplanting, not only nonsupplanting of Federal funds, but more importantly, nonsupplanting of local and State monies. And because of that, we couldn't spend a penny. I testified in Congress, in the House Committee on Education, just to that point. And you all were successful in getting the authority to grant waivers in that legislation. So if restart monies are coming to other communities in other disasters, really, that provision needs to be put in initially so that we don't have to fight every year to get that done.

So finally, I want to leave you with these thoughts. If you have doubts about funding a safer, more protected New Orleans area, if you have doubts about whether or not the stream of money that has come to the Gulf Coast is warranted, if you have any doubts about whether or not money has been used wisely or with integrity, I want you to tour this school building with me if you have a chance after the hearing. I will introduce you to 820 students who can resolve all doubt. Because with or without Federal assistance, they are back in school in St. Bernard Parish. They are striving. They are home. They once again have found normal and they are well on their way to becoming tomorrow's leaders. And there are 5,000 more like them in our other nine schools and hundreds of thousands along the Gulf region.

So it is said, if you want to touch the past, touch a rock. If you want to touch today, touch a flower. And if you want to touch the future, touch a child. So, ladies and gentlemen, your work has touched our future and we are grateful for your compassion and leadership. [Applause.]

Senator LANDRIEU. Thank you. Mark. Mr. Schexnayder.

**TESTIMONY OF MARK SCHEXNAYDER,¹ AGENT, LOUISIANA
STATE UNIVERSITY AGRICULTURE CENTER**

Mr. SCHEXNAYDER. Can you give me a little better panel to follow? [Laughter.]

Thank you, Senator Landrieu. I really feel like I am preaching to the choir. I might give you all a few minutes of my time back because I am really tired of talking about the coast, and I know you guys are, too.

I want to apologize to your staff for—I had a job change. I am going from the LSU Ag Center program to the Wildlife and Fisheries to work on a seafood certification program. I did provide some testimony—

Senator LANDRIEU. Try to speak into the microphone. It is a little bit jumbled. There you go.

Mr. SCHEXNAYDER. I just want to give you a few bullets about the fisheries and coastal restoration. As you guys know from the challenges of the BP disaster, the Gulf Coast, the seafood industry is vitally important, not only to the State's economy, but to the local communities. The Gulf States account for 32 to 41 percent of the average commercial fishing production in the Lower 48 States. Louisiana provides 75 percent of that landings, and over 95 percent of all these fisheries are estuarine dependent. We lost 217 square miles of coastal land to open water just during Hurricanes Katrina and Rita and over 1,900 square miles in the last century to hydrologic modification, nutrients, sediments, starvation, and subsidence.

The fisheries community, as you guys know, was devastated by the storms, both by Hurricanes Rita and Katrina, everything on the river, east of the river, the Gulf Coast sustained \$580 million worth of storm damage. We had a lot of different programs that came in and they were very slow in coming, as you guys know, as everybody knows, I mean, every aspect of recovery. During that, we lost 2,000 commercial boats, 17,000 recreational boats, which we didn't lose them. They became debris in the waterways which prevented the recovery of the communities.

And I provided all these notes to you guys—

Senator LANDRIEU. That is OK. You can just summarize it. We have all the written testimony.

Mr. SCHEXNAYDER. One of the projects that worked really well was the LRA stepped in with some of the block grant money and devised a project with Wildlife and Fisheries, the Seafood Promotion Board, and other groups to form a Fisheries Infrastructure Recovery Program for \$20 million, and then an additional \$9 million. They had a competitive process where we picked coastally resilient projects to develop publicly owned vessel staging areas. These are fairly important when you get a storm, because this last

¹The prepared statement of Mr. Schexnayder appears in the appendix on page 92.

storm, we had no place to stage the boats. Getting them on barges greatly increased the cost and time to recover. We have a great project through that program with—that was the first, and then now in Venice, and now we are going from there with that program.

We also developed a gear efficiency program to make the fishermen more efficient in their fishing efforts. Now we are doing through that program, to do a seafood certification, transparency. It all goes back to making the fishermen and the fishing communities more resilient.

On the coastal land loss, I think Paul is right. We are at kind of a silo syndrome. I think we have lost our sense of urgency for coastal restoration. I think we need to look with the Corps of Engineers with the coastal protection projects, with their design-build lessons, building a billion-dollar gate in less than 2 years and another pump, another billion-dollar project. We need to bring that urgency and that actual process to the coastal restoration. We plan projects to death. They never get off the ground.

We have, I think, the best U.S. Army Corps of Engineers (USACE) team we have ever had. The State has taken their resources and reorganized to be able to act quickly. We have a local flood protection authority. So I will work with—Tim is in the audience. They are focused on coastal restoration. We have everything, all the tools we need. So we just need to look at what we did with the coastal protection and put that to coastal restoration gain.

And on the sense of urgency, one thing we could do is get the National Guard involved in some of these projects. The Bonnet Carre West Project, where we take water out of the lake and put it in, we could get that going tomorrow if we could just bring that design-build urgency back to the process. Thank you.

Senator LANDRIEU. Thank you, Mark, very much. Ms. Anderson.

TESTIMONY OF LAUREN ANDERSON,¹ CHIEF EXECUTIVE OFFICER, NEIGHBORHOOD HOUSING SERVICES OF NEW ORLEANS

Ms. ANDERSON. Good morning. Thank you, Madam Chairman, Members of Congress, for providing and using the occasion of the fifth anniversary of Hurricane Katrina as an opportunity to reflect on the lessons that can be learned in this tragedy.

One of the thoughts that sustained me in the aftermath of Hurricane Katrina was a Chinese saying that within every crisis lies an opportunity, and Hurricane Katrina certainly has presented us with many opportunities to learn as individuals and grow as a body politic.

Neighborhood Housing Services (NHS) was founded 30 years ago to help stabilize faltering neighborhoods, and throughout our history, we have been committed to making New Orleans a better place to live for all of its residents. We have done so by improving our historic housing stock, by giving families the tools to improve their financial capacity, and by working in close partnership with residents, government, and businesses to improve the quality of life

¹The prepared statement of Ms. Anderson appears in the appendix on page 95.

in our neighborhoods. We are a member of the NeighborWorks Network, which was founded and is supported by Congress.

My immediate reaction after the levees broke was that all the work that we had accomplished in the past decade or more had literally been washed away. We had helped thousands of working class families achieve the dream of home ownership and their homes washed away. We had made tremendous strides in turning around the Freret neighborhood from one of disinvestment to being a neighborhood of choice, and it was underwater.

For a time, I really felt that our work had been for naught, and then I began learning some critical Hurricane Katrina lessons. As it related to home ownership, we began to learn that as difficult as it was for homeowners to return home and to build, by and large, they were better off than renters because they had a little bit more control over their destiny. The numbers speak to this. The percentage of home owners in New Orleans has increased since Hurricane Katrina from 46 percent to 53 percent, not because the rate of the home ownership has increased, but because homeowners have been able to return home at a faster rate than renters.

Therefore, continuing to work with working class families to achieve the American dream of home ownership in a responsible manner by improving their credit, reducing debt, and giving them financial literacy is still an important role for nonprofits working in partnership with government and local lenders.

There are two greater lessons that we have learned from Hurricane Katrina. First is that community matters, and also the importance of helping residents to be organized within their neighborhoods and to be empowered to actively engage in civic matters. Hurricane Katrina was an equal opportunity disaster. Neighborhoods rich and poor, black and white, flooded when the levees broke. The ability of neighborhoods to recover has underscored the influence of class, race, and access to capital.

But I hypothesized that there was one other influence on the resiliency of neighborhoods and that was the degree to which they were organized prior to Hurricane Katrina. The degree to which neighborhoods had preexisting strong neighborhood associations that were able to quickly mobilize had a distinct advantage over those neighborhoods that did not. Community organizing, strengthening the community-based organizations and neighborhood associations matters to the vitality of our neighborhoods.

We did not just lose buildings when our levees broke. We lost communities. The fabric of life was torn apart. What we have experienced in the intervening 5 years is that as determined as residents were to rebuild their homes, they were equally determined to rebuild their communities. We all witnessed in the early years after Hurricane Katrina the sacrifice of time and energy residents were willing to make to be a part of the planning processes throughout our community. I won't recount the number of overlapping planning efforts and meetings that occurred, but even while people were having to rebuild their houses, they were willing to devote hours and hours to being a part of meetings and planning for the future of their neighborhoods.

We live in a country where people want to be involved. They want to be a part of the solution and not just bystanders to des-

tinies. Our challenge as leaders is to how to empower people to be active participants in our democracy, to have the tools to do more than vote, to do more than protest, but to be able to be a full partner with government to make their community a better place.

So my comments now focus on some of these—how we have implemented some of these lessons learned post-Hurricane Katrina, and I will use our work in the Freret neighborhood uptown to demonstrate that.

The work that the (NHS) did in the Freret neighborhood provides examples of the way that nonprofits, residents, businesses, and government have been able to work together and forge an active partnership to create a better neighborhood. NHS's response in the Freret community, and we have replicated this also in the Seventh Ward, was to provide an opportunity for residents to come together to reconnect and provide the opportunity to listen to determine what people wanted for their neighborhood.

We began this with facilitated conversation in early 2006 to discern their vision for their neighborhood. More than 80 residents turned out that evening, which was twice the number of residents who would typically attend a neighborhood association meeting, and even more significant because the population was down by more than 50 percent. What we learned was that the residents of the neighborhood had a commitment and a vision to recreate that neighborhood the way it was before, to be a very diverse, vibrant neighborhood.

Because so many places and institutions where people gathered had been lost due to the storm, our next step, with significant support from NeighborWorks, was to open a neighborhood center in the Freret neighborhood that became a gathering place for residents, children through senior citizens. The Freret Neighborhood Center sought a clear mandate from the residents as to how to focus our efforts in the rebuilding of our neighborhood, and therefore, we conducted a door-to-door survey in the neighborhood.

When we asked, what was the primary concern for the neighborhood, the Freret residents' most common response was vacant and run-down buildings. Thus, our vacant property campaign began. In June 2008, NHS with the help of students and residents surveyed every property in the neighborhood, more than 1,300, to locate vacant and neglected properties. We determined whether the building was vacant or occupied, its condition, and whether or not it was under construction. We then plotted all these properties on a Geographic Information Systems (GIS) map to provide baseline data and the tool for our future work.

Residents then began to develop the means to reach out to the owners of these distressed properties. They wrote hundreds of letters to property owners using their own knowledge of how to find these people rather than city records to be able to contact them and reach them. These letters included a photograph of the property and an inquiry, not a threat, as to the owner's intent and what the obstacles the owners were facing to rebuilding their homes. Neighbors connected with neighborhood to resources and then became effective caseworkers for those homeowners. We have created databases and computer tools that have given neighbors the ability to

be the solution to the problem in our Freret neighborhood rather than looking to government to solve the problem.

So I am going to end by posing some questions for us, because I do believe that the lessons we have learned in our work post-Hurricane Katrina throughout New Orleans, not just in the Freret neighborhood, is that we need to be able to provide the means and the tools to help residents become engaged and become active members of our democracy, not just voting on election day, although that is important, but what we as a nonprofit have been able to do is to provide technical skills and staff support that then mobilize and energize and empower residents to be community leaders.

And the question is, how do we replicate that? How do we expand this work locally, and then how do we use these lessons throughout the country?

I thank you for this opportunity to help inform this conversation going forward.

Senator LANDRIEU. Thank you so much. Let us give our whole panel a round of applause. [Applause.]

We normally don't do this at Congressional hearings, as my colleagues will note, but I think this panel most certainly deserves applause.

I am going to make an executive decision that we are going to pass the question period, because we have elected officials that are here that have very busy schedules that are on the second panel and I want to accommodate those. But I will say that the record of this hearing will remain open for 2 weeks, and if any of the Members have questions, you can put those questions in writing and, of course, you will receive answers. And I actually have a whole list of questions in my mind and I am sure the Members do, as well. But in honor of time constraints, and we are committed to wrap this up at 12:30, we are going to move on to the second panel.

We have heard the enormous work of housing, both home ownership and renters, and the challenges ahead.

Mr. Rainwater talked about the new procedures in place and strategic partnerships at the Federal, State, and local level.

Obviously, Doris Voitier gave us a great insight into the struggles of school systems, some that were mediocre and some that were excellent in this region and how they have all tried to recover in their own way and how we are going to try to make all of them as excellent as possible.

Mark, thank you for your comments about fisheries. We sometimes forget the very important industry.

And finally, Ms. Anderson, thank you for your comments about neighborhoods and nonprofits. When the Federal Government right after Hurricane Katrina said, well, this isn't what government can do, maybe your volunteers and nonprofits could do it, as we know, they lost their houses, too, and I don't know where we go to raise the money for all of our nonprofits since most everybody lost a job. We need support for nonprofits because nonprofits can leverage a tremendous amount of effort and you are an example of that.

Thank you so much, and let us give them a round of applause. [Applause.]

Mr. MELANCON. As we change, I just need to ask Doris Voitier, I meant to ask you this a long time ago. Did you save those shoes that you kicked butt with? [Laughter.]

I would like to see about putting them in the Smithsonian.

Ms. VOITIER. Well, we have a great relationship with FEMA now. And I did want to publicly thank Tony Russell and John—

Senator LANDRIEU. We will take a few minutes to change. [Pause.]

If the second panel would take their seats so that we can proceed, and thank you so much for your patience.

I thank you all very much. The first panel was, as you could tell, focused on livelihoods and housing and human connections that are necessary to recover. This panel is about infrastructure generally and the importance of the physical infrastructure, whether it is buildings or roads or levees, and what it takes to make a community strong and resilient and to be a basis for economic development.

And so we are very pleased to have with us the FEMA Administrator Craig Fugate, who will testify first. He has served as FEMA Administrator since 2009. This is his fifth time testifying before this Subcommittee. We are honored to have him again. He has been a partner in our work to help create a better, smarter, more agile FEMA and we really appreciate the experience that he brings to us previously as Director of the Florida Division of Emergency Management. So he is most certainly trained as a firefighter, as a paramedic, and then spent many years in Florida fighting hurricanes there, and he brings all of that experience to Washington, D.C., great leadership to his agency.

General Robert Van Antwerp was appointed to serve as the Chief of Engineers and Commanding General of the Corps of Engineers. General, we are honored to have you today. He holds a Master's degree in mechanical engineering from the University of Michigan. He is himself a professional engineer. He has been on point for many years now on this recovery and I am glad that many of the students, General, were able to meet you today. They are very grateful for the levees that surround this building.

Mayor Mitch Landrieu was elected Mayor of New Orleans in a historic landslide in February of this year. Prior to becoming Mayor, he served two terms as our Lieutenant Governor, where he led efforts after Hurricanes Katrina and Rita to rebuild the tourism industry, bring jobs back to the region, and promote our cultural economy. Mr. Mayor, we are grateful to have you today.

Kevin Davis is President of St. Tammany Parish. He was elected in 2000. He has served three terms. Under his leadership, the Parish of St. Tammany has moved steadily towards recovery from the 2005 and 2008 hurricanes. This is his second time to testify before this Subcommittee. We are honored to have him with us today and we thank you, Kevin, for your really extraordinary leadership in St. Tammany Parish, particularly in the Slidell area, which was so hard hit by Hurricane Katrina.

And then, finally, Sheriff Jiff Hingle assumed office in Plaquemines Parish in 1992. He is serving his fifth term. Sheriff Hingle worked tirelessly to reorganize and modernize and reinvigorate law enforcement in Plaquemines Parish, one of the hardest hit

parishes. After Hurricane Katrina, the Sheriff coordinated the evacuation and rescue missions of the parish, led efforts for recovery of the Sheriff's facilities, and, I might add, has been a leader of law enforcement for the whole region, as other sheriffs have depended on him and looked to him for leadership and guidance. So, Sheriff Hingle, we are grateful for you to be here today.

Let us start with you, Mr. Fugate, if you don't mind, and if we could limit our remarks to 5 minutes each, we would appreciate it, and then we will have a round of questions.

**TESTIMONY OF HON. W. CRAIG FUGATE,¹ ADMINISTRATOR,
FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. FUGATE. Well, good morning, Chairman Landrieu and Congressmen. This 5-year anniversary, I am not going to go into much depth. You did great talking points about how bad it was. Why do I need to repeat what we were seeing up on the screen and we know has happened?

Again, as you pointed out, as the Obama Administration came in, one of the first acts for Secretary Napolitano and Secretary Donovan was to come here to the Gulf Coast region, look at what was occurring, probably more importantly what had not been occurring, and take those steps to start enhancing the recovery. Secretary Napolitano made some key decisions. First of all was to bring in some new leadership, new eyes and a fresh approach to problem solving to the FEMA team. Also, working with the State and GOHSEP to begin an expedited process of clearing a backlog of projects that we are still unable to get to resolution. In addition to that, your Subcommittee, with the support of Congress, passed key provisions that gave us new tools, such as arbitration which would be binding, the ability to combine large projects, additional assistance and other programs to move through this backlog.

As has already been mentioned, one of those people that Secretary Napolitano had appointed was Tony Russell, an experienced Federal Coordinating Officer (FCO) who came in to begin that process. It was also on that day that Tony was brought in that I was announced that I would be nominated to be the next Administrator of FEMA, and I was here and met with many folks to hear what again the challenges were.

As I came on board and Tony and I met and we came back to Louisiana and we sat down with our counterparts at GOHSEP, I think one of the most important things that Tony brought back to the table was sitting down and talking. We had become too oriented on process. We were spending too much time going back and forth over procedures. And we brought back a discussion that we would not always be able to agree on everything, but we needed to start focusing on outcomes.

I think today on the bus tour, we actually saw some of those outcomes. We saw buildings that were destroyed, critical public infrastructure such as fire stations and schools and others that are either under construction or have been completed. And we saw on the port the new Administration building, completed and reopened,

¹The prepared statement of Mr. Fugate appears in the appendix on page 106.

the fire stations that are being built, not only to provide public safety protection, but also a wise investment of taxpayers' dollars, to be built to provide safety for the firefighters when there is a disaster, but also to make those buildings more resilient so they are there afterwards.

This process has enabled us to, in the last year and a half, on behalf of the President and Secretary Napolitano, to have released over \$2.5 billion in projects, but we are not done and we have not finished building everything that needs to be rebuilt, and we still have work to be done, as you announced yesterday, still significant work to be done in the school districts and other public infrastructure.

Our commitment on behalf of the President and Secretary Napolitano is to continue to meet and sit down and use our tools more effectively. As you have pointed out and have asked me numerous times, it has been, "Craig, do we need to change the Stafford Act?" And I have asked that, let us look at our process and procedures first, because in many cases, Tony was able to get to the same solutions that we thought we couldn't do without changing the Stafford Act merely by not focusing in on a process but going back to what the law's intention was, what the Code of Federal Regulations (CFR) told us we could do, and not limiting ourselves by perceived limitations that may have been something that had been stated previously but were not actually based in the law or rules that were adopted to implement that. But these challenges continue and the rebuilding is not over and the work must be done.

I also know that when I testified, that a lot of times questions would come up before I testified. I would rather just go ahead and let us get to some of the issues that have been raised. The Community Disaster Loan Program and the forgiveness of those loans and the process we are going through in the first round is resulting, I think, in questions about the intention of forgiving these based upon the impacts to the economies and to the tax base of the communities receiving these loans. Yesterday as we were talking with the Superintendent here in the St. Bernard Parish School District of some of the ways that the auditors were looking at what was being treated as income.

I think what I owe back to you, because we were given specific legislation to address this issue, is to look at what we are finding in our initial reviews. Again, this is, I don't think, a process that we are—we do the first round of forgiveness and then we are done. I think we go through the first round of forgiveness and find what we did. Then we look at the ones that we did not reach that same conclusion and we go, why not, and we go back to the law and go, what was the intention and half way through that process not been able to address that? We may very well find that there will be those loans that won't be forgiven because the income of that particular taxing authority is sufficient to provide for repayment. But if we cannot and we still think there may be issues, we owe you back a report of what the legislation directed us, how we implemented that, and what the gaps were to get there.

But we did hear yesterday enough for me and Tony Russell to come back. I want to sit down and go, in the audit process, how are we looking at income? Are we treating reimbursements from

FEMA as income versus that should not be used in that? Are we using accounting principles which would make sense if we were doing an annual Single Audit Act-type audit? Are we looking at this under the provision of what is the revenue stream impacts? Within that, we have had some flexibility where we have allowed the applicants to pick the 36-month period. So we didn't start immediately after the hurricane, where some had rapid increases in population which skewed their tax numbers, or maybe the revenue streams and doesn't reflect the overall revenue stream as you go forward.

So again, we are working those. We know that is a concern. And we are working to go through this first cut to determine what we can do, what we cannot do, and come back and report if we need additional guidance or legislation. Thank you.

Senator LANDRIEU. Thank you so much, Administrator, and again, this is a perfect example. He knows he is going to get this question from this panel, so he has already answered it. I know Congressmen Scalise and Melancon are about ready to jump out of their chairs on this question, so thank you for being so forward in that way and we will have follow-up questions. General.

TESTIMONY OF LIEUTENANT GENERAL ROBERT VAN ANTWERP, JR.,¹ CHIEF OF ENGINEERS, U.S. ARMY CORPS OF ENGINEERS

General VAN ANTWERP. Chairman Landrieu, Members of the Subcommittee thank you very much, for the opportunity to be able to testify before you today. I am going to show a few slides. They have been running; they show some of the pictures that we have of these great projects behind you as we go along.

The Corps has made significant progress on the Hurricane and Storm Damage Risk Reduction System (HSDRRS) in the last 5 years. Over 270 contracts have been awarded and over \$9 billion obligated. I would like to note that 60 percent of these awards have gone to Louisiana-based firms, and over \$2.25 billion to small and disadvantaged businesses, about 30 percent of the total. The total Federal funds appropriated is \$14.45 billion. 1.5 billion of that is included for the non-federal cost share with repayment over 30-years. The State's cost is estimated at \$1.7 billion.

After Hurricane Katrina, the firm Administration commitment and quick Congressional action enabled the Corps to repair and restore 220 miles of the system. These photos show the Inner Harbor Navigation Canal (IHNC) breach site and the rebuilt flood wall that was completed in 2006. The system in place performed as designed during Hurricanes Gustav and Ike in 2008, where we had a 12-foot storm surge, as depicted in this photo. So it worked.

The Corps is totally committed to providing a system that will defend against the effects of a 100-year storm in June 2011, and work will continue beyond 2011 for some of the systems' features like the permanent pumps, but won't affect our ability to withstand that 100-year storm.

The four major project partnership agreements necessary to proceed with construction were signed with the Coastal Protection and

¹The prepared statement of Mr. Antwerp appears in the appendix on page 116.

Restoration Authority (CPRA), and we also signed agreements with the State, all the agreements we need to extend its payments for its cost share portion over a 30-year period.

In accordance with the Water Resources Development Act (WRDA) of 2007, the Corps has implemented a robust independent external peer review system to include overall design criteria and other important facets. We are seeking the best solutions humanly possible.

Interim closure structures and pump stations at the three outfall canals provide a 100-year level of risk reduction, as depicted in this photo. You have the pre-Hurricane Katrina on the left and the current photo of the 17th Street Canal on your right. But they are not permanent facilities. They were designed and built in 2006 with an estimated project life of 5 to 7 years.

We will include adaptable design measures in the permanent solutions that are within our current authority. This is a picture of the concept for the future permanent pump stations. It does have a lower sill, so that if there is another alternative later on for the canals, it will be adaptable.

The state-of-the-art Inner Harbor Navigation Canal (IHNC) Surge Barrier Project on Lake Borgne includes a concrete pile-supported wall across the Gulf Intercoastal Waterway (GIWW) and Mississippi River Gulf Outlet and three gated structures. The group of these photos shows the sequence of events since 2007 on this project. It is the largest design-build civil works contract the Corps has ever had, so we are very proud of it. It will reduce the risk to the Ninth Ward, Gentilly, New Orleans East, Orleans Metro, and St. Bernard Parishes.

The project has navigation safety features and a more robust barrier wall and added nourishment of 705 acres of marshland. The project is now 75 percent complete. The wall and surge barrier are already complete, and this photo shows a comparison of the new flood wall to the tie in, so you just see the stark contrast of that new one to the old one.

The Gulf Intercoastal Waterway West Closure Complex will reduce risk for the West Bank portions of Jefferson, Orleans, and Plaquemines Parish by removing over 25 miles of levees, flood walls, gates, and pump stations. The progress of this complex is seen in this set of photographs.

Following Hurricane Katrina, about 80 percent of the St. Bernard Parish levees were either repaired or constructed to achieve the pre-Hurricane Katrina authorized elevation. With the rigorous public involvement process, the Corps determined that T-walls on top of the existing levees provided the best solutions to provide a 100-year risk reduction. Construction of 23 miles of floodwalls, proceeding at the rate of about two miles per month, is scheduled to be completed in 2011, and that is what these photos show, the St. Bernard floodwall.

Closure of the Mississippi Gulf Outlet (MRGO) was completed in July 2009 using about 350,000 tons of rock. A study to identify the best ways to restore the wetlands is currently underway.

And finally, I would like to just mention the Louisiana Coastal Protection and Restoration (LACPR) Final Technical Report. It was submitted to Congress. This is the long-term plan that we are

working, embedded with the State of Louisiana, to come up with a master plan that will develop a long-range solution for defense of the coast.

So, Madam Chairman, that concludes my comments and I appreciate the opportunity to be here with you today. Thank you.

Senator LANDRIEU. Thank you, General, very much, and we will have questions following the presentations. Mayor Landrieu.

**TESTIMONY OF MITCHELL J. LANDRIEU,¹MAYOR, CITY OF
NEW ORLEANS**

Mr. LANDRIEU. Thank you, Madam Chairperson and Members of the Subcommittee. I want to just, if I could, thank the panel that was before, all of the individuals that were on that panel and all the individuals on this panel have been great partners of mine and the City of New Orleans throughout.

I would start off generally by saying this, that notwithstanding all of the Federal money that has been sent to the Gulf Coast, it still does not approximate the level of damage that actually occurred. And notwithstanding how much better the system is working, there still is a gap between damage and resources necessary to get it back like it was before or better, although we have made some tremendous strides. And within that context, all of us continue to operate to try to understand what happened 5 years ago and how to make it better.

For example, as we sit here today, it is worth noting, although we are celebrating the fifth anniversary of Hurricane Katrina, that this area has suffered from a number of disasters—Hurricanes Katrina, Rita, Ike, Gustav, the national recession, and the BP oil spill. And that is worth noting, because as we think about how to structure our responses, we have to find a way to become more flexible, break down the stovepipes that exist horizontally and vertically within government to move resources down to the ground more quickly. I think that is our overall challenge. Everything that we are talking about today fits into that phrase.

It is true that we have had some great successes. I think the announcement of the 1.8 lump sum settlement for schools is just a tremendous success in so many ways. Number one, it is going to give us the resources necessary in New Orleans to build a first class 21st Century school system. But it is also, as Craig alluded to earlier, a new model, Senator Landrieu, based on your legislation that has allowed FEMA to assess a situation and to respond to it differently. And the reason that is so critically important to know and hope that Congressional authorization expands into FEMA's work is when you are trying to rebuild the city or you are trying to rebuild a parish, you can't plan long-term if you don't know what money is coming in.

And, of course, as you try to rebuild the City of New Orleans and you are trying to rebuild neighborhoods, as Secretary Donovan spoke about with the amazing work that has gone on in the housing initiative, you try to build what we call place-based development, and it is important to be able to know what resources are going to be available because you just don't build the house. You

¹The prepared statement of Mr. Landrieu appears in the appendix on page 125.

have to build it next to a school, and the school needs to be next to the health clinic. So I was again thrilled by Secretary Donovan's announcement that he is going to allow CDBG money to be used to continue to fund the 87 health care clinics.

Suffice it to say that from the ground looking up, it is important to have stability and predictability so that we can actually master plan, so smart growth policies can actually be implemented as opposed to one-offs on whether or not a particular firehouse is going to be rebuilt.

And so I would encourage Congress and the Senate to give broader authorization to FEMA to settle lump sum with parishes and mayors all over the country, because we have more storms coming, other catastrophes. That is a great tool that allows us greater flexibility and I believe that you will see the benefit of that. In the City of New Orleans, we are rebuilding everything. I think you have seen some successes there. But we have a long way to go.

Let me just hit a couple of other points, because we are going to talk a lot about the great things that are happening, but there are some challenges that we have coming forward. For example, we still have to rebuild police, fire, and recreation. We are talking to Mr. Fugate now. We have a great relationship with them. The relationship with the State has been much better. Everything is working the way it is supposed to be working, but all of us have challenges. So we would like to do lump-sum settlements on police, fire, and recreation. We also have terrific challenges with the surge and Water Board.

On top of that, I want to reiterate the urgency with which to deal with CDL, because that is going to be a burden that we are going to carry for a long time and that is a critical burden that we want to try to ameliorate over time.

And finally, I think the Corps of Engineers has really done a superb job. The wall that was built is not only a testament to great engineering, but it is also going to give us great protection. Having said that, I believe the Corps understands, and, of course, all of us understand that 100-year flood protection is not adequate to protect what it is that we know is coming our way. The Corps, I know, was operating under authorization and financial limits, but I would strongly encourage all of us to continue to talk about finding a commitment to make sure that we protect the area.

Senator Landrieu, you and many of you have been to the Netherlands. We understand the threat that we are under. The BP oil spill has again highlighted the incredible issue of restoring the coast, moving the levees up, making sure the building codes are where they are going to be if we are going to have a sustainable community over time, because if we rebuild the inner cities of the parishes but we don't have that outer layer of protection, we really are working for naught. So I think that is critically important.

As we move forward, I do want to just reiterate how much better everybody is working together. I am very pleased with the tremendous support that we have received from President Obama. Many of his cabinet members have been down here multiple times and will continue to be here. Our working relationship with FEMA is really going very, very well. We have teams of people sitting in the same room all day now, from FEMA to the Office of Community

Development (OCD), the Governor's folks, our folks on the city level as we speak are sitting in rooms working out these difficulties. But there are limitations that we have that could be loosened up that will allow us to do our work faster.

So as we move into this anniversary, it is true that, by necessity, this area of the country has become the most important laboratory for innovation and change, just out of necessity. We are doing things here that nobody else in the country has been able to do because the fabric of our community got torn apart. So we have a special obligation to get it right. I know that you will and you will take these messages back to your colleagues. Thank you all so much.

Senator LANDRIEU. Thank you, Mr. Mayor.
President Davis of St. Tammany Parish.

**TESTIMONY OF KEVIN DAVIS,¹ PRESIDENT, ST. TAMMANY
PARISH**

Mr. DAVIS. Thank you, Senator Landrieu and Members of the Subcommittee and Congressional members. I will skip, because I know we are running out of time. I am here today to focus on lessons we learned and lessons we hope the Federal Government would learn.

First, we learned that the Federal Emergency Management Agency does not manage emergencies. They manage the accounting that goes with emergencies. We learned that we must be self-sufficient in the emergency response for at least 5 days. We learned that if you clean anything at all, even in the interest of public safety, you had better have FEMA's paperwork complete and signed off at every level if you hope for reimbursement. We learned that the well-meaning FEMA workers on the ground change quickly, and with that change of personnel the interpretations of the Stafford Act. I would like to give you a specific example.

Hurricane Katrina stripped thousands of cubic yards of marshland from coastal marshes in the Federal Wildlife Management Area—this is a Federal Wildlife Management Area—and just deposited them in waterways and canals and homes. Imagine, if you will, a home filled with five feet of mud and grass. We were successful in arguing that we could clean the marsh grass in the drainage ditches even though it was considered rooted vegetation because the grass grew roots because it took so long to get approval. However, FEMA had never approved the cleaning of the waterways. St. Tammany Parish has been forced to incur the cost to remove the debris. It is inconceivable that this work was not eligible under FEMA's rules. I submit that the only reason for this ruling was the inconsistent and cavalier application of FEMA's Public Assistance Program based on biased individuals.

Be that as it may, the parish is about to complete cleaning these canals as I speak. In fact, the work is considered by many State and Federal agencies to be a model for debris removal and coastal restoration. We removed the debris in the canals by using a hydraulic dredge to pipe the debris back to the nearby Federal Big Branch National Wildlife Refuge from which it came. We are removing the hurricane debris, removing the navigational and drain-

¹The prepared statement of Mr. Davis appears in the appendix on page 127.

age threats, and restoring Federal coastal marsh at the same time. Under FEMA's current policies, such a project is prohibited. This makes no sense to me, especially it is far less expensive than many of FEMA's own proposals which they later denied to clean the same area.

And now I want to go just a little bit further and I want to mention the current disaster in which we are here in Louisiana and the Gulf Coast, battling the BP oil spill. Needless to say, this is a blow to continued recovery efforts. While FEMA's role in the response to BP oil spill certainly is limited to date, we cannot forget that this is hurricane season.

In order to plan for response to a storm that this season, with the added threat of oil spill contamination, I initiated a dialogue with BP, the Environmental Protection Agency (EPA), the U.S. Coast Guard, Louisiana Governor's Office of Homeland Security, and the Louisiana Department of Environmental Quality, and FEMA. Every agency but FEMA was interested in discussing and agreeing to procedures to address questions related to the oil spill. FEMA's response was that they were coming up with their own rules. There was no need for discussion. To date, I have not received any guidance or procedures from FEMA pertaining to the storm response and the handling of the debris in light of possible oil spill contamination as a result of this hurricane season.

To me, and I am sorry, Mr. Fugate, he stated that—and I have great respect for him, I will tell you that, and I think he is trying, but I want him to know today that just yesterday, I met with all of our agencies in St. Tammany Parish about the CDL loans, and I have to tell you, it is not happening on the ground, Mr. Fugate. They have told us directly in meetings, you have 5 days to sign this paperwork. You will sign it, and these are the numbers. We have had very little dialogue in reference to the capital expenditures, our budgets, our operating revenues, and the like. So I would request that you would work with us closely in reference to the CDL loans, and I want to thank you for the opportunity.

Senator LANDRIEU. Thank you very much. Sheriff Hingle.

**TESTIMONY OF JIFF HINGLE,¹ SHERIFF, PLAQUEMINES
PARISH**

Sheriff HINGLE. Thank you, Madam Chairman and Members of the Subcommittee. Hurricane Katrina completely destroyed the Plaquemines Parish Sheriff's Office (PPSO) Detention Center located in Pointe a la Hache. On first availability, the Sheriff's Office and FEMA met to discuss assistance in rebuilding the detention facility. From the beginning, the talks agreed that a temporary detention facility was necessary due to the duration of time needed to build a permanent one and the fact that the Sheriff's Office had no place to hold their prisoners. The following is a summary of events that have unfolded from that time.

August 2006, the LeBlanc Group was contacted to assist in the bid package for the demolition of the existing detention center that had been destroyed. The LeBlanc Group was the architect and engineer (A&E) of the damaged facility and had the expertise and in-

¹The prepared statement of Mr. Hingle appears in the appendix on page 131.

formation necessary to safely move the demolition forward. The damaged detention facility was successfully removed by February 2007.

In March 2007, we advertised for an architect-engineering service for a temporary facility. The LeBlanc Group was awarded the contract in May of that year and began work on the original temporary facility design. The original proposal was to build the temporary facility at grade level using modular units. During that period, the design of the temporary detention facility was halted due to advisory base flood elevation (ABFE) concerns raised by FEMA. Eventually, the LeBlanc Group decided they could no longer afford to wait on the constant delays created by FEMA regarding the base flood elevation and asked to be relieved of their contractual obligations.

Madam Chairman, I have entered all this into the record. This is a very long and tedious presentation. I am not going to read it all. I would like to say that the base flood elevations were finally determined in July of this year. We are working with FEMA and have signed a Project worksheet (PW) that has been sent to Washington that hopefully will begin construction of the permanent facility. We have abandoned the idea of a temporary facility altogether.

If we receive our PW as promised by the end of this year, advertise for bid, and by the spring go out for construction, with the construction time, you will be there with me for the cutting of the ribbon of that facility on the tenth anniversary of Hurricane Katrina.

I want to thank the Senator and I want to thank Congressman Melancon for all of their assistance over these years in pushing FEMA forward on this. I also want to thank some sheriff friends of mine, former Sheriff Litchfield from Baton Rouge, former Sheriff Lee from Jefferson, Sheriff Norman of Jefferson, and Sheriff Marlon Gusman of New Orleans, who have held my prisoners all this time. Without their assistance, we would not have been able to run a successful Sheriff's operation in Plaquemines Parish.

I have to say that during this time period, we finally saw some light a year ago and that light began when Tony Russell came to New Orleans. The roadblock that we had experienced for almost 4 years was finally opened within about a 90-day period with face-to-face conversations with Mr. Russell and I thank him for that. It has taken us a little while to finish this, but I do see progress now and light at the end of the tunnel. And I want to thank all of you for being here today and hearing this testimony and working with us, not only in the past, but I know working with us in the future. Thank you.

Senator LANDRIEU. Thank you, Sheriff.

I am going to begin with just the first few minutes of questions and then move down the panel.

I would like, just for the record, to establish the question I am going to ask on the Community Development Loans for Mr. Mayor, for you to just say into the record what the total budget of Orleans Parish is, roughly, your budget, the city. You might want to throw in what, if you do know, what the school board is, because I guess those combined would be the two largest. What is your general—

Mr. LANDRIEU. I don't have the school board number. The city's number is \$451 million on city general fund dollars. And, of course, when the Federal dollars are laid on top of that, it is approximately a billion dollars. We don't operate the school system, so I don't have those numbers available.

Senator LANDRIEU. But that is very, very good for this question. Kevin, what is your total budget?

Mr. DAVIS. 101 million.

Senator LANDRIEU. A hundred-and-one million. And Jiff, what is your budget?

Sheriff HINGLE. Twenty million.

Senator LANDRIEU. OK. The question—I am glad to have that on the record, because I want to say that at the time of Hurricane Katrina—Mr. Fugate, this—that the Federal Government allowed these officials to borrow a total amount of money of \$5 million. That was the cap in the Federal law. So I want to ask you, what would \$5 million do for them, and could you comment on this whole loan situation that has been a nightmare for us and how we are going to find justice on this issue.

Mr. FUGATE. Madam Chairman, I think, first of all, I have actually had this conversation with the Emergency Manager Commissioner for the City of New York, and \$5 million wouldn't even be, I think, a half-day of their personnel budget.

The Community Disaster Loan Program, as you point out, is something we are going to have to look at, expanding that, but I think there is a more fundamental question. In the gravity of the situation and erosion of the tax base and the likely costs that are going to occur, should we be looking at a loan or looking at a grant program?

Historically, under the Stafford Act, operating costs were not generally considered eligible if there was a tax revenue stream that would be expected to pay for that. And so disruptions in tax base—we look at, in the Stafford Act, for those increased costs, the extraordinary costs, the overtime. But it doesn't really address the underlying issue of, one, what is going to happen with reimbursement? So should we be looking at these differently?

But on the current situation is—and again, I got this yesterday when we were talking about what is being considered as income to determine what is considered a surplus versus a deficit in the operating budget, and I was told they were looking at FEMA assistance and how that was being calculated. And so Tony Russell and I immediately said, A, it didn't sound right, and B, we need to go back and go, what are we actually using for determining what is the revenue stream and level of income.

Senator LANDRIEU. But I just want to be clear for this record on this question, because this is just critical to our success moving forward, that what you just testified to, what I heard was that in FEMA's mind, you are clear that these officials could borrow money from you for overtime, etc, etc. But I continue to remind you and other Federal officials that overtime is important, but in a catastrophe, regular time is very important because police officers have to be paid for regular time before they can actually be present to work overtime.

So I keep pressing for an adequate response. Now, we know that you are leaning forward on this. I can hear it in your voice and I hear it in the testimony. But I want to be clear that we are going to leave here committed to figuring this out, because if my staff will give me the number, we have outstanding debt of, what is it, over a billion? It is over \$800 million that the State of Louisiana, our elected officials collectively owe, and we have that in the record as to—and each one of them sort of have a—well, you have a very good idea of how much it is, I am sure. But I will say it is between \$800 million and \$1 billion.

Now, for communities that are struggling to build schools, fire stations, sidewalks, sewer systems, levees, transportation, support their neighborhood groups, finding this \$800 million or \$1 billion is going to be very difficult even for our wealthiest parishes. So we have to really figure this out, and that would basically be my question. Do you have any additional comment, and then I am going to pass it on to my colleagues.

Mr. FUGATE. Madam Chairman, I think you got it exactly right. I think the original intention prior to Hurricane Katrina was the Community Disaster Loan Program could provide a loan until the FEMA reimbursement process kicked in. It never addressed the underlying issue of what happens if you had the extraordinary cost plus a tax base which is devastated so your baseline costs aren't being covered, and that was something I don't think that was ever anticipated in the Community Disaster Loan Program, and as we did the Special Community Disaster Loan Program, we were trying to address.

So I think this is something, again, to look at it, is when should we look at this as a grant that we don't really expect—how do you make up this revenue stream as you are trying to rebuild a tax base and pay back a loan? I know that is the mechanism we use. So maybe the question is, the tool we use, we need to find a different tool. But we have to take the tool we have now and figure out what it is going to take to make sure we continue communities being able to continue their operations, that these loans—so we can deal with two issues, the forgiveness but also the loans themselves affecting bond rating as communities try to move forward.

Senator LANDRIEU. Well, I would hope, and I would turn it over to the Congressman—I know the Mayor and others have suggestions—I would hope that you would take some time very soon to sit down face-to-face with these elected officials, because you won't find more experienced elected officials anywhere in the country except for the ones along the Gulf Coast that have taken out these loans, trying to figure out how to repay it, why it didn't work, maybe it should be grants, than these folks, and I hope that you will do that. Congressman Melancon.

Mr. MELANCON. Thank you, Senator Landrieu.

Mr. Fugate, if you would, let me just follow up on that. One of the things that I have found and I think most of the officials found after Hurricane Katrina was that Stafford was totally inadequate for the catastrophic event we experienced. It is OK if you have levee breaks up north in Iowa and a regular hurricane, whatever that is these days. But if you could help us as members of Congress, you and Tony, because I know you have been through the

experiences before, is I think we need assistance in trying to—and these gentlemen and their offices can help us, also—to look at a re-authorization or reforming so that there is a catastrophic event clause that triggers in and how we trigger it in, that the norm, the Stafford, doesn't become the norm for a major catastrophic event and would maybe give more leeway to the people that run the agency going into the future. Hopefully, you will never have to experience it, but we thank you for what you and Tony have done. It has been 100 percent better.

Mr. FUGATE. Well, sir, I think one of the things we would like to continue to pursue, and we are going to use the existing authorities we have and working with Mayor Landrieu, is we oftentimes would look at a project by project, building by building type approach instead of stepping back and saying, instead of doing a project as a fire station, let us look at fire service or, as the Mayor says, public safety as a project, and again, use some of the tools we used to recover the school district, and that, I think, is a more effective, faster way. When you have large system impacts, look at the system, not the individual buildings in trying to do the grant process.

Senator LANDRIEU. Amen. Congressman Scalise.

Mr. SCALISE. Thank you, Senator. I have two questions, and I will ask the questions if that is OK, Senator, and then let the panel address it.

First, on the Category 5 flood protection, General Van Antwerp, under one of the things that we have been trying to push as a delegation is to get a real commitment on Category 5 flood protection, which is something we don't have right now. One of the things, and I wasn't here initially after Hurricane Katrina in the Congressional delegation, but language that was passed by our delegation back then seemed it was the intent of the delegation to get specific recommendations from the Corps on specific projects to bring us to, not, as Mayor Landrieu talked about, not hundred-year flood protection, but true Category 5 flood protection, which is a much stronger level that we all want to achieve. But the recommendations that came down for the Corps, it wasn't specific recommendations. It was more of a spreadsheet with options that were given to the State and then asking the State to come back and identify those.

And so if you can address kind of that difference between what the Congressional intent seemed to be that the Congressional delegation wanted to have the Corps give specific recommendations, as has always been done in the past and is typically the process we need to go and then seek the authorization and funding versus what was sent down.

And then if I can ask Parish President Davis to touch again on the CDL issue, because I know you have come down more than one time, come to Washington, working with me and others to try to get clear definitions, and as the definitions did come out and the rules on the CDL process, and recently the unfortunate rejection, not only in your parish but in other parishes, the rejection of forgiveness of those loans where in some places you had forgiveness and some you didn't get forgiveness, how we can get some better dialogue with the FEMA Administrator Fugate to get, as you men-

tioned, in that second round, if there hopefully will be a second round of rules to try to get over that hump for those communities that are experiencing problems today, but just because of the guidelines that seem to be in place, it didn't necessarily take into account the issues that they had, so they didn't get the same forgiveness as somebody else did even though they both were in that line of fire. So if I could—

Senator LANDRIEU. Excellent question. If you all would, limit your response to 2 minutes each so we can get Congressman Cao in.

General VAN ANTWERP. Your question is a great one. When we did the LACPR report, what we essentially were looking at in the different planning units what are the alternatives. That is what we did first. And then which ones were, in our opinion, the best alternatives, but there are tradeoffs. For instance, in St. Bernard Parish where we built the T-walls, if you would build a conventional levee there, the base would have been 900 feet and you would have needed more property. It would have impacted wetlands. So there are different effects of each of these.

The standard in the United States right now is the 100-year level. We have looked at the system in the Netherlands and there are alternatives similar to that system, but they can be very expensive and they can impact the environment. So that is where there are tradeoffs. We are meeting with the State right now to try and pick the best alternatives in each of those planning units, in each of the regions, if you will.

We kind of mix Category 5 and the 100-year, because Category 5 isn't necessarily a 500-year event. Hurricane Katrina, for instance, had a very large surge which was much greater than its category. We can give more information on what we hope to get out of the long-range plan, but it is going to take working with the State to do that and to determine what alternatives that the people want and the subsequent tradeoffs.

Senator LANDRIEU. Thank you. President Davis.

Mr. DAVIS. Yes. I think, to answer the Congressman directly, yesterday, we had a meeting with all of our agencies, be it fire, municipalities, hospitals. I think the problem is how they determined the surplus or the income of a local government authority. Like, we have a 2-cent sales tax, and in that discussion, it is highly dedicated. It can't be used for other expenditures. It can't be used for personnel. But they are using some of those dollars in the overall picture, which then they came back to us and said we had a surplus of \$125 million. But that is not correct. It is not the accounting process that we use.

And again, I am—it is great that I have this opportunity while he is here, because I have to tell you, the people on the ground have been very forceful and have—I had one mayor just sign off the other day. She just gave up and signed the thing. She says, "I am not worried about it because when the first payment comes due, I am going to have a deficit so I can't pay it." I said, "But Mayor, I don't think you understand. They can take other assets," and I have seen them do that. We had them do that with the Natural Resources Conservation Service (NRCS) on us because of the 20 percent match. When we didn't make the payment, they took

other Federal funds from other agencies and took our money. So this is a serious issue and I would look forward to meeting with them in reference to how the surpluses or how the accounting is done.

Senator LANDRIEU. OK. Thank you.

Mr. SCALISE. And if Administrator Fugate can help us with that, to get that, hopefully the differences in accounting practices between what the parishes actually experience versus what the FEMA folks on the ground looked at.

Mr. FUGATE. And I am very familiar, having come from local government, where you have a taxing authority that is currently going to a certain bond or a certain activity and part of that enabling legislation is it can't be used other places. So again, that is one. Yesterday, we were hearing what was being counted, and we want to go back and make sure that we are looking at what the actual revenue that should be going against a loan and not looking at other types of revenue that would not necessarily be supporting that repayment.

Senator LANDRIEU. That is an excellent—we will take that testimony and we will take that as a yes, we will work on it. Thank you. Congressman Cao.

Mr. CAO. Thank you, Senator, and my two questions will be to General Van Antwerp.

One, based on my observation of the BP oil spill, it seems to me that the Army Corps still has this level of bureaucracy that prevents the Army Corps to make very quick decisions, which is something that we needed in the situation of the oil spill. My question to you, the first question is, have you looked at that problem and what are the future steps that you will take to reduce this bureaucracy and to enable the Army Corps to make quicker decisions?

My second question is, how are you working with Secretary Mavis to look at the issue of a long-term environmental redevelopment?

Senator LANDRIEU. And General, if you will take 2 minutes to answer that, and then I am going to have the Mayor give closing remarks and we are going to end this panel.

General VAN ANTWERP. Regarding the oil spill, our primary mission was the evaluation of emergency permits under our regulatory authority. We received 57 permits, and we can tell you exactly when we received them and how it took to reach decisions. We used emergency procedures. Many of the permit requests had no science or engineering behind them, so we had to model them to determine effects. As it turned out, a lot of them would have done more damage had we permitted what was requested. So we have to get that part right.

We had a strong urge, to let us do something and do it now. But you have to also do the right thing. We will continue to look at our emergency procedures. A lot of those 57 permits that were requested were given on the same day that they were requested. It is something we do need to work more on, but we also want to get the science and engineering right.

On the other part, we are definitely working with Secretary Mavis on the long-term environmental impacts, the marshlands, the wetlands, and what could be done. We are also looking at that

as part of the long-range master plan for this area and what is the mitigation and how do we make sure that we are building better and building better environmentally in this wonderful ecosystem.

Senator LANDRIEU. Thank you.

Mr. Mayor, any closing remarks?

Mr. LANDRIEU. Thank you so much, Madam Chairman and Members of the Subcommittee, and, of course, my fellow panel members. I would just say this. We obviously have made great progress, but we have a very, very long way to go and we have some challenges, and the broadest challenge in my opinion is that the U.S. Government is not adequately prepared structurally to respond to a catastrophic event. That is the big message. I think everybody here is working as hard as they can within the guidelines that exist. Obviously, being more responsive, being available, giving quick answers is critically important. Trying to lean towards yes is critically important, and Tony and those guys have done a great job.

But my general observation in the policy discussion that you have, should Stafford be amended, should it not be, I don't know the answer to that question. I can say this to you, though, that this country right now organizationally is not set up to recover from a catastrophic event. FEMA is not a recovery organization. They are not a rebuilding organization. They were designed to get there quick and to respond.

But as you can see from catastrophic events that we have had, we need something bigger and more robust, something more flexible, something that takes into consideration all of the different permutations that we have learned through the agony that we have all been through, and that is the big take-away lesson for us.

Finally, I would say this. We continue to want to work very, very closely. There is a disconnect sometimes between now the efficacy with which the folks in Washington are working and what we are hearing on the ground from the folks. We saw that during the BP oil spill. We saw it with the Coast Guard. We see it all the time, and we have to tighten that up a little bit. I feel very comfortable that we have a lot of really great hands on deck. We have a lot of passion. We are now once again the eye of the Nation and we should take this opportunity to help learn from them and also be able to ask the Nation to learn from the travails that we have gone through.

But thank you so much for your attention and thank you all for your advocacy on behalf of the city and the State of Louisiana.

Senator LANDRIEU. Thank you all very much, and the meeting is going to be adjourned. There will be a press availability in front of the school, downstairs, in 5 minutes. It will last only 10 minutes. There will be questions only from the press, no statements, and anyone is invited to participate.

Thank you all very much. Hearing adjourned.

[Whereupon, at 12:30 p.m., the Subcommittee was adjourned.]

A P P E N D I X

STATEMENT OF CHAIRMAN LANDRIEU

U.S. Senate Subcommittee on Disaster Recovery

Five Years Later: Lessons Learned, Progress Made & Work Remaining from Hurricane Katrina

August 26, 2010

Scope of the Tragedy

Hurricane and the ensuing flood claimed the lives of 1,577 Louisianans and hundreds more across the Gulf Coast. More than 800,000 citizens were displaced — the largest diaspora since the Dust Bowl of the 1930s. More than 200,000 homes in New Orleans were damaged or destroyed. Here in St. Bernard Parish, 81% of the housing units were damaged. 80% of the housing in Plaquemines Parish was damaged, and in St. Tammany Parish, the figure was 70%.

Failure of the Federal Government

The levees, marshes, and barrier islands that should have protected Louisiana's coast from Hurricane Katrina had been weakened over time, and were ultimately insufficient in large measure due to decades of underinvestment and gross mismanagement by the federal government. In addition, the federal response to this unprecedented tragedy was slow, planning was insufficient, and personnel and funding came up short. Slowly and steadily, and with help from the federal government, strong local leadership and millions of volunteers, the city and region set about its recovery and rebuilding.

Progress Made

Flood Protection

In the five years that have passed since federally-maintained levees failed and flooded 80% of New Orleans and all of St. Bernard Parish, the Corps of Engineers has committed \$14 billion to provide 100-year flood protection to southern Louisiana, by constructing higher and stronger floodwalls, re-designed levees, and new pump stations. They have also constructed a surge barrier near the Inner Harbor Navigation Canal which is the largest flood protection structure in the United States. We have closed the Mississippi River to the Gulf Outlet, which funneled storm surge into this parish in 1965 during Hurricane Betsy and again with Katrina in 2005. Senator Domenici and I passed legislation in 2006 that will provide Louisiana and other energy-producing Gulf Coast states with a long overdue share of the revenues from new offshore leases. These proceeds will provide a permanent funding stream to restore our coastal wetlands. I will continue to press for an integrated approach towards water management, acceleration of projects and offshore proceeds, and for at least 80% of BP fines to the federal government to go toward coastal restoration efforts in the Gulf.

Housing & Neighborhoods

HUD is on track to complete four major developments in New Orleans that will provide affordable housing to the city's workforce and mixed-income communities with a higher quality of life due to better infrastructure, land use planning, and a full range of services. The State of Louisiana is winding down the largest housing program in U.S. history, having disbursed \$10.4 billion to 127,000 homeowners and thousands more to renters and small landlords. It took nearly two years to secure funding for Louisiana that was proportionate to its share of the overall damage, but we eventually got it done. Congress has also changed the law to provide case management services for storm survivors to find housing and employment and access services such as financial or mental health counseling. We

helped to reduce FEMA's reliance on trailers, by authorizing the cost-effective repair of rental units after disasters and securing \$400 million for alternative solutions like Katrina Cottages, which are housing storm survivors in Lake Charles, Baton Rouge, Treme, and at Jackson Barracks here in St. Bernard Parish.

FEMA Reform

Poorly trained FEMA personnel cycled in and out of communities every few months after the storms, sometimes reversing eligibility decisions after communities had purchased land and executed contracts, failing to provide information in writing, managing the Public Assistance program in a manner that focused on process over outcomes. All the while, I heard stories about places like Peebles Elementary in Iberia Parish that was declared eligible for replacement outside the floodplain, only to be left holding the bag after purchasing a new parcel of land for the facility when another FEMA employee decided to revoke their eligibility months later. FEMA has doubled its workforce since 2005, and established new training and credentialing requirements for reservists. Joint planning and exercises with state and local governments have increased, and a newly established Logistics Directorate now pre-stages supplies and pre-negotiates contracts for equipment and services before hurricanes come ashore.

FEMA's Public Assistance Program had been a source of significant delay in the recovery. FEMA staff delayed the rebuilding of St. Bernard Parish's wastewater facility for years after the storm, opting instead to pay contract trucking companies millions of dollars to ferry sewage out of the parish on a weekly basis while people were forced to endure not months, but years without this most basic of services. Disputes like this one, which have sometimes persisted for several years, prompted me to establish an arbitration panel which has issued \$545 million in awards to Gulf Coast communities since its inception, including \$474.5 million for the replacement of Charity Hospital. The catastrophic scale of Hurricane Katrina prompted a Congressional waiver of the 10% cost-share for facility repairs, which resulted in \$835 million in savings to Louisiana. Congress also capped flood insurance penalties for schools, police stations, and fire stations, and authorized lump sum settlements to allow for their systematic rebuilding in lieu of a building-by-building approach.

Education Reform

After decades of poor performance, the public education system in the City of New Orleans has become a laboratory for innovation and change. The city has a higher percentage of students enrolled in charter schools than any other in the country, it has experienced an influx of new teacher talent, and test results have improved for the last 3 years in a row.

Health Care Infrastructure

The Department of Veterans Affairs broke ground in June on a new \$1 billion medical complex in Mid-City, and the State is moving forward with plans to replace Charity Hospital with a new medical center and biomedical corridor adjacent to it. Local governments are also working with Federal agencies to sustain the 93 Community Health Clinics that have emerged since the storms to offer primary care and mental health services to the region's low-income residents.

The Rise of Nonprofits

Civic participation and nonprofit activism are at an all time high, providing the region with a new framework and engine for self-determination and renewal. Neighborhood associations like the Broadmoor Improvement Association, Beacon of Hope, NENA, and the organization that Ms. Anderson represents here today, have increased their capacity and taken an active role in the redevelopment of their communities through blight removal, crime reduction, economic development and other initiatives.

Planning Capacity

Since 2005, Louisianans have developed a series of planning tools to enhance resiliency, safe rebuilding, and smart growth. The Louisiana Speaks Plan used charrettes to gain input from 18,000 residents, the legislature adopted a statewide building code, New Orleans schools developed a Master Plan for facilities, and the City of New Orleans adopted a comprehensive plan that includes special attention to the concept of living with water. Green design and sustainable building methods are on the rise, the American Planning Association held its annual conference in New Orleans earlier this year, and groups like the Center for Planning Excellence in Baton Rouge are helping to implement new approaches toward land use and development.

Challenges Remaining

We have more work to do though, both at the community level, and from a national policy perspective. More than 60,000 blighted, vacant, or abandoned structures remain throughout the metro region. Crime rates in New Orleans are higher now than they were prior to Katrina. Traditional industrial sectors such as energy, maritime shipping, and shipbuilding have continued to shrink, and we must do more to produce a skilled and educated workforce that can attract new businesses to the region and help local startups to flourish.

The federal government's current approach towards the challenge of flood protection, coastal wetlands loss, and rising sea levels is slow, underfunded, and narrowly focused on structural defenses. FEMA has not brokered a standing agreement with HUD to provide temporary housing or procured any alternatives to trailers. The Stafford Act remains limited in its ability to support recovery from a catastrophic disaster. And we do not have a framework in place to get children back into school or day care after they've been displaced by a disaster.

Message of Hope

But despite the massive blow of the recent oil spill and moratorium, this region has been buoyed by new leadership, indomitable optimism, and a strong sense of purpose. I will continue working with other members of the delegation to fix broken institutions and correct flawed policies in Washington. And I am confident we can meet all of these challenges head on, by leveraging both the unbridled determination of our citizens, as well as the vast economic and cultural resources of our region.

As we spend this week reflecting on the progress made since Hurricane Katrina, Louisiana families, businesses and communities face yet another crisis in the Gulf. But with the proper leadership and vision we will overcome this, too. Elected officials at every level along the Gulf Coast will fight to ensure that BP pays everyone affected by this disaster, cleans up the marshes and waters that our fishermen depend upon for their living, and we will fight to get the moratorium lifted so the people who produce the oil and gas that power our entire country can go back to work. The Gulf Coast

overcame Katrina and Rita. We overcame Gustav and Ike. And, we will overcome the Deepwater Horizon disaster, as well. That starts with a robust federal, state, and local partnership to rebuild our coast, and as President Obama has committed, to make it stronger than it was before the spill and before Hurricane Katrina.

Hearing Overview & Segue Way

Today's hearing will examine the lessons learned from Hurricane Katrina, the progress we have made in the five years since, and the work that remains to be done. We are privileged to be joined by the directors of, the three Federal agencies with the largest stake in Louisiana's recovery, as well as an array of local representatives from government, academia, and the nonprofit sectors. Together, they will testify about a range of recovery issues from the perspective of several different Southeast Louisiana parishes.

I'd also like to thank Congressman Melancon, Congressman Cao, and Congressman Scalise for being here to participate in this important discussion. We look forward to receiving our witnesses' testimony, and I thank you all for being with us here today.

STATEMENT OF SECRETARY SHAUN DONOVAN
 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 HEARING BEFORE THE
 SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
 SUBCOMMITTEE ON DISASTER RECOVERY
*"FIVE YEARS LATER: AN EXAMINATION OF LESSONS LEARNED, PROGRESS MADE, AND WORK
 REMAINING FROM HURRICANE KATRINA"*
 THURSDAY, AUGUST 26, 2010

Good morning Chairwoman Landrieu, and Members of the Committee. Thank you for inviting me today to testify before you on the fifth anniversary of Hurricane Katrina. As you know, since taking office, the Obama Administration has worked hard to provide residents of the Gulf Coast with the tools they need to recover from the hurricanes and to rebuild their lives and communities.

Today, I would like to discuss the scope of HUD's efforts to make that possible – where we were when President Obama took office, the progress we have made since that time, and the steps we still need to take to ensure that the resources we've provided are used in the most effective way to help people move back into their homes and revitalize the region.

While I hope to speak to the totality of HUD's efforts in the last 18 months, I want to make special mention of neighborhood revitalization efforts we are currently involved in and are working on with state and local leaders, with a focus on blight reduction and holistic community development, as well as economic development efforts and how they are leading to increased opportunity and participation of small and minority businesses and low income families.

The Obama Administration's Commitment to Rebuilding New Orleans and the Gulf Coast

Madam Chairwoman, too often in the years following the hurricanes, bureaucratic red tape was a barrier to revitalization and solving the hard problems in New Orleans and the Gulf Coast. The Obama Administration is deeply committed to serving the needs of Gulf Coast residents by cutting through this red tape that has delayed assistance, and to improving coordination among federal agencies and with state and local partners who have too-often failed to collaborate over the past five years.

As a result, nearly \$2.4 billion for public assistance projects in Louisiana and Mississippi has been obligated since the start of the Administration; and thousands of individuals who had been dependent on temporary disaster housing are on the road to self-sufficiency. Moreover, the American Recovery and Reinvestment Act (ARRA) has provided critical resources to the Gulf to help with recovery and revitalization.

President Obama has also worked to improve disaster preparedness, response, and recovery nationwide, so that the Gulf Coast and all other regions of the country will be more resilient and better prepared in the face of future disasters of all stripes. Efforts HUD is involved with include improving post-disaster housing opportunities and programs and working with state and local governments, community stakeholders, and individuals to improve preparedness and capacity for long-term recovery from disasters.

Scope of Disaster and Response

Let me first provide some context on the scale of the problems the Gulf Coast faced in the wake of Hurricanes Katrina and Rita, and on HUD's overall response to the crisis. Combined, the two hurricanes caused unprecedented damage to the region, and the situation demanded efforts from the federal government that would match the scale of the problem. After an initial slow response, under this Administration, HUD and the rest of the Federal Government responded swiftly to help communities and individuals recover.

Emergency and Temporary Housing

The most immediate need from a housing standpoint was emergency housing and temporary shelter for those displaced by the storms. Recognizing the need for intergovernmental coordination, HUD worked with the Federal Emergency Management Agency (FEMA) in the aftermath of the storms to establish new voucher programs, and leveraged relationships with local Public Housing Agencies (PHAs) to serve displaced families. I would like to review some of those programs for you now.

KDHAP – Katrina Disaster Housing Assistance Program

The first temporary housing program created in the Gulf after Katrina was the Katrina Disaster Housing Assistance Program (KDHAP). This was created pursuant to a Mission Assignment from FEMA after Hurricane Katrina, and was an initiative designed to aid families who were already HUD-assisted prior to the disaster in finding temporary housing starting in October 2005. The total amount expended under KDHAP was \$31 million. The program served approximately 9,000 families immediately following Hurricane Katrina. Upon completion of this program in early 2006, families were eligible for assistance under the Disaster Voucher Program.

DHAP – Disaster Housing Assistance Program

In an effort to expand HUD's temporary housing assistance to families displaced by Hurricanes Katrina and Rita but not already assisted by HUD programs, the initial Disaster Housing Assistance Program (DHAP) was created in July 2007. A subsequent program, DHAP-Ike, was created in September 2008 in response to Hurricanes Gustav and Ike. Authorization for the DHAP occurs through Inter-Agency Agreements (IAA) between HUD and FEMA. The DHAP-Katrina provided both disaster housing rental assistance and case management services to impacted families.

Under DHAP Katrina, FEMA referred approximately 47,000 families to HUD for assistance. Not all families agreed to participate. Ultimately, through DHAP Katrina HUD provided rental assistance and case management to 36,792 families.

The total amount of funding authorized by the FEMA-HUD Interagency Agreement for the DHAP-Katrina was up to \$610 million in anticipation of need. To date, approximately \$540

million from this authorized amount has been provided to more than 300 Public Housing Agencies: \$330 million for rental assistance payments, and \$210 million for placement services, case management, and to administer the program.

DVP – Disaster Voucher Program

Beginning in February 2006, Congress made a direct appropriation through the Disaster Voucher Program (DVP) to help previously HUD-assisted families after Hurricanes Katrina, Rita and Wilma. The program covers housing costs for families who lived in public housing or received other HUD rental assistance but were displaced by the hurricanes. Funds for this program were initiated by the Department of Defense Appropriations Act, 2006, and later amended by Section 7028 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery. As of August 2010, \$370 million has been disbursed to PHAs.

Over 36,000 families have been served under this program since its creation. As of August 2010, 500 families continue to receive rental assistance through DVP. Approximately half of the current DVP population is eligible for Tenant Protection Vouchers (TPV). The remaining half is eligible to apply for HCV assistance under other voucher funding targeting Public Housing Agencies in disaster impacted areas, and HUD staff are working aggressively to convert DVP families under these efforts. The DVP is scheduled to end in September 2010.

HUD requested funding in the FY 2011 budget to provide regular voucher assistance to DVP families that may be without permanent housing as of September 30, 2010 because they were unable to convert under TPV or other HUD programs, and I urge Congress to respond to this critical need.

REO - Real Estate-Owned Single-Family Properties

HUD has maintained a commitment to working in collaboration with agencies and offices across the federal government in order to best serve the residents of the Gulf region. As part of that commitment, after Hurricanes Katrina and Rita HUD entered into a Memorandum of Understanding (MOU) with FEMA to identify single family properties that could be made available to hurricane evacuees for temporary housing. Working through our management and marketing (M&M) contractors HUD identified 6,800 properties in 11 states and removed them from the market. Eventually, on these properties generally sold “as-is,” repairs were completed on 2,139 homes, of which 2,066 were ultimately leased to hurricane evacuees, and only 360 remain so today.

Disaster Recovery Community Development Block Grants

Madam Chairwoman, I'd like to take a moment to commend Congress for its historic response in the aftermath of Hurricanes Katrina and Rita. Congress had never committed as many resources to disaster response and reconstruction as it did in the Gulf Coast. Through HUD's Disaster Recovery Community Development Block Grant allocations, Congress has invested nearly \$19.7 billion across five states. I'd like to thank you in particular, Madam

Chairwoman, for your leadership on this issue. Due in no small part to your work, the residents of the Gulf Coast are getting the resources they need.

These Disaster Recovery CDBG allocations have served as one of the primary funding sources driving the rebuilding and recovery of the Gulf Coast. The grants are a flexible source of funding that have been meeting the outstanding needs of individuals and communities that traditional FEMA and SBA disaster funding cannot address. The CDBG program has been vital in helping communities plan for and implement a holistic approach to long-term rebuilding as it is able to be used for housing, infrastructure, and economic development.

Approximately \$14.7 billion has been disbursed by states to date. The majority of the remaining funds have been dedicated toward local infrastructure projects that are still in the midst of design and construction. This monumental investment has played a critical role not only in enabling comprehensive, sustainable recovery at the neighborhood level, it has created countless jobs through its expenditure throughout Gulf Coast communities.

Strengthening Disaster Recovery CDBG Programs

But Madam Chairwoman, as we all know and as the Obama Administration has emphasized, simply throwing money at the problem cannot sufficiently address the needs of Gulf Coast residents. That's why HUD has been committed to making sure the taxpayer's money is used intelligently and thoughtfully. I'd like to talk for a moment about how HUD has worked to make these funding programs not simply bigger, but better.

Disaster Recovery CDBG Waivers

I'm proud to say that in order to find the flexibility to help CDBG grantees meet their needs, HUD took unprecedented measures to ensure the program provided help to Gulf Coast residents. HUD has issued more than 100 waivers under the Disaster Recovery CDBG program to streamline and simplify application procedures, and has expanded the scope of what States were allowed to do to address needs. This has enabled communities to meet the unique challenges of the extraordinary circumstances they face.

For example, Madam Chairwoman, HUD used CDBG grants to fund direct compensation to displaced homeowners. Helping these families, quickly and directly, was the priority, and over \$8.5 billion has been disbursed to more than 127,000 homeowners in Louisiana alone to help compensate them for their disaster-related financial loss.

Everyone recognizes, Madam Chairwoman, the impact the loss of Louisiana marshes and wetlands has had on forming a natural barrier for future hurricane and storm protection. Understanding that billions of dollars would be invested in rebuilding coastal communities, HUD believed that those investments should also be protected by encouraging efforts to restore Louisiana's natural barriers. To do this, HUD took an unprecedented step towards providing the flexibility necessary to allow CDBG funding to be used for coastal restoration projects.

Another example of HUD's willingness to innovate in helping the Gulf Coast rebuild was our decision to grant all Gulf states a waiver to allow them to construct new housing with CDBG grants. The resources allowed them not just to rebuild, but to rebuild in safer locations, engage in a smarter recovery, and if needed, restructure communities for a better future.

HUD also provided a waiver to Louisiana and Mississippi to help them rebuild their tourism economies, realizing that strengthened tourism in the wake of the hurricanes would have a substantial economic benefit to devastated Gulf Coast communities. This sort of flexibility is a hallmark of a government that is determined to cut through red tape and meet the real needs of communities.

Technical Assistance

HUD also responded to the hurricane recovery with technical assistance. The department sent out staff from across the country to the Gulf region to provide direct daily contact with state and local governments to resolve recovery issues as they arose, devoting thousands of staff hours to the process. Even to this day, Madam Chairwoman, HUD has staff on the ground working daily with the affected states on their recovery efforts.

Fraud Prevention

With billions of dollars of taxpayer money at stake, in the wake of Hurricanes Katrina and Rita the HUD Inspector General (IG) set up office specifically in Gulf Coast, to combat the potential for fraud and abuse. To guard against fraud, the HUD program staff joined with the IG in training and information-sharing on the rules and regulations dealing with the previously unprecedented waivers and new programs that were being provided and developed. Moreover, HUD required states to establish their own internal auditors, and to make public their findings and recommendations in an effort to provide visibility and accountability in their use of public funds.

Homeownership Assistance Programs

One of the core needs of Gulf Coast residents in the wake of Hurricanes Katrina and Rita was simple assistance to homeowners whose residences were damaged or destroyed by the storms. HUD worked to provide this assistance to residents all along the Gulf Coast. I would like to update you on these efforts.

Louisiana Road Home Program

With hundreds of thousands of homes damaged and destroyed, the Road Home Program is among the largest housing efforts ever undertaken by a state in our nation's history. The program is designed to provide compensation to homeowners whose homes were damaged by Katrina and Rita, and its scope has assisted homeowners across more than two dozen parishes throughout all of Southern Louisiana. However, the concentration was largest in Southeastern Louisiana, where nearly 46,000 homeowners received assistance in Orleans Parish alone.

This program is very close to its end. One year ago, more than 4,000 eligible applicants had yet to receive their program award. That number is now down to 170. In addition, more than 1,700 appeals were resolved over the last year, with only 103 remaining.

Homeowner Assistance Programs in Mississippi, Texas, and Alabama

Mississippi also suffered extensive damage as the eye of Katrina passed over communities such as Waveland and Pass Christian. The state of Mississippi received more than \$5 billion in CDBG funding to aid in the long-term recovery efforts. The Homeowners Assistance Program (HAP) is the primary housing recovery initiative in Mississippi and, as of early this month, more than 27,700 HAP grants have been paid out, totaling almost \$2.1 billion. An additional \$722 million has been directed to public housing units, small rental properties, long-term workforce housing and low-income housing tax credit projects, almost \$250 million for various economic development activities, and more than \$450 million for various community revitalization and infrastructure needs. While these efforts have yielded substantial benefits to the citizens of Mississippi, it should be noted that to date roughly a third of the CDBG disaster recovery funds directed to the state remain to be expended.

The state of Texas received \$503 million in CDBG disaster recovery funding primarily attributable to the effects of Hurricane Rita. The majority of these funds (\$373 million) have been directed to various housing purposes including homeowner rehabilitation activities and the provision of rental housing. While some of the housing initiatives established by the state were slow to unfold, \$388 million has already been expended. It should be noted that some of the delay with the post-Rita recovery effort in Texas is attributable to the fact that in September 2008 Hurricanes Ike and Gustav hit some of the same areas affected by Hurricane Rita in 2006.

Alabama received \$95.5 million and directed a substantial portion of that funding to the town of Bayou la Batre which used \$23 million for the purpose of installing new infrastructure for the town on higher ground to mitigate problems associated with future natural disasters. An additional \$10 million was directed to housing reconstruction purposes in Bayou la Batre with remaining funds distributed to other jurisdictions such as the city of Mobile and Mobile County for activities including owner-occupied and rental housing rehabilitation.

Small Rental Property Program

The Small Rental Property Program in Louisiana provides funding to property owners to repair their storm-damaged, small-scale rental properties (1 to 4 units) and make their units available to low- and moderate-income tenants at affordable rates. The current Small Rental numbers show the program is making steady progress in producing affordable units. There have been 2,111 closings held to date, yielding 3,090 affordable units statewide. With the City of New Orleans suffering a great deal of housing loss, the Small Rental Property Program has had a significant impact by producing 2,564 affordable housing units within the city. The impact of the program has not only created much needed affordable housing opportunities, but also revitalized economic opportunities for struggling small landlords across the disaster-affected region.

Due to the economic downturn, Louisiana retooled its program design from initially having landlords receive their incentive awards upon completion of repairs to being able to receive up-front financing. The program's retooling also included a new option that provides program property owners advance financing to cover repair and rebuilding expenses in exchange for providing affordable housing once the property is repaired. This new option has taken some time to get traction, but presents an opportunity for innovative partnerships between the State and local non-profits. I anticipate that these partnerships will blossom to include local contractors and community financial institutions.

HOME

HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. The city of New Orleans has committed almost \$120 million in HOME program funds to rental development, homeowner rehabilitation projects, and assistance to new homebuyers since October 1, 2006. Of this amount, approximately \$73 million has been expended thus far, resulting in 1,451 completed housing units, including 405 new rental apartments and 378 rehabilitated homeowner-occupied dwellings. The state of Louisiana has used over \$12 million of its HOME funds to complete 256 units during this period, almost all of which was used to assist new homebuyers.

Serving the Most Vulnerable Populations

Madam Chairwoman, we've long known that the most vulnerable populations – particularly the homeless, the disabled, the elderly, and people of low income – are severely and particularly impacted by disasters. Hurricanes Katrina and Rita gave a new scope to this problem, and HUD worked with Congress to meet the needs of these individuals and families.

Homelessness in New Orleans (Shelter Plus Care)

Madam Chairwoman, Hurricanes Katrina and Rita did much to reveal the problem of homelessness in New Orleans, and even more to contribute to it. I imagine none of us here will ever forget the images of people setting up and living in "tent cities" outside City Hall, and HUD remains committed to meeting the needs of those individuals and families.

To give you a sense of how Katrina helped create an explosion in local homelessness, in January 2005, the New Orleans/Jefferson Parish Continuum of Care reported having a total of 2,051 homeless persons. In 2009, that number increased to 8,725 persons – a 325 percent increase four years after Hurricane Katrina. Moreover, the number of chronically homeless persons has increased in the same time period by over 1400 percent - from less than 300 in 2005 to over 4500 in 2009.

Since Hurricane Katrina, the Office of Special Needs Assistance Programs has awarded nearly \$55 million of Continuum of Care funds to the New Orleans/Jefferson Parish Continuum of Care. Funds are used to provide permanent and transitional supportive housing for the area's homeless. To serve the hard-to-reach homeless population that was displaced as a result of the hurricane, HUD awarded \$330,530 to UNITY of Greater New Orleans to provide outreach and

case management to the homeless population living on the street, under area bridges, abandoned buildings and other places not meant for human habilitation. In 2008, the City of New Orleans was awarded a Rapid Re-Housing Demonstration Program grant to get homeless families out of shelters and off of the streets. Over a three-year grant term, the project will re-house 366 homeless families.

HUD's Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities, along with supportive services funded from sources outside the program. In 2008, HUD awarded the State of Louisiana a \$50 million Shelter Plus Care grant. Managed by the Louisiana Office of Community Development (OCD) in collaboration with five Continuums of Care (CoC) that represent and serve the area of the Gulf Opportunity Zone, these funds will provide rent subsidies for 1,000 units and will provide services to support the participants in permanent housing over a five-year period. Of the 875 units allocated for this area, one-half of the rental subsidies (438 subsidies) will be dedicated for chronically homeless individuals serving the Greater New Orleans area.

Thanks to the Obama Administration and Congressional support of the Recovery Act, another resource available to families and individuals affected by Hurricane Katrina is the Homelessness Prevention and Rapid Re-Housing Program (HPRP). This program allows localities to provide financial assistance and services to either prevent individuals and families from becoming homeless, or help those who are experiencing homelessness to be quickly re-housed and stabilized. Last year, the City of New Orleans received a \$7.6 million HPRP grant. Jefferson Parish received \$1.5 million and the State of Louisiana allocated \$2 million to the City of New Orleans and \$700,000 to the Jefferson Parish. Thus far, 433 people in New Orleans and Jefferson Parish have been served by HPRP funds. I would also like to note that based on the concern of the HUD Office of Special Needs Assistance Programs' (SNAPS) concern the City of New Orleans' slow-startup due to negotiations associated with the terms of the contract, the SNAPS Office Director visited the city to personally address and resolve all outstanding issues.

Permanent Supportive Housing Vouchers

Hurricanes Katrina and Rita also created particular challenges for people whose needs extended beyond housing, including the elderly and disabled. As you know, Madam Chairwoman, in an unprecedented provision of resources, Congress provided the state of Louisiana \$23 million to fund vouchers to help making housing affordable for these individuals and families. These vouchers were joined with newly developed housing units and privately developed multi-family housing complexes. Individuals living in these units received the special supportive services that they needed. These vouchers will help subsidize about 200 families a year in the state of Louisiana.

Obama Administration's New Approach to Gulf Needs

Despite the work done by HUD and other government agencies in the years preceding the Obama Administration, Madam Chairwoman, President Obama took office with substantial challenges remaining on the Gulf Coast and approached those challenges with a new commitment to the Gulf Coast's long-term needs. During President Obama's tenure, HUD and

the Administration as a whole has not only been aggressive in dealing with these challenges, but has brought a new focus on the much-needed project of transitioning from pure recovery efforts to a broader revitalization of the region. Madam Chairwoman, this is my sixth visit to the Gulf since becoming HUD Secretary to see for myself the progress we're making and the work that still remains for us to do.

I would like to summarize and update for you our recent progress and goals for the future on the Gulf Coast.

Providing Families with Permanent Housing Support

Madam Chairwoman, as you know, within days of President Obama's inauguration, I learned that tens of thousands of families would be adversely impacted when the Disaster Housing Assistance Program (DHAP) came to an end. The lives of these families had already been ruined once – by the natural disasters Katrina and Rita. And here they were, about to be victimized yet again – this time, by a man-made disaster. To me—to all of us at HUD—that was completely unacceptable.

And so, together with our partners in the Administration, we announced a transition plan for these families on which I would like to give you an update.

DHAP-Katrina Transitional Closeout Plan (TCP)

Initially begun in September 2007, DHAP was structured to provide post disaster rental assistance and related case management services for 18 months, with an end date of March 1, 2009. In February 2009, 30,533 families were receiving rental assistance and case management services through the program, and would have lost this assistance without quick action by the Obama Administration and HUD. I'm proud to say that we provided a DHAP-Katrina Transitional Closeout Plan (TCP) that extended the end date to October 31, 2009.

DHAP-Katrina Conversion Vouchers (DHAP to HCV)

Housing Choice Vouchers (HCV) are available for incremental housing assistance for people assisted under DHAP-Katrina whose assistance would have otherwise ended on March 1, 2009. Congress appropriated funding for "Tenant-Based Rental Assistance," as authorized under the United States Housing Act of 1937 to assist families participating in DHAP-Katrina. This appropriation provided \$85 million in HCV funding, to remain available until expended, for incremental housing assistance. Of the 30,533 families on the DHAP-Katrina program, 12,300 were eligible for permanent Housing Choice Vouchers and converted from DHAP-Katrina to the HCV program.

Those families that were not eligible for HCV assistance were provided a structure of reduced rental payments that more easily facilitated the transition of families to self-sufficiency.

Homelessness Prevention and Rapid Re-Housing Program Under ARRA (HPRP)

Madam Chairwoman, the Obama Administration and Congress also committed to helping displaced Gulf Coast residents with the passage of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under the Recovery Act. Under HPRP, grants are distributed to states and communities to both prevent homelessness and provide rapid re-housing assistance to those who are already homeless. Louisiana has received \$13.5 million in funding under HPRP, and Mississippi has received \$13.3 million.

Real Estate-Owned Single-Family (REO)

This January, HUD's Office of Housing entered into an agreement with HUD's Office of Public and Indian Housing to sell 486 properties that were still occupied by Katrina evacuees to the evacuees, allowing residents to own the homes on a permanent basis. This agreement sets forth the expectation of both offices to ensure the successful transfer of properties and gives each individual or family the opportunity to rent a private market rental unit or purchase the HUD Real Estate-Owned property they currently reside in. A total of 62 properties have been sold as of July 2010.

Temporary Housing Unit to Housing Choice Voucher (THU to HCV)

As I already explained, Madam Chairwoman, HUD worked with FEMA and Public Housing Agencies to transition 12,000 eligible families from DHAP to Housing Choice Vouchers. At the same time, as I took over as HUD Secretary, I learned that over 7,600 families remained in temporary housing units, throughout the Gulf Coast. My staff worked with staff at FEMA to move as many of these families as possible out of these units and into permanent housing. I am pleased to say that now we've made great strides, and only 883 families remain. We're committed to completing the job and placing each of those 883 into a permanent housing solution.

One of the vehicles we use to transition these families to permanent housing came through the Supplemental Appropriations Act for Fiscal Year 2009, which provided \$80 million in funding for HCVs to Public Housing Agencies in areas impacted by Hurricanes Katrina and Rita. Funding was awarded through a competition, with the primary criteria being location in the Presidentially Declared Disaster area. Fifty six agencies in Alabama, Florida, Louisiana, Mississippi, and Texas were awarded 9,778 vouchers under this appropriation.

In order to receive funding, PHAs were required to adopt local preferences for families displaced by Katrina or Rita. This included families that recently left FEMA's temporary housing units (THU) or the Alternative Housing Pilot Program Katrina Cottages (on or after June 24, 2009). In addition, PHAs were allowed to serve families on their regular wait list with this funding.

To date, 1,450 families have been assisted through this funding allocation, including some THU families. However, participation by THU families has been minimal despite extensive outreach and recruitment efforts by HUD, FEMA and the states.

From September 2009 to the present, HUD, PHAs, the Louisiana Recovery Authority

(LRA) and Mississippi Case Management Consortium (MCMC) implemented media campaigns, direct mail campaigns, and coordinated outreach (telephone and door to door) to cultivate interest among THU families in HCV assistance. Based on the number of applications submitted, level of outreach, coordination, and advertisement, there appears to be little interest in the HCV program on the part of THU families. For instance, HUD even facilitated movement of vouchers from Northern Mississippi agencies to areas of the Gulf Coast where THU families are concentrated, but the turnout for application events was extremely low. One likely reason for the lack of interest is the high number of homeowners residing in THUs on their own property, particularly in Louisiana.

HUD is working aggressively to increase leasing rates under this appropriation as part of a larger effort to maximize leasing across the HCV program. The Department expects to lease a majority of these vouchers before the end of CY 2010, as PHAs move away from targeting THU families and issue the HCVs to families on their waiting lists.

Meeting the Healthcare Needs of New Orleans Families

Hurricanes Katrina and Rita caused a significant amount of damage to critical infrastructure and supportive services across the Gulf Coast. In the wake of this destruction, the impact on healthcare was unprecedented. Damages associated with Katrina caused hospital closures throughout the region and to date, has left a critical void in healthcare services. The significant hospital closures in Orleans and St. Bernard Parishes placed a great strain on the healthcare facilities still operating in neighboring Jefferson and St. Tammany Parishes. The use of disaster recovery CDBG has been instrumental in addressing several of the essential healthcare needs of the region.

Currently, \$75 million in disaster recovery CDBG funding is being used by the City of New Orleans to assist in securing the site for the new VA Medical Center facility that will be across the street from the new University Medical Center (LSU). Together, these two facilities will fill a critical deficiency in healthcare for the region's veterans and the indigent and will serve as anchors for the Greater New Orleans Bio-Sciences Economic Development District for which \$2.4 million in CDBG funds have been used for district planning. The lack of medical services in New Orleans East will be addressed with the acquisition and renovation of Methodist Hospital. \$40 million in disaster recovery CDBG funds have been allocated by the city toward this project, \$16.25 million of which is being used for purchase and subsequent renovations.

Similar to New Orleans East, St. Bernard Parish has a large population lacking essential healthcare services that faces extraordinary time and distance challenges to receive critical care. St. Bernard Parish has broken ground on the \$69 million St. Bernard Parish Community Medical Center. This project is supported by \$41 million in disaster recovery CDBG funds, which will ensure acute care services for the parish's growing population. To help eliminate some of the strain on neighboring healthcare facilities, disaster recovery CDBG funds were also made available to East Jefferson Medical Center (\$2.775 million), West Jefferson Medical Center (\$2.8 Million) and Ochsner Clinic Foundation (\$2.775 million). These funds were used to perform storm related renovations and improvements to facilities that stepped up to shoulder the increased patient load due to closures across the metropolitan area.

The identified voids in services were also addressed through the establishment of community clinics. The New Orleans East Community Health Center was funded with \$1.1 million in disaster recovery CDBG funds to help fill the gap that was caused by the closure of Methodist Hospital. To meet additional needs left by hospital closures, the Tulane University Community Health Center was funded with \$1 million in disaster recovery CDBG and \$800,000 in entitlement CDBG funds.

Of course, Hurricane Rita caused significant damage to healthcare services in Cameron Parish. To address Cameron's healthcare issues and concerns, \$4 million in disaster recovery CDBG funds were invested in the construction of a \$21 million hospital facility in Lower Cameron.

Toward that end, today, Madam Chairwoman, I'm pleased to announce that HUD has approved the use of CDBG funds to help keep 87 community health clinics open, reducing the strain on emergency rooms and improving access to healthcare for the families who need it most.

Unmet Needs

Madam Chairwoman, early on, it became clear that far too many Gulf Coast residents—through no fault of their own—had become stuck in the recovery process due to numerous challenges and barriers. Many had fallen victim to previously existing regulatory barriers which failed to account for the true cost of displacement, leaving them unable to complete the rebuilding of their home – or their lives.

In the Obama Administration, HUD has provided the additional clarity and guidance to states that gives them flexibility to address identified unmet needs. Through the Department's close work with the states, we have been able to break through those barriers to arrive at solutions which enable us to get the job done.

Non-Profit Rebuilding Program

My own experience in New Orleans in June 2009 made me determined to find better ways of getting needed resources to people on the ground. I saw for myself what non-profit organizations can do when, along with my family, I joined the St. Bernard Project in volunteering to help rebuild the homes of two families. One was an elderly woman living alone in New Orleans East, and the other was a retired couple in which the wife was suffering from advanced Alzheimer's disease and was confined to a wheelchair.

The work of the St. Bernard Project, and so many non-profits just like it, let me to believe that these extraordinary organizations could do much more if they were also the recipients of federal money. The Non-Profit Rebuilding Programs, started by the states of Louisiana and Mississippi, allowed non-profit organizations to put hundreds of Katrina and Rita victims in houses without the benefit of any federal money. That's why under the Non-Profit Rebuilding

Program of Louisiana, we've provided \$23 million in funding to these groups to encourage and facilitate their continued assistance to affected residents.

Additional Compensation Grants

Madam Chairwoman, I'm proud to say that one of the largest impacts in the progress of the recovery is the removal of the \$50,000 cap for Additional Compensation Grants under the Road Home program. Low-income families had an artificial cap that restrained their benefits and constrained their recovery. Motivated by the belief that government needs to stand with low-income families as they recover, rather than stand in their way, HUD worked closely with the State of Louisiana to provide the flexibility to remove this cap, thus allowing more than \$435 million to be disbursed to thousands of low- and moderate-income families. While the maximum overall Road Home award remains at \$150,000, this additional funding has enabled many households to bring their repair and reconstruction to completion. As more and more families are able to complete repairs and get back into their homes, this has a direct impact on reducing blight and continuing to drive neighborhood recovery.

Multifamily Housing

Madam Chairwoman, HUD's work to restore housing in the Gulf Coast is not limited to homeownership. As a federal government, and particularly as an agency, we have made a significant investment, with a particular focus under the Obama Administration, to developing new multifamily housing and returning damaged multifamily housing stock to commerce. Let me talk for a moment about some of our efforts on this front.

GO Zone Tax Credits

Without an extension of the Placed-in-Service date on GO Zone Low Income Housing Tax Credits (LIHTCs) to December 31, 2012, a total of more than 6,000 Gulf Coast affordable housing units are unlikely to be completed and an estimated 13,000 construction-related jobs are in jeopardy.

After Hurricanes Katrina and Rita, Congress issued a special allocation of LIHTCs to aid in the development of affordable housing in affected Gulf States. These LIHTCs, known as Gulf Opportunity Zone or GO Zone Tax Credits, are set to expire on December 31, 2010. Because of the devaluation of the LIHTC and the tightening credit market, some projects that are funded with GO Zone Tax Credits have been stalled and are unlikely to meet this expiration deadline for being placed in service. Madam Chairwoman, the two-year extension passed as part of H.R. 4213 would provide the time needed to finish the work to keep critical investments and complete the work on these critical projects, and I'd like to thank you for your efforts. However, the two Chambers have not been able to reach agreement and pass similar versions of a comprehensive tax extenders/jobs package that includes this extension.

As you know, Madam Chairwoman, this extension is particularly important for the Housing Authority of New Orleans's (HANO) Big 4 housing developments. These developments were destroyed by Katrina and Rita and have left a gaping hole in the availability

of low income housing in New Orleans. The rebuilding of these developments depends on a mixture of Federal, State, and private sector funds. While I'm pleased to report that residents are now living in Columbia Parc and Harmony Oaks, two of the Big 4, if the two-year placed in service extension is not enacted, development will halt at the remaining Big 4. Consequently, millions of federal, tax credit and developer dollars will be lost as well as several thousand jobs, critically needed housing, and subsequent tax-base contributions.

Overall, Congress provided the impacted states (Louisiana, Mississippi, and Alabama) a total allocation of \$323M in low-income housing tax credits to rebuild from the 2005 storms. To date, 77 projects worth over \$80M have yet to be placed-in-service.

Due to the credit crisis and resulting constraints on the equity markets through the end of 2008 and well into calendar year 2009, syndicators and equity providers were unwilling to close on their GO Zone Credit investment commitments without an extension of the December 31, 2010 Placed-in-Service deadline for GO Zone Credits.

Construction of major developments requires not less than 18 to 24 months from construction start to completion and receipt of certificates of occupancy. Therefore, a one year extension of the placed in service deadline to the end of December 2011, which represents 16 months if the deadline were extended today, would not align with the construction schedule of any major development, much less unexpected delays. A two-year extension would accommodate for weather or other unforeseen, yet reasonable, delays.

Many Tax Credit Syndicators and Investors with respect to major developments, including HANO's big 4 developments, will continue to refrain from closing if there is not sufficient time to get to closing (minimum 45 to 60 days) and to commence construction and complete construction (not less than 18 to 24 months from closing) by the extended placed in service deadline.

Piggyback Program

The LIHTC-CDBG program (referred to as the "Piggyback" program) supports affordability for especially low-income Louisianans in properties receiving Gulf Opportunity Zone (GO Zone) Low Income Housing Tax Credits. The Piggyback program has been a critical component in producing affordable housing across the disaster affected regions of the state of Louisiana. To date, Piggyback is responsible for restoring 2,832 total units, of which, 1,385 are affordable with 177 serving as permanent supportive housing. Examples of Piggyback's versatility and importance to this recovering region are evident in funds being used to solidify deals for the Housing Authority of New Orleans' "Big 4" public housing developments. The additional subsidy of development costs helped drive down rent for GO Zone LIHTC residents, including some in the Big 4. These dollars have helped to transform neighborhoods that were once desolate, into viable communities that will lead a resilient recovery effort.

Privately-Owned HUD-Subsidized Housing

Prior to Hurricane Katrina, HUD had a significant investment in private multi-family housing throughout the Gulf Coast. There were 407 properties with 35,943 units impacted by Hurricane Katrina in the state of Louisiana with the majority of the units being located in New Orleans. Of those properties, there are 13 projects still not operational at this time which represents 1,260 units. All projects impacted are currently being rehabilitated or rebuilt, or there is a disposition plan for the property.

We have also relocated projects and utilized statutory authority to move the Section 8 HAP contracts and Use Agreements within the New Orleans Area in order to preserve the affordable housing.

With many of the projects, the owners have had many challenges in rebuilding or rehabilitating their projects. The challenges included the lack of services returning to the neighborhoods (lack of grocery store, medical and transportation services), the increased costs of building materials, the enhanced permit processes and long deliberations regarding flood plain determinations.

Creating Economic Opportunity for Families

Madam Chairwoman, as I indicated earlier, HUD under the Obama Administration is not just committed to helping the Gulf Coast recover from a disaster – it is committed to revitalizing the region. Housing is of course critically important to that effort, but it is not by itself sufficient for complete revitalization. We must rebuild and strengthen the economy of the Gulf Coast and help lay a foundation for long-term progress. Let me talk about some of the Obama Administration's efforts to do that.

Economic Development in Louisiana and Mississippi

Louisiana

Since the devastating storms of 2005 and 2008, Louisiana has embarked on a long and comprehensive path to recovery. The affects of the disasters were not limited to housing and critical infrastructure, but also shook the foundation of economic development and growth throughout the state. The use of CDBG disaster recovery funds has touched thousands of individuals, businesses and industries from Louisiana's coastal communities to the Northern cities in the Delta. The state of Louisiana has invested over \$330 million in economic development activities that included assistance to small businesses through grants, loans and technical assistance. These activities also included funding for tourism and marketing, as well as innovative and progressive recovery support provided for Louisiana's higher education institutions.

In the wake of multiple adversities, CDBG disaster recovery funds have assisted the Louisiana fisheries industry in its attempts to achieve stabilization. After Hurricanes Katrina and Rita, Louisiana fishermen were assisted with \$28.9 million in small firm grants and loans. Hurricanes Ike and Gustav dealt the industry another blow, and Disaster CDBG responded with an additional \$32.3 million for assistance to individual fisherman, fishery businesses and

industry modernization activities. In light of the BP oil spill, existing CDBG disaster recovery allocated to these purposes help support Louisiana's fishing industry.

CDBG disaster recovery funds have aided the City of New Orleans by providing opportunities for increased partnerships and participation in the State's overall recovery efforts. An example of such an opportunity is the State's partnership with a consortium of local non-profits, created to offer vital assistance in the Small Rental Property Program. The City of New Orleans has committed to participating in this partnership. This opportunity creates an environment conducive to further economic development growth for local non-profits, small landlords, and local minority contractors throughout the City of New Orleans. HUD will assist in providing technical assistance and support to ensure this partnership's success.

Mississippi

Economic development activities funded in Mississippi with CDBG disaster recovery dollars have taken a variety of forms. The \$272 million Economic Development Program has helped to create new jobs by funding public infrastructure improvements and eligible training activities to benefit private, for-profit businesses. This amount encompasses \$20 million for the Jackson County Maritime Trades Academy that will help train more people for shipbuilding jobs and an additional \$5 million allocated to tourism restoration grants. Given that functioning public infrastructure is a prerequisite to economic development, it is important to view the State's Community Revitalization Grant program (\$252 million) and the Hancock County Unmet Needs program (\$200 million) as important contributors to the recovery of Mississippi's Gulf Coast.

The most significant single economic development activity undertaken by the state is the restoration of the Port of Gulfport. Approximately \$570 million has been allocated to this project to facilitate the restoration of the Port of Gulfport's public infrastructure and its publicly owned facilities that were destroyed by Hurricane Katrina. This program will assist in the long-term recovery of the operating capacity of the Port. We are working with the state to ensure an increase to the labor force on the Mississippi Gulf Coast by creating and returning jobs in the region, with an emphasis on low- to moderate-income jobs.

Economic Participation for Low-Income Gulf Coast Residents

At HUD, we believe that public housing is not only a place for families to find safe, affordable housing – it also provides an opportunity to create jobs for those who live there. Under Section 3 of the Housing Act of 1968, recipients of HUD funding for rental assistance and community development are subject to certain requirements concerning hiring and contracting preferences in the expenditure of funds. Better implementation of Section 3 is a priority of the Obama Administration, as part of a set of multifaceted strategies to improve the economic well-being of low-income individuals and communities. Allow me to give you an update on our implementation of Section 3 in New Orleans.

The Housing Authority of New Orleans (HANO) is currently administering four HOPE VI sites as well as the "Big 4" for a total of 7 distinct sites undergoing development. Harmony

Oaks doubles as both HOPE VI and Big 4. HOPE VI sites will include Harmony Oaks, St. Thomas, Desire, and Fischer, which are currently serving a combined caseload of 2,210 HANO residents. Current Community Support Services (CSS) include comprehensive case management, senior wellness, youth life skills and academic achievement, parenting skills development, homeownership, health education and economic development. Because poverty levels of HANO residents are so high, education, employment and job placement are also paramount to all CSS service plans.

Since January 2008, development related activities have resulted in 833 adults being placed in new jobs of which 268 (32 percent) qualify as Section 3 placements. To achieve this, 790 HANO residents participated in both soft skills and job skills training; 229 (30 percent) residents completed the training. Harmony Oaks Construction Training Program (HOCTP) facilitated by Urban Strategies has graduated four classes and a total of 78, while Lafitte supported by Catholic Charities has qualified over 800 residents and local citizens as Section 3 Certified and ready for employment. The economic impact of HUD's investment in HANO physical development and community support services activity is an estimated gain of \$21.6 million in new annual income for residents and other low-income New Orleans citizens. HANO also placed 100 youth residents in summer jobs this summer and an estimated 200 additional HANO youth received career specific job placement via the City's Workforce Development program as well.

I am pleased to report that there is improved coordination among the contracted community support service entities, due to the HANO Master Partnership Agreement supported by the Big 4, HOPE VI sites and 5 local major service providers. One notable example of this new collaboration is the recent effort initiated by HUD and orchestrated locally by Urban Strategies to secure \$1 million of CDBG Funds to support a subsidized employment program. If funded, this program will result in approximately 200 adults securing both soft skills and job skills through direct, on the job training.

Section 3 Employment & Contracting Activity Update

I've already talked about development of the Big 4. One of the positive aspects of the Big 4 is the economic opportunity they've created for HANO public housing residents. Allow me to tell you a little bit about what is happening.

C. J. Peete Developer – Central City Partners

Urban Strategies, the development team's community and supportive services provider, has an aggressive Section 3 outreach awareness campaign currently underway. Section 3 encourages hiring of local residents of low and very low income. A designated coordinator attends planned construction meetings and meets frequently with construction hiring staff to fit Section 3 candidates with open and new positions. Thus far, four contractors have become certified through this recent effort.

Three Section 3 businesses have secured general construction contracts in dollar values ranging from \$2,000 to \$780,148. The total value of the five Section 3 construction contracts is

\$1,345,814. One onsite subcontractor that operates as a smaller general contractor awaits official award of a prime contract with the homeownership developer to construct its offsite homeownership units.

Lafitte Developer – Providence/Enterprise

Fifty-seven percent (57%) of the Lafitte Developer's new hires are Section 3 residents, although the project is still in its planning phase. The Lafitte Redevelopment Project maintains a Ready to Hire Database of 808 Section (3) Residents. A total of 643 individuals included in the Ready to Hire Database have completed Lafitte Redevelopment Project (LRP) Intake Forms. In addition, LRP has verified whether these individuals are eligible to participate in the project as Section (3) Residents. LRP continues to receive at least 20 new intake forms each week. As the project grows, the Ready to Hire Database will continue to be an asset in efforts to meet the Section 3 Resident New Hire goal.

St. Bernard Developer – Columbia Residential St. Bernard Redevelopment, LLC

Through their outreach efforts, the St. Bernard Development partner has identified more than 600 interested workers who have been certified as eligible for Section 3 hiring since January 2008. Over 79 percent of the developer's new hires were Section 3 employees. To date, 101 new Section 3 residents were hired primarily in construction related positions.

B. W. Cooper Developer – Keith B. Key (KBK) Enterprises

The B. W. Cooper developer, KBK Enterprises, is a Minority Business Enterprise (MDB) and has partnered with the B. W. Cooper Resident Management Corporation which will provide some property management services at the redeveloped site. In connection with the redevelopment activities at B. W. Cooper, 36 Section 3 residents have been hired to date. Moreover, the B.W. Cooper Resident Management Corporation (RMC) maintains a Ready to Hire Database of 250 Section (3) Residents.

The range of the contract sizes for the various subcontract worked performed by the Resident Management Corporation varies from \$3,700 to \$72,000. In addition, once the development is completed, the Resident Management Corporation will become a part of the permanent management structure which will represent an approximate contract amount of \$150,000, annually.

As a result of this project, the Resident Management Corporation will have a major role in the management of the redeveloped site. That management role will include the opportunity to participate in the management of market rate units and low income housing tax credit units with a role far more expansive than initially projected.

Fair Housing in the Gulf Coast

Reflecting a key Presidential priority, this Administration will continue to press to ensure that opportunity is available to all people, regardless of race, color, national origin, gender,

sexual orientation or gender identity, religion, disability, or familial status. No one should have to wonder if who they are or where they came from somehow influenced the outcome of whether they could receive a mortgage, access to economic opportunity, or assistance to aid in their recovery from a disaster.

While I acknowledge those who argue that the federal government hasn't fully lived up to its fair housing commitments to date in the Gulf, let me be clear: As HUD Secretary, I have and will continue to commit us to enforcement of fair housing laws and access to economic opportunity. That's why here in St. Bernard Parish, I'm proud to report today that HUD has taken enforcement action against unfair housing practices and blatant discrimination.

Currently, HUD's Office of Fair Housing and Equal Opportunity (FHEO) is investigating several complaints concerning new rental permit practices that allegedly restrict rental housing for African Americans attempting to return to their homes after Hurricane Katrina. The alleged restrictive practices include the imposition of distance requirements limiting the number of properties that can be made available for rent in single-family residential neighborhoods, as well as new permitting requirements for properties that have become available for rent since Hurricane Katrina. The Fair Housing Office is also investigating practices that may be impeding the availability of federally-assisted housing to families most in need. The Office will complete investigations of these cases and render determinations. Should the results of these investigations show violations of the Fair Housing Act or other civil rights statutes, HUD will take necessary enforcement action, including the conditioning or withholding federal funding if appropriate.

New Orleans-Specific Recovery Update

It's hard to talk about the devastation of Hurricanes Katrina and Rita, and the recovery from these terrible storms without giving particular focus to the city of New Orleans. Having addressed some of the broader challenges and Administration responses issues confronting post-Katrina and Rita Gulf Coast, I would now like to briefly update some of the programs and efforts unique to New Orleans.

Neighborhood Stabilization Program

As you well know, Madam Chairwoman, blight is a significant issue in post-Katrina New Orleans. One program that will help address this challenge is the Neighborhood Stabilization Program (NSP). NSP was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized. The City of New Orleans received \$2.3 million in NSP funding under the 2008 Housing and Economic Recovery Act, with plans to support the acquisition and redevelopment of vacant, abandoned or foreclosed multi-unit properties. In addition, more than half of the funds will be allocated to supportive housing for tenants below 50 percent AMI with special needs, if suitable projects can be identified. New Orleans initially had difficulty finding and processing projects, with obligated amounts at zero percent as of August 9, 2010. However, Mayor Landrieu has instituted new procedures to ensure that the city would select high quality housing projects using

a professional procurement process, along with technical assistance provided by Enterprise Community Partners, to help the city to obligate 100 percent of its NSP1 funding by September 30, as required in the NSP legislation.

Enterprise has helped the city to meet this objective, by assisting with advertising for developers, selecting projects, and making recommendations to the Mayor and City Council. I'm happy to report that that process is nearing completion and HUD expects New Orleans to obligate 100 percent of its grant in the next few weeks. Two multifamily housing developments will receive NSP funds for redevelopment and should get underway soon after the city approves their contracts.

Transforming New Orleans' Public Housing

Madam Chairwoman, we firmly believe that in order to hold ourselves accountable to accurately evaluate whether we've truly produced results for the people of the Gulf Coast, we need measurable indicators of access. To that end, as part of HUD's 2010-2015 Strategic Plan, one of our agency's "measures of success" includes "Increasing the percentage of Gulf Coast homes in Louisiana, Mississippi, and Texas that have been reoccupied or converted to another viable purpose after being severely impacted by Hurricanes Katrina and Rita in 2005."

For HUD, nowhere is the Administration's bedrock commitment to helping build the city's capacity to produce results for families clearer than our commitment to getting its public housing authority right – to creating a first-class housing organization that can be a model for the rest of the country. This commitment requires effective leadership, strong oversight, and no tolerance for corruption.

As you know, Madam Chairwoman, the Housing Authority of New Orleans (HANO) has been plagued with mismanagement for years. Since February 2002, HANO has been under HUD administrative receivership, a process whereby HUD takes control of a troubled PHA and appoints staff to work on-site, manage operations, and provide oversight. It's functioning as a well-running organization is important to the overall recovery of the city of New Orleans.

To be sure, we still have a long way to go. But with the leadership of David Gilmore who is in charge of the "Turnaround Team" we named last October, we are beginning to see real progress.

Mr. Gilmore brings nearly 40 years of experience in public housing, and won national recognition for restoring the nation's worst performing housing authority in DC. In addition to developing new assisted housing units in New Orleans, fostering social service relationships to refer special preference families to the HCV Program and working through the current HCV waiting list to provide assistance to lower income families, the Receivership Team is engaging in long term strategic planning to enhance agency operations.

HANO has brought on a number of new staff to focus on legal matters, special projects, and technological advancement to improve the overall efficiency of the agency. To assist with the ongoing housing related effects of Hurricane Katrina, HANO has established a relationship

with the State of Louisiana Disaster Recovery Unit. HUD established an Advisory Panel to provide counsel to the receivership team and members include regional University and school officials, clergy, members of the private sector, and staff to the Louisiana Congressional delegation.

Prior to Hurricane Katrina in 2005, the Housing Authority of New Orleans (HANO) which has been under HUD Administrative Receivership since 2002, was transitioning from conventional public housing to mixed-income, mixed-use redevelopment.

At the time Katrina struck, there were 7,379 public housing units, of which 5,146 were occupied. Since the hurricane, HUD and HANO have been committed to providing housing for all public housing residents and Housing Choice Voucher holders who want to come back to New Orleans, and we have prepared a redevelopment plan to facilitate their return.

Lessons Learned

Madam Chairwoman, it is clear that since Hurricanes Katrina and Rita devastated New Orleans the Gulf Coast, HUD and our partners throughout the federal government have made both real progress and significant missteps in responding to the crisis. But from both experiences, we have learned valuable lessons for the recovery and revitalization going forward and what we might do better during and after the next natural disaster that strikes our country.

Most importantly, I would say that the Gulf Coast experience has taught us that preparation is essential. All levels of government, as well as individuals, should have a regularly updated and enhanced disaster recovery plan.

We at HUD and throughout the government have done much to repair the Gulf after the hurricane disaster. But working toward disaster mitigation efforts before the next crisis hits will leave us in a much stronger position for the aftermath. Whether rebuilding devastated homes or building entirely new ones, we must all make sure that it is done safer, stronger, and smarter than before.

As you know well, the state of Louisiana was not only victimized by Hurricanes Katrina and Rita. Just three years later, Hurricanes Ike and Gustav caused severe damage to some of the same communities as they were in the midst of their recovery from the earlier storms. Some of these communities fared better after the latest storms because of particular efforts made towards disaster risk mitigation and resiliency to the effects of storms. That is why as HUD Secretary, I made an effort to encourage communities to do more activity like this during their recovery.

In 2008, Madam Chairwoman, you and your fellow members of Congress provided over \$6 billion in Disaster CDBG for communities impacted by disasters in that year. HUD allocated the vast majority of this money to states that were impacted by disasters. In fact, the state of Louisiana received \$1 billion to aid in its recovery from Hurricanes Ike and Gustav. I made the decision to create what we call the Disaster Relief Enhance Fund (DREF). The DREF is a roughly \$311 million pool used to incentivize states recovering from disasters to use their funds in activities that would mitigate against future disasters and prepare them for recovery should a

disaster occur. With its \$1 billion, the state of Louisiana has planned to use \$91.2 million for DREF-eligible activities. As a reward for engaging in these forward-thinking activities, I'm pleased to announce that just this week HUD awarded the state of Louisiana over \$32 million from the DREF. According to an independent study by the National Institute of Building Sciences, every dollar spent on disaster mitigation activities saves taxpayers \$4 in future disaster recovery expenses. Since Louisiana has \$91 million in potential disaster mitigation investments, the state's total anticipated return on investment is over \$364 million.

And finally, Madame Chairwoman, you have shared with me and I have heard directly from your constituents the frustrations that come from dealing with an uncoordinated federal partner during the previous Administration. That is why President Obama and all of us in his Cabinet have made a concerted effort to work together to aid Louisiana and other states throughout the nation that are faced with recovering from disasters. I'm proud to say that the Obama Administration recognized this lesson early, and HUD's experience of working in concert with other federal agencies to coordinate our effort and impact has produced results. A unified response to disaster that breaks down silos and collaborates on resident need will lead to a faster, stronger recovery and redevelopment of communities.

Long-Term Disaster Recovery

In September 2009, the President asked me and Department of Homeland Security Secretary Janet Napolitano to lead the Long-Term Disaster Recovery Working Group. Through a six-month outreach effort with stakeholders across the country, this interagency group examined current disaster recovery practices and developed specific recommendations for strengthening long-term disaster recovery at the Federal, Tribal, State, and local levels. The group developed a draft report, which is awaiting interagency review and White House approval, that proposes a new approach to long-term recovery by addressing the way in which all players – government at all levels, the private sector, non-profits, communities, and individuals – prepare for and recover from a disaster. Concurrent to this effort and meeting a Congressional requirement, the Federal government has also worked with stakeholders to draft a National Disaster Recovery Framework. This draft framework identifies roles and missions, defines shared responsibilities across all levels of government, and outlines how long-term recovery will be implemented under current authorities.

Conclusion

Thank you, Madam Chairwoman, for the opportunity to talk about our efforts in New Orleans and the Gulf Coast. Clearly, given the scope of the problem we were faced with, more work needs to be done, and I look forward to continuing to work with you and other members of the committee on ensuring that the residents of New Orleans the Gulf Coast have every opportunity to rebuild their lives and their communities.

But with our continued efforts to provide resources, cut through red tape, and listen to the voices of people on the ground discussing their housing needs, I believe the Obama Administration has made substantial progress; we are understanding what works and what must still be improved. Going forward, we will apply those lessons learned to help revitalize the Gulf Coast region.

And with that, I would be happy to answer any questions you may have. Thank you.

TESTIMONY OF

**PAUL RAINWATER,
COMMISSIONER OF ADMINISTRATION
STATE OF LOUISIANA**

**BEFORE THE U.S. SENATE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS**

DISASTER RECOVERY SUBCOMMITTEE

August 26, 2010

Thank you for having me here today. I am Paul Rainwater, and I serve as Governor Jindal's commissioner of administration. Prior to taking this role, I served for two years as the executive director of both the Louisiana Recovery Authority and the Office of Community Development. These two agencies together created and implemented recovery programs using \$13.4 billion in Community Development Block Grant funds from the U.S. Department of Housing and Urban Development. I also served as the Governor's Authorized Representative to FEMA in respect to the Stafford Act recovery efforts for hurricane Katrina and Rita and later for hurricanes Gustav and Ike in 2008.

Since I've last addressed this committee, the Louisiana Recovery Authority sunset at the end of June. The LRA was a policy and planning body, set up in the months after hurricanes Katrina and Rita to coordinate recovery policy for the state. It was never meant to be a permanent agency and, as the LRA's original chairman Dr. Norman Francis continually pointed out, our goal was to work ourselves out of a job. We have learned many lessons from our experience post-Katrina and Rita in Louisiana and with these lessons engrained in our state agencies, a separate organization for hurricane recovery is no longer necessary. This is progress.

Our CDBG programs are now run out of the Disaster Recovery Unit of our Office of Community Development, which existed pre-Katrina to handle the state's CDBG funds. This office falls under my purview at the Division of Administration. Stafford Act-funded programs and projects are run out of the Governor's Office of Homeland Security and Emergency Preparedness.

The job of recovery is far from finished. But for the most part, from a CDBG perspective, major policy decisions have been made, programs have been established and the majority of funds have been spent, with the vast majority programmed into state purposes approved by our federal partners at HUD. Our focus is on finishing out the Road Home program for homeowners, pushing elevation funds to help families raise their homes, continuing work to restore rental housing to the area and supporting local governments as they work to rebuild their communities, replace lost infrastructure and fight blight.

THE ROAD HOME / COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

The state of Louisiana's largest rebuilding program and, indeed, the largest home rebuilding program in American history is the Road Home program. More than 127,000 homeowners received assistance through the components of this program, which include direct homeowner grants, elevation funds and additional compensation grants for families with lower incomes. As of the middle of August, the program has disbursed almost \$8.6 billion directly to 127,726 homeowners, the majority of whom have opted to rebuild their homes in Louisiana.

The average Road Home grant award was \$66,859 as of the end of July 2010. We still have around 3,000 homeowners that have not yet been able to close. Most of these homeowners have been unable to provide ownership or occupancy information up to this point in order to allow the transfer of funds. We have worked to provide legal assistance to these homeowners when we

could. The state expects to have all grants awarded by December 31, 2010, at which time our staff will shift its focus to monitoring programmatic covenants and meeting other federal monitoring requirements.

This time last year, we announced a significant change to the way the Road Home program calculated its Additional Compensation Grants, which are meant to ensure that homeowners with modest incomes are able to rebuild their homes. The ACG provides additional resources for low and moderate income households. In 2009, we removed the \$50,000 cap on these grants and I am proud to report that in the past year, this change has put an additional \$394 million in rebuilding dollars in the hands of low and moderate income homeowners.

In total, we've paid more than \$2 billion in ACG funds to 45,685 homeowners. The Road Home program continues to meet the goals of serving lower to moderate income families, with more than 53 percent of all Road Home dollars going to these families.

Another key element of the program is its focus on offering incentives to homeowners to elevate their homes. As part of the program, homeowners were eligible for up to \$30,000 in elevation funds. In total, 30,599 Road Home participants received more than \$887 million to elevate their homes. These funds are in addition to the \$30,000 some homeowners received through the National Flood Insurance Program's Increased Cost of Compliance grant and the up to \$100,000 for which homeowners could be eligible through the Disaster Recovery Unit's Hazard Mitigation Grant Program.

Elevation for most Road Home Option 1 applicants has been a two-part process. After receiving elevation funds through the Road Home program, applicants who had additional construction costs could apply for HMGP funds to assist in completing the elevation work done on their homes. The state allocated a total of \$750 million to the Hazard Mitigation Grant program, \$200 million of which is dedicated to Individual Mitigation Measures.

The HMGP program has progressed significantly since the early days after the storm, when disagreements between the state and FEMA stalled the release of the funds to homeowners. These funds have started to flow, with more than \$55 million in funds paid to 2,288 homeowners so far. We have another \$17 million worth of payments in the queue to be made. The majority of the payments we have made are to homeowners who are in the process of completing their elevation work, as FEMA HMGP funds typically are paid to homeowners as reimbursements, rather than up front grants.

However, we face challenges in the program where we need a commitment from FEMA for expedited assistance. We have more than 12,000 homeowners in the HMGP program whose ability to move forward is hindered by environmental and historical preservation reviews. The state needs assistance from FEMA to expedite the completion of the second state-specific programmatic agreement which will facilitate a faster turnaround for historical preservation review.

The Road Home is only one of dozens of recovery programs the state created using its allocation of CDBG funds. We also created a program for landlords called the Small Rental Program. As of August 2010, the Small Rental program has disbursed \$168.9 million to 1,389 landlords. These landlords have rebuilt 2,100 properties, creating 3,684 units, of which 3,074 offer affordable rents. Another 3,637 landlords are in the process of rebuilding their rental units. All construction must be started by the end of this year. Right now, through the Small Rental program, we are putting 100 units of affordable rental housing online in Louisiana each month. This is a significant investment in creating housing for our workforce and families.

In addition to the Small Rental program, the state created a program which paired CDBG funds with equity generated through the syndication of GO Zone Housing Tax Credits administered by the Louisiana Housing Finance Agency. This Piggyback program has funded 23 rental developments so far; spending \$344 million to create new mixed income rental developments across coastal Louisiana. So far, the program has created more than 3,000 rental units, 1,490 of which offer affordable rents.

Using \$300 million in economic development funds, Louisiana created several programs to revitalize businesses and the workforce. The state gave grants and loans to 4,000 small businesses. Workforce programs trained more than 6,000 workers and directly placed 2,786 in jobs. Tourism marketing dollars flowed to 11 impacted parishes to promote Louisiana tourism and culture. Economic development funds also supported 380 research projects and approximately 90 technology transfers, patents and licenses.

More than \$1.4 billion in CDBG funds was set aside for Katrina and Rita infrastructure rebuilding projects, including \$700 million in the Long Term Community Recovery program, which was designed to let local leaders make decisions about rebuilding projects that were not eligible for rebuilding funds from FEMA. The state set aside another \$112.2 million for local government infrastructure projects and another \$247.5 million in funds to help local school districts and \$28.5 million for recovering lost fisheries infrastructure.

So far, more than \$341.7 million in infrastructure funds have been invested in 233 projects across coastal Louisiana. These CDBG funds are in addition to the \$5.49 billion in FEMA Public Assistance funds invested so far in rebuilding lost public infrastructure in areas affected by Katrina and Rita. The remaining CDBG infrastructure funds will be used to continue to support longer term rebuilding projects in the coastal parishes.

CHARITY HOSPITAL / FEMA ARBITRATION / FEMA PUBLIC ASSISTANCE

In addition to our funds from HUD, public agencies use the FEMA Public Assistance program to pay for emergency work and rebuilding after a major disaster. In Louisiana, the Governor's Office of Homeland Security and Emergency Preparedness administers this program. With the new FEMA administration and a solid working relationship with Region VI we have renewed a strong partnership with FEMA relative to the recovery from hurricanes Katrina and Rita and also

from the 2008 storms, hurricanes Gustav and Ike. While we have made positive moves over the past year, we still have a long way to go.

We have increased obligated dollars in the Public Assistance program by more than \$5 billion in the past three years, to a current obligation of almost \$9 billion for hurricanes Katrina and Rita, we estimate there are still more than 2,600 large projects that have not been fully valued and we expect total obligated dollars eventually to exceed \$14 billion.

Since last year's discussion of FEMA Public Assistance, Congress created an Arbitration Panel to make final, binding decisions in disputes between FEMA and applicants to its Public Assistance program. The largest Project Worksheet dispute the panel heard was the dispute between the state of Louisiana and FEMA over the PW for Charity Hospital in New Orleans.

To briefly recap the situation, FEMA and the state disagreed on the level of damage to Charity Hospital. The state argued that it was more than 50 percent damaged, which under Public Assistance rules meant the state was owed the full replacement cost of the hospital. Louisiana put this total at \$492 million. FEMA disagreed and had offered the state several smaller amounts, starting with \$23 million and eventually climbing to \$150 million. At the state, we had produced three separate studies that showed that we were owed the full replacement value for the hospital. FEMA was unwilling to accept our studies.

After years of disagreement, Louisiana opted to bring this matter to the Arbitration Panel because we felt that it was the best and only way to fairly resolve the dispute. At the end of January of this year, the panel ruled in Louisiana's favor, awarding us almost all of what we requested, \$474 million. The panel noted that FEMA had not presented a sound basis for challenging or discounting the state's analysis.

This decision, which was almost five years in the making, has allowed the state to move forward with plans for a world class academic medical center in New Orleans, one which will partner with the Veterans Administration to provide high quality health care to our region. Since the ruling, we have made appointments to the Academic Medical Center Board and also started the process of assembling the land for the hospitals, including beginning to salvage usable materials for reuse elsewhere from homes the state has purchased.

While the Charity Hospital project worksheet was the highest profile dispute to go before the arbitration panel, it was not the only one. Since its inception, several Louisiana PA applicants have petitioned for arbitration. In addition to the more than \$474 million the state won in the Charity dispute, the city of Westwego won an additional \$3.2 million. In another two disputes, the applicant was awarded a portion of the amount in dispute, which has yet to be finalized.

In the majority of the cases, FEMA and the applicant actually reached a settlement prior to the arbitration hearing occurring. Collectively, these settlements total more than \$136 million dollars, including around \$100 million for Jefferson Parish, \$31 million for the Sewerage and

Water Board of New Orleans and more than \$2.5 million for the St. Bernard Parish Sheriff's office. We do not think these settlements would have been possible without the looming threat of arbitration. In addition, the state and FEMA are in the arbitration process for more than \$5 million related to another Charity Hospital claim, though we have not reached the hearing stage.

The arbitration panel has only denied one Louisiana applicant's claim. The state sees this as validation of many of our long-time concerns about FEMA undervaluing Project Worksheets. In total, because of the Arbitration Process, the state of Louisiana and its PA applicants have seen more than \$614 million in funding coming in as a result of resolved disputes. This funding is not yet recognized in the total dollars obligated for these disasters. When these funds are obligated the size of these disasters measured in PA funding will immediately reach approximately \$11 billion. We expect this number to grow and we thank Congress for hearing our continued concerns and creating the arbitration process to help handle our disputes. We especially thank Senator Landrieu and Louisiana's Congressional Delegation for championing this issue on behalf of the state.

In Louisiana, we are just shy of having \$9 billion in FEMA Public Assistance funds obligated for recovery from hurricanes Katrina and Rita. Of the obligated funds, almost \$5.7 billion has been paid to PA applicants for completed work. We at the state anticipate this obligated amount soon will increase dramatically as we are in the process of negotiating a settlement with FEMA for rebuilding Recovery School District facilities in New Orleans.

None of this progress would be possible without the current FEMA leadership in the Louisiana Recovery Office in New Orleans and at FEMA Region Six in Denton, Texas. Our local partners have embraced a spirit of partnership and commitment to working with the state and local Public Assistance applicants to find solutions to long-running disputes and problems, which we at the state greatly appreciate. When I returned to the state at the beginning of 2008, we had only \$5 billion in obligated PA funds. To see such a dramatic increase in the level of funding for infrastructure projects is a major sign of progress for us in Louisiana. We still have a long way to go to identify all eligible funding, but believe that the continued partnership with FEMA will greatly assist us in increasing the speed of recovery.

We have said it many times before, but I would be remiss if I did not take the opportunity today to say again that the Stafford Act, while well intentioned, is ill suited for a catastrophic event like the combination of hurricanes Katrina, Rita and the failure of the federal levees in Louisiana.

SHELTERING

One major challenge for our state is sheltering evacuees during major hurricanes. During Hurricane Gustav, the State executed the largest single evacuation in U.S. history evacuating more than 1.9 million citizens from coastal Louisiana. This included almost 39,000 medical special needs and critical transportation needs citizens who could not evacuate themselves. The State was only able to shelter approximately 15,000 of these citizens. The remaining 24,000

were evacuated by planes, trains, and buses to other states for sheltering including Kentucky, Georgia, and Tennessee and others. The transportation cost alone exceeded \$46 million.

We could significantly reduce this cost and the burden on tax payers by building multi-purpose shelters in Louisiana whereby evacuees could be transported by State school buses to shelters that are closer and then returned evacuees to their homes more expeditiously. During the 2009 Session, the State Legislature expressed its intent that the state should be "shelter independent" by 2014.

As you are aware, with each major Presidential Declaration that provides Stafford Act Public Assistance, additional funding is provided by the Stafford Act Hazard Mitigation Program. Approximately \$1.7 billion in Hazard Mitigation Funding has been allocated from the above mentioned hurricanes.

Louisiana proposed using \$150 million of this funding to support the development of multi-purpose facility to meet its sheltering needs. This request does not require allocation of additional funding; simply authorization from FEMA to use this funding for the stated purpose. FEMA is resistant to the concept; therefore, we are requesting Congressional support to provide the authority to use this funding for the development of sheltering facilities.

During a disaster, evacuation to and sheltering from a far away State are very traumatic events for evacuees. Providing in-state sheltering is extremely important for the citizens of the State and a common sense usage of available funds to greatly reduce the cost to evacuate and shelter in future disasters. The common sense of the proposal is that we want to spend funds already allocated for a purpose that will save more than \$50 million for every emergency evacuation in the coming years. We request the support of Congress to provide the appropriate legislative or other guidance to make this happen.

CONCLUSIONS

The past five years have been more challenging than any of us at the state could have ever imagined when we set out on this journey toward a full recovery for Louisiana. And though this hearing is dedicated to the recovery from the 2005 storms, it is worth noting that hurricanes Gustav and Ike in 2008 significantly affected most of our state. We were fortunate to receive an additional \$1 billion in CDBG funding from HUD for this recovery and have pushed much of this funding down to the local level to allow local leaders to make recovery decisions for their communities. I would also be remiss if I did not mention the Deepwater Horizon oil spill, which has threatened much of our way of life in coastal Louisiana and still impacts us to this day.

The past five years have presented Louisiana with devastation and loss. I would like to thank the American people for their support, their prayers and their donations of money and time. But most of all I would like to thank the people of Louisiana for their strength in the face of seemingly insurmountable odds, for their continued hard work in rebuilding their homes, their communities and their lives and for refusing to believe that Louisiana would not recover. We have come a long way since the storm that took more than 1,400 lives, destroyed more than 200,000 homes and affected more than 18,000 businesses. Thank you for your time.

Doris Voitier

Superintendent

St. Bernard Parish Schools

Good morning. I am honored to have the opportunity to speak with you this morning and to spend some time highlighting our struggles as well as our progress. What happened on August 29th, 2005 changed the face of our school district and the community we serve forever. In hindsight, there are some things from which we will never recover; yet, there are also things that have, admittedly, moved us forward. In keeping with the primary focus of the hearing, I would like to address briefly three areas: lessons we have learned, progress we have made, and the work we have remaining.

First: lessons learned – As first responders and refinery workers moved their families back into the area within weeks of the storm and the further damage caused by the levee engineering flaws which ruined our community, we realized school had to open. School means families can return, and returning families mean the rebuilding of our parish. We were relieved, at first, to have the full force of the United States government by our side, assuring us that through mission assignments by the Army Corps of Engineers and public assistance from FEMA, our school district could be up and running within 60-90 days. Unfortunately, we learned that those promises were undeliverable. There appeared to be no one with any real authority in charge, promises changed as often as did the persons with whom we negotiated that first year. It became apparent that federal resources were not immediately available to assist us in the task of rebuilding our school district, which leads us to our first lesson learned: **Be prepared to take the lead in your own recovery and force our federal partners to catch up.**

We opened just 11 weeks after the storm to 334 students housed in classroom trailers we found ourselves in North Carolina and Georgia when the federal authorities could find none. Upon notification that the federal authorities could not provide temporary housing for our staff for several months, we bought and installed travel trailers ourselves at a price of about \$22,000 per unit, which was substantially less than the reported federal cost of approximately \$65,000 per unit. Because student enrollment was increasing daily, we knew that we would have to clean the high school and use its second floor, which although untouched by flood waters, sustained heavy damage from wind and its use as a primary shelter for those fleeing the flood. With no federal guidance or assistance, we secured contracts with companies to clean and temporarily repair Chalmette High School – for by Christmas our enrollment had doubled to 650, then 1,158 by January and 2,460 by May. If parents could not give their children any other type of “normal,” they could at least give them back their school teachers and friends.

Our first real disagreement with FEMA and the Army Corps of Engineers – besides the lack of assistance in opening the schools – centered on getting our properties cleaned and secured. We were told initially that in order to seek 100% reimbursement for clean-up work, or Category B work, we would have to have all projects completed in 72 hours. But since no one was around to get that memo, the deadline was moved to mid October. Without help from the government, we had to hire a disaster clean-up company, and we did so. We had in excess of 20 buildings to clean out from top to bottom, because even 2nd stories, some of which were untouched by flood waters, were ravaged by a combination of wind damage and evacuees seeking shelter from their flooded homes. The disaster clean up company worked around the clock, 7 days a week, in an effort to meet the deadline for 100% reimbursement for Category B work. Days before the deadline, it was extended. It gave us some breathing room, but not

enough to clean and disinfect over 20 school buildings – and remember, we are talking closets, classrooms, cafeterias, gymnasiums and offices – not big boxes. The work continued in earnest as deadlines continued to be extended. Due to these unrealistic deadlines for 100% reimbursement, the district incurred substantial cost to gut, clean, and tear out sheetrock, insulation, ceiling tiles, contents and the like from buildings that would be, almost a year later, declared over 50% damaged and, therefore, eligible for tear-down and replacement. We took the lead on this because of those mandated deadlines, and we spent dollars that we did not have to spend. Reasonableness was becoming an issue.

We wanted to feed our children hot meals at school since they were living in tents, trailers, and vehicles. FEMA denied this, stating that the Stafford Act did not allow reimbursement of this “operational expense.” We wanted to bring back our employees and put them to work cleaning our schools because most of them could not find work and were living in shelters in Houston, Baton Rouge, and north Louisiana. We wanted to house them and keep them employed in some fashion even if teaching was not a possibility. FEMA denied their reemployment in that capacity as a non-allowable operational expense. We realized early on that “operational expenses” were not and could never be on the table. Because of rapid student growth, we needed additional classroom trailers. The Corps, in late November, sent us two trailers which did not meet the fire code for classroom use and which were delivered late one evening without warning. We were able to rework one of them ourselves to meet the fire code, and rather than let the second sit idle because classroom use was out of the question, we installed washers and dryers so our staff and their families could have clean clothes. We were threatened with an investigation by the Inspector General for the misuse of public property and were told that sanctions, and possibly, charges would be brought against the school system. But we

continued to take the lead. Each day, in courts of law throughout our nation, the overriding premise is: what would the reasonable man do given the same circumstances. And this leads to our second lesson learned: **there needs to be someone on the ground able to reasonably interpret the law and who is empowered to make the necessary decisions to restore immediately a community's critical infrastructure – including law enforcement, local government, education, and health care – so that recovery can begin on the first day.**

A particular nightmare for us was our FEMA kickoff meeting in September, about three weeks after the storm and subsequent levee failures. Over 30 people arrived in Chalmette from Baton Rouge, we would later learn, to hold our meeting in a third floor conference room without electricity, without air-conditioning, and without windows which could be opened. For our part, it was myself and my assistant superintendent; representing the government were 27 individuals from FEMA historic preservation, FEMA environmental review, 504 mitigation, 506 mitigation, FEMA finance, FEMA interim housing, FEMA education team, and the list continues. We told them of our ideas for beginning recovery, and we received our first “no’s” wrapped in a strict interpretation of the Stafford Act. We were given the public assistance manuals to read so that we, too, could understand the law, and the meeting was adjourned. We all then headed back to Baton Rouge in our separate vehicles, and we never saw most of those people again. As a singular entity, we continued to lead our recovery efforts the best we knew how.

It would be at least a year before any substantial financial reimbursement from FEMA would be realized. We were facing an enormous cash-flow problem. The question becomes, then, how did we make it. Like most public entities, we applied for, and received, a Community Disaster Loan, borrowing only what we needed, \$4.5 million, and certainly nowhere near the \$34 million that was offered. It was in August 2006 that I spoke with a Congressional delegation

visiting New Orleans, asking why federal legislation for these loans stipulated, first, that the money could not be used for construction and, secondly, that for the first time in the history of our country, the language in the legislation for those loans denied the possibility of forgiveness, a provision which had previously been allowed. We find ourselves now in the unenviable position of having to repay those funds because we have not experienced a cumulative three year deficit. Our school system is very grateful for the opportunities provided by Congress to rebuild through FEMA public assistance and to restart our schools with earmarked federal restart dollars. Our surpluses have all been dedicated to recovery and exist only because of the assistance we have received. However, with those restart dollars drying up this year, though we still have schools to reopen, and the gloomy picture of the national economy affecting our state and local revenues, I can assure you that we will soon be entering our period of deficits as are school districts around us. But those don't count. Having to repay these funds now will jeopardize a secure financial future for our schools – only because we were frugal, used our money sparingly and wisely, and had assistance dollars that masked our real financial footing. Remember a short moment ago I mentioned the disdain FEMA had for operational expenses? I thought that you also should know that for the purposes of the CDL loan forgiveness calculation, these same FEMA revenues used to fund Categories A and B work are now being considered “operational expenses” in determining school district surpluses. So we can't have it to operate, but when it comes to repaying the loan, the guidelines say we had it to operate. You know, with tongue-in-cheek, I might suggest that we would have been better off to borrow the total \$34 million, expend it through our general fund for salary increases, teacher recruitment activities, and then show a huge, cumulative deficit and have the loan forgiven – which leads to another spin on a lesson

learned: **reasonableness is always trumped by those who would narrowly interpret the letter of the law.**

We have been asked many times why we were able to move forward when recovery elsewhere was stagnant for so long. In March 2006 our School Board adopted a rebuilding plan which would dictate the order in which we would rebuild schools and the timelines for which those realities would occur. We were deliberate, we were determined, and we were successful because we did not deviate from our plan, and we did not let distraction steer us from our course. And that brings us to a final lesson learned: **a focused, agreed upon recovery plan must be followed, regardless of distractions, if the vision is to be realized.**

Thus far, we have discussed four lessons learned:

- Be prepared to take the lead in your own recovery and force our federal partners to catch up;
- A person with the authority to make reasonable decisions must be on the ground immediately, understanding that the re-establishment of infrastructure is a vital first step in recovery;
- Reasonableness, it seems, can still be trumped by narrow interpretations of the law; and
- A focused, agreed-upon recovery plan must be followed with determination to see it through to completion at all costs.

At this point, I want to fast forward from our first year or two to today and talk about progress made. First, I want to thank publicly John Connolly and Eldridge Burns of FEMA for their assistance in rebuilding our school district. Despite a very, very rough year or two, with promises not kept, and project officers changing daily, we have established a true partnership

with FEMA which now focuses on building schools for children. Reasonableness, at last, has prevailed, and, together, we are offering our children great places for learning because of what has become a relationship built on compromise, stable personnel, and promises kept. I can't promise, of course, that there won't be disagreements in the future; however, we work from a basis of mutual respect because of the measure of reasonableness now at the table.

We have completed 13 major construction/renovation projects in less than 5 years; we opened the first two permanent, new construction sites in the metro-New Orleans area with FEMA's help; and, we currently have 5,800 students enrolled for the 2010-2011 school year, down just 3,000 from our pre-Katrina population. We feel like we are finally able to envision the end of what we originally thought would be an endless journey.

We have rebuilt schools that will better service our community. You are currently sitting in our Teacher Development Training Center which, prior to Katrina, was situated at the corner of this parcel of land. It is an area that we envision may be available to our business community and governmental agencies for training space as well. At Chalmette High School, we are building a magnificent Cultural Arts facility which will also house a theater, instrumental music rooms, dance studios, choral areas and a technology theater. Additionally at this site, we are allotting space for our parish library in partnership with parish government and our local Library Board. Currently in the design stage is the renovation of our historic Maumus Center which, in addition to hosting our relocated planetarium, will house new state of the art science interactive exhibits for children focusing on wetlands preservation and the effects of storms and storm surge on the environment. Local government's recreation department has built gyms on our property in exchange for our use during the day for our students, and we have opened our school gyms to the recreation department during the evenings when they are not in use by our students. We have

learned to build true community schools, working in tandem with parish government officials to bring our residents the finest facilities and services available. This is some of the progress that we have made.

Before closing, I also want to address work remaining, not so much in terms of rebuilding, repopulating, or refurbishing and equipping our schools, but in terms of suggestions that this respected Committee and Congress may wish to consider prior to future disasters.

1st – FEMA will replace our building's contents, and, after some negotiating, agreed to do this as an "improved" project which will allow us more flexibility in purchasing instructional materials and supplies. This has been approached with a new sense of reasonableness, and we have, through this compromise, altered our curriculum to the point that our 4th graders were first in the math section of the state-wide LEAP assessment this past year and tied for 4th in the overall assessment. Our only concern, at this point, is that there are some who have suggested that FEMA assistance and the restart dollars provided by Congress might be viewed as a duplication of benefits. Let me urge you to fight this viewpoint. Restart dollars will have run their course with the close of this school year, yet I still have new schools to reopen. With any reduction in remaining FEMA assistance due to a narrow interpretation of benefits due, I can assure you that I will not have the dollars to equip or furnish those schools nor to buy textbooks and library books for those students. So I ask your assistance in guiding that remaining work to a point of reasonableness.

2nd – At every turn, the Louisiana Governor's Office of Homeland Security and Emergency Preparedness is faced with the possibility that a narrower, stricter interpretation of the law may result in potential liability for the state should work be declared ineligible during future audits of project worksheets. This has caused the state, in an abundance of caution, to be

very strict in their interpretation of FEMA guidelines in an effort to avoid this potential future liability. There have to be some assurances in place that decisions and agreements made in good faith between current FEMA personnel and applicants will be honored in the future and that obligated dollars remain just that – obligated dollars. FEMA has to have the confidence in their work force to make proper decisions regarding project worksheets and not look toward closeouts that may not occur for years when no one is around to describe the magnitude of the disaster. This brings me to a third point:

3rd – We are grateful that Congress has offered the alternative of a lump sum settlement for school districts and we encourage them to continue to make this option available in future catastrophic disasters. The lump sum approach would be a wise alternative and would potentially save tax dollars, allowing applicants to guide their recovery efforts at their own pace, unimpeded.

4th – I cannot say enough how grateful we were for the federal restart dollars. Without them, even though they came a year after the fact, we would not have survived. However, we have relied on our local Congressional delegation to ask Congress to pass legislation for several years to remove the prohibition against the supplanting of local and state expenditures as we used these dollars. Though we hope no community ever has to face what we have faced over the past five years, we would want you to consider, should restart dollars become available, to include the supplanting waiver as a part of that legislation.

Finally, I want to leave you with these thoughts. If you have doubts about funding a safer, more protected New Orleans....if you have doubts about whether or not the stream of money that has come to the Gulf Coast is warranted....if you have doubts about whether or not money has been used wisely or with integrity, I want you to tour this school building with me

after the hearing, and I will introduce you to 820 students who can resolve all doubt...because with or without federal assistance, they are back to school in St. Bernard Parish. They are thriving, and they are home. They once again have found "normal" and are well on their way to becoming tomorrow's leaders. And there are 5000 more like them in our other 9 schools – and thousands more like them in Plaquemines Parish and hundreds of thousands more like them across this Gulf region. It is said that if you want to touch the past, touch a rock. If you want to touch today, touch a flower. If you want to touch the future, touch a child. Ladies and gentlemen, your work has touched our future...and we are grateful for your compassion and leadership at our greatest hour of need.

FIELD HEARING - Five Years Later: Lessons Learned, Progress Made, and Work Remaining
from Hurricane Katrina – Chalmette Field Hearing
Ad Hoc Subcommittee on Disaster Recovery -- Mark Schexnayder 08/26/2010

Outline of testimony:

Gulf States account for 32 – 41% on average of commercial fishing production of the lower 48 States.

Louisiana has approximately 75% of the yearly Gulf landings.

Over 95% of the gulf commercial landings are estuarine (wetland) dependent for some part of their life.

Louisiana had 217 square miles of wetland converted to open water just during Katrina/Rita

Over 1900 square miles lost over the last century to hydrologic modification, nutrient and sediment starvation and subsidence.

Everyone on the Gulf Coast appreciates the workers and administrators of the USACE, FEMA and all the agencies and organizations. I'd like to use my 5 minutes to look back on what went right and wrong in fisheries recovery and coastal protection/restoration and hopefully help ourselves and others avoid the same mistakes that hindsight now clearly shows us. If it is not, I'll do it anyway.

Fisheries Infrastructure:

Every major fishing community on the Mississippi River and east was utterly demolished by Katrina, and many re-flooded three weeks late by Rita. Total losses of fisheries infrastructure was estimated to be near \$582 Million for both storms and included commercial, recreational and damage to the charter boat industries. Most areas are still recovering, some much faster than others. The loss of these vessels, docks, boatyards, etc. stopped the flow of income into these communities and prevented them from helping themselves recover. The catastrophic engineering failure of the interior levee systems of New Orleans also greatly decreased the local ability to help these coastal communities.

Shortly after the storm, a Coalition of Louisiana Seafood Industry leaders and Louisiana Department of Wildlife and Fisheries, Louisiana Seafood Promotion and Marketing Board, LSU AgCenter/Sea Grant met to devise plans to move forward. The Federal and State agencies initiated the largest marine clean up in history. Fishing vessels, houses and docks were turned into debris and clogged waterways, sometimes for years. Lack of public staging areas hindered

recovery of the over 2000 commercial and 17,000 recreational vessels that were stranded on roads, levees and fields.

The Louisiana Recovery Authority, working together with the Seafood Coalition, formulated a grant program for Parishes to establish publicly owned marinas. Criteria for selection were based on resiliency, stronger built and public ownership. These last criteria will make these facilities "PW eligible", but more importantly have sites along the coast where vessels can be brought for repair. While some Parishes like Plaquemines and Jefferson were successful putting together proposals and funding to rebuild public marinas such as in Venice and Bucktown, other Parishes were dealing with so much destruction that such projects are still on the drawing board. Unfortunately, if a major storm hit lower St. Bernard next week, we would be facing the same challenges to find vessel recovery areas as before Katrina.

The tale of three States: Marine Debris

Big issues for us still eligibility criteria. It is a constant fight over what we need to establish eligibility over navigation streams. 30 or so remaining state water bottoms state sponsored and over 100 locally sponsored areas. One of the major stumbling blocks has been the FEMA imposed height requirement in Louisiana, a measure that was not applied in Alabama (Ivan and Katrina), Mississippi (Katrina) or Texas (Ike). In those states, water bottoms cleaned there without a height eligibility requirement, where as in Louisiana 2 feet below the average draft of vessels bottom minimum was applied. We need a consistent policy for all states. Stafford Act reform?

Coastal Land loss/Restoration:

Louisiana lost approximately 217 square miles of vegetated wetlands that were converted to open water. These areas were some of the richest fisheries and wildlife habitat and also served as a storm buffer. We need them back.

Mitigation of Flood Protection Environmental Damage:

Shortly after the storm, the decision was made NOT to take any borrow material from any wetland areas. While this may have sounded good during the time, the result was that no "on sight mitigation", near the levees, was accomplished. Material had to be double handled and transported at great expense of time and money. Impacted hydrology in places like Bayou Savage could have been by locating bar pits in the refuge. This would have saved lots of transportation and acquisition costs but more importantly allowed these areas to become new avenues for now impeded water flow. Mitigation would have been done immediately where damage was done, faster and more efficiently and cheaper instead of the less than perfect system we are working with still today, 5 years later.

Where is the Urgency for Coastal Restoration?

The tremendous "design built" lessons of a billion dollar flood gate in New Orleans east and largest in the world pump station/gate on the west bank need to be brought into the world of coastal wetland rebuilding. I lost the napkin Sue Hawes drew a simple picture of how to start the MRGO restoration project quickly. "Pump sediment from the river and just start filling in these big ponds in the central wetlands" she said. "Do this while you are designing the rest of the project. You know you will need the material, and you will learn how it works at the same time." Sue was right. Today we still wait for the final plans, then authorization, then funding...

The catastrophic damage visited on SE Louisiana was a large part the "chickens coming home to roost". Have we gotten the "lesson learned" of the 100 or so years of unmitigated damages coastal Louisiana has suffered for the good of the nation in the form of navigation "improvements", the establishment of deep water port that has provided trillions of dollars of benefit for grain and coal export and import of countless goods. Damages by past oil and gas exploration and pipelines that shredded our coast with 10,000 miles of access canals and hydrology altering spoil banks. Yes, Louisiana has benefited also, but at the end of the day we all paid and continue to pay for these oversights.

Over \$14 billion dollars have been allocated and invested in rebuilding levee's, new floodgates, pump stations, etc. The USACE has treated this new work as a "system" where everything works together. Unfortunately, the coastal geography has been largely left out of this mix. The State of Louisiana has gone to great pains to align its agencies to deal with both issues as one. It has formed the Office of Coastal Protection and Restoration (LCPR) and reformed its local Flood protection authorities and vested them with coastal restoration powers. The State has a plan to restore coastal areas that have broad local support. What has been lacking is a steady funding mechanism of the magnitude to achieve results equal to the forces of erosion that have caused us to loss over 2000 square miles, more land loss than some entire states have. We have the greatest tool we need in the Mississippi River and yet every day, the sediment we need in the wetlands is still lost off of the Continental Shelf.

Testimony of
Lauren Anderson
Chief Executive Officer
Neighborhood Housing Services of New Orleans, Inc.
Hearing: Five Years Later: Lessons Learned, Progress Made and
Work Remaining from Hurricane Katrina
Before the
United States Senate Committee on Homeland Security and Governmental Affairs
Subcommittee on Disaster Recovery
August 26, 2010
Chalmette Elementary School

Madam Chair and Members of the Subcommittee:

Thank you for using the occasion of the fifth Anniversary of Hurricane Katrina as an opportunity to reflect on the lessons that can be learned from this tragedy. One of the thoughts that sustained me in the aftermath of Katrina was a Chinese saying that within every crisis is an opportunity and Katrina has presented each of us with many opportunities to learn and to grow as individuals and as a body politic.

I have been the CEO of Neighborhood Housing Services since 1993. I was not born in New Orleans, it is my adoptive home; I chose to live here, it was not by accident of birth. We can now say that everyone who lives in the region has made a conscious decision to live here. After our forced evacuation, and being uprooted from our homes and communities we had to make the intentional decision to return home and unfortunately there are still too many who want to come home but have been unable to do so.

NHS was founded 34 years ago with the help of our Senator's father, then Mayor Moon Landrieu. We were created to help stabilize a faltering neighborhood, Broadmoor, and throughout our history we have been committed to making New Orleans a better place to live for all of its citizens. We have done so by improving our historic housing stock, by giving families the tools to improve their financial capacity and by working in close partnership with residents, government and businesses to make improve the quality of life in our neighborhoods. We are a member of the NeighborWorks Network and have benefited by the support that we have received from NeighborWorks America both before and after Katrina. NeighborWorks was chartered by Congress and receives the majority of its financial support from Congress.

My immediate reaction after the levees broke was that all that we had accomplished in the past decade or more had been literally washed away. We had helped thousands of working class families achieve the dream of homeownership and their homes were washed away. We had made tremendous strides in turning around the Freret neighborhood from one of disinvestment to becoming a neighborhood of choice and it was under water. For a time I felt that my work, our work had been for naught. And then I began learning some critical Katrina lessons.

As it related to homeownership we began to learn that as difficult as it was for homeowners to return home and build, by and large they were better off than most renters because they had a little more control of their destiny. And the numbers speak to this: The percentage of homeowners in New Orleans has increased since Katrina, from 46% to 53% in New Orleans because more homeowners have been able to return home than renters. Therefore continuing to help working class families achieve the American Dream of Homeownership in a responsible manner; by first improving credit, increasing savings and reducing debt; is still an important role of nonprofits working in partnership with government.

There are two greater lessons to be learned from Katrina: community matters and the importance of helping residents to be organized within their communities and to be empowered to be actively engaged in civic matters. Katrina was an equal opportunity disaster; neighborhoods rich and poor, black and white, flooded when the levees broke. The ability of neighborhoods to recover has underscored the continued influence of class, race and access to capital. But I hypothesize that there was one other influence: the degree to which neighborhoods were organized prior to Katrina. The degree to which neighborhoods had pre-existing, strong neighborhood associations that were able to quickly mobilize had a distinct advantage over those neighborhoods that did not. Community organizing, strengthening community based organizations and neighborhood associations matters to the viability of our communities.

We did not just lose buildings when the levees broke, we lost communities. The fabric of life was torn apart. While all communities are important, New Orleans because it is the embodiment of a rich cultural tradition; the potential loss was all the more significant. What we have experienced in the intervening five years is that as determined as residents were to rebuild their homes; they were equally determined to rebuild their communities. We all witnessed in the early years after Katrina the sacrifice of time and energy that residents were willing to make to be a part of the planning for their communities. I will not begin to recount the number of overlapping planning efforts that were undertaken in the early years after Katrina. And even while people were undertaking the rebuilding of their homes, they devoted countless hours to attending meetings and hearings to plan for the future of their communities. We live in a country where people want to be involved; they want to be a part of the solution, not bystanders to their destinies.

Our challenge as leaders is how to empower people to be active participants in our democracy. To have the tools to do more than vote, and to do more than protest, but to be able to be a full partner with government to make their community a better place to live. We are blessed to have a President who understands this. He began his career as a community organizer, empowering the otherwise disenfranchised to not only have a voice, but to have the tools to create positive change in their community.

My remaining comments will focus on these two areas and the implications for public policy. I will use our work in the Freret neighborhood to underscore these lessons.

The work that NHS has done in the Freret neighborhood provides one of many examples of the way that a nonprofit, residents, businesses and local government have been able to forge an active partnership to create a better community.

NHS' first response in the Freret community (to be later replicated in the 7th Ward) was to provide the opportunity for residents to come together, to re-connect and to allow us to listen to them to determine what they wanted for their community. Our first step was to listen so that our work could be guided by our community. We began with a facilitated conversation in early 2006 to learn what Freret residents wanted for their community. More than 80 residents turned out that evening; more than double of the attendance at a typical neighborhood association meeting prior to Katrina, made all the more significant because fewer than 50% of the residents had returned home. When asked their hope for the Freret neighborhood; the overwhelming response was that residents wanted to restore the fabric of the community. They valued that the Freret neighborhood was a racially and economically diverse neighborhood.

Because so many of the places and institutions where people had gathered were lost, our next step, with significant support from NeighborWorks, was to open a neighborhood Center on Freret Street that has become a gathering place for residents from children to senior citizens. The Freret Neighborhood Center sought to get a clear mandate from the residents for the focus of our efforts. We conducted a door to door survey. When asked "What is your primary concern for the neighborhood?" Freret residents' most common response was "vacant and run down buildings." Thus was born the vacant property campaign. In June 2008 NHS with the help of students and residents surveyed every property – over 1,300 - to locate those vacant and neglected properties. We surveyed whether the building was vacant or occupied, its condition and whether or not it was under construction. We then plotted all these properties on a GIS map that provided our baseline data and the tool for our future work. Residents then developed the means to reach out to the owners of distressed properties. They wrote 264 letters to the property owners (using their knowledge of their neighbors, rather than city records) to find absentee owners. The letters included a photograph of the property and an inquiry, not a threat, as to the owners' intent and how they, as neighbors could help. Neighbors connected neighbors to resources and became in effect caseworkers. In many cases absentee owners were referred to NHS for housing counseling or construction management services. The neighbors took advantage of the Freret public market to create a kiosk to market properties where the owners indicated a desire to sell. They helped to monitor construction on behalf of owners who were repairing their properties, but were still living out of town.

In those cases where outreach efforts failed; residents, with technical support from NHS, worked in concert with local government to use the city's code enforcement mechanisms. We enhanced government's work by guiding it to focus on those properties where we knew the "stick" rather than the "carrot" was the necessary option. Most recently we have begun working together to identify candidates for lien foreclosure and residents are even paying the modest legal fees to initiate this process.

Throughout the campaign, NHS has developed tools to support our neighbors work and to empower them. NHS has been

- Developing and implementing surveys of residents and of property conditions
- Mapping these neighborhood conditions and creating the maps that became a primary tool for residents' work
- Teaching neighbors how to conduct property research
- Creating templates for gathering information and testifying before code enforcement hearings
- Providing education on legal terminology and city processes
- Creating a flow chart of the city's code enforcement process
- Identifying resources and compiling a manual of resources available for rebuilding
- We have written a manual: The Residents' Guide to Property: Resources for Neighborhood Improvement

The Freret Neighborhood Center has a computer lab. It has taught basic computer skills to residents who were computer illiterate. They have now graduated to being able to use this technology for the vacant property campaign. We have developed a property condition data base that residents can use to input data. Most exciting, in partnership with the University of New Orleans, we have created a web based map of the entire city, that is sufficiently user friendly that residents with a little training, can upload property information and analyze the data.

We have also begun providing formal training for residents to become "Property Management Case Managers" and have trained about 8 neighbors in this role.

Finally we have helped neighbors celebrate success. Earlier this month we had a "Data Release Party at the Freret Neighborhood Center" to celebrate its successes. Between January 2008 and today, the Freret Property Campaign has helped to:

- Decrease residential vacancies by 40%;
- Increase residential occupancy rates from 72% to 84% ;
- Decrease the proportion of residential properties in "poor or fair" condition by 18%; and
- Increase the proportion of housing in "good" condition to 83%.

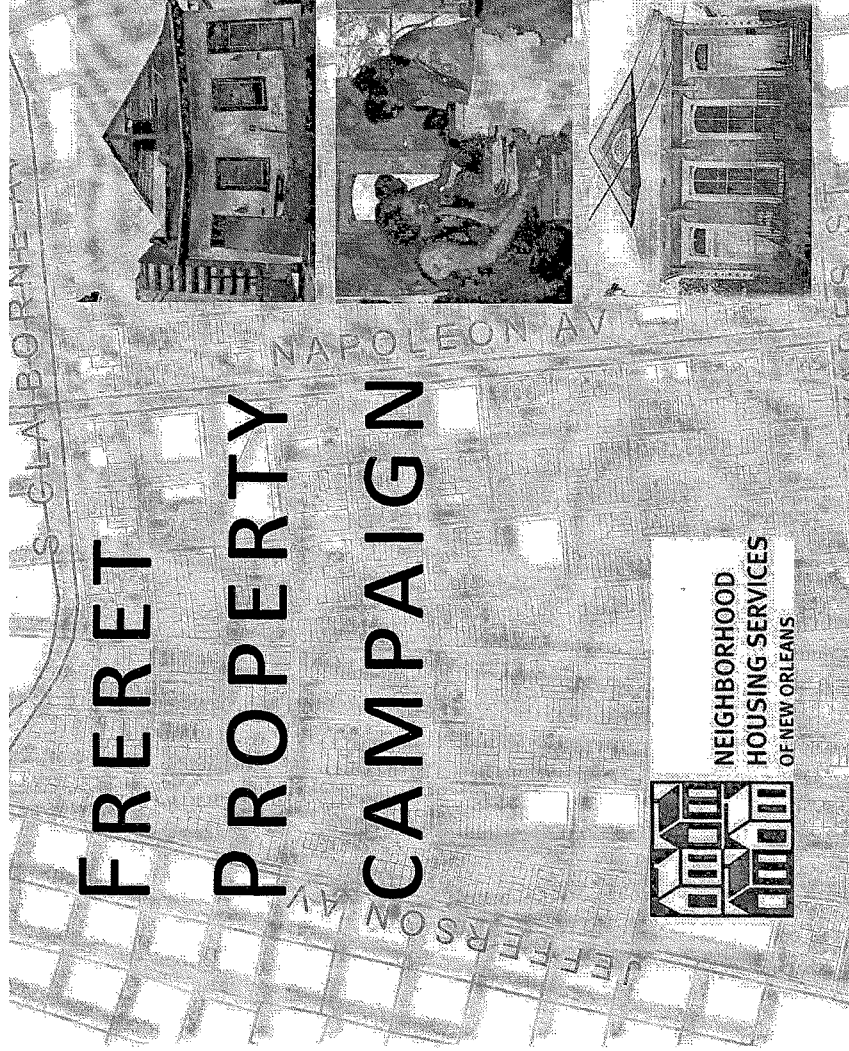
In fact earlier this year the Greater New Orleans Data Center found that the Freret neighborhood has recovered 83% of its Pre-Katrina households based on the United States Postal Service data, which corroborates our survey data exactly.

The work that we are doing in Freret is also being done in about 10 other neighborhoods. I am pleased to say that Mayor Landrieu and his key staff have reached out to us to learn about the property campaign and determine how this work can be better coordinated and replicated throughout the city. And we are working with other neighborhoods, particularly with the advent of the web based map to help other neighborhoods.

It also must be noted that much of the work of the Vacant Property Campaign was done by a young woman who moved to New Orleans last year as an AmeriCorp Vista. Her good work underscores the importance of this program.

So the lesson learned is that communities matter. People care about their neighborhoods. It is important to note that at least a third of the active participants of our vacant property campaign were renters; the motivation was not protecting property values, it was creating or re-creating neighborhoods of choice. NHS has never organized residents to protest; we have given residents the tools to be civically engaged; to empower residents. We do not fight against, but work towards a better community for all residents. As one Freret resident so aptly said: "We have to get together and talk about the issues and work in unity to address those issues."

The opportunity and challenge that confronts us today is this: "How do we support this type of work in the Gulf Coast and beyond? How do we translate the lessons of Katrina and bring them to communities throughout the country? How do we bring home the lesson that community organizing is essential to making our democracy more effective? How can we make resources available to support NHS and other nonprofits in our efforts to empower residents, to give them the tools to be engaged and to work together and in partnership with government?" I thank Senator Landrieu for providing this opportunity to discern the opportunities in the crisis that was created by Hurricane Katrina and challenge all of us to implement these lessons learned, not just in the Gulf, but throughout our country.



Finding the Neglected Properties

About 150 residential properties, or 13% of houses, in Freret are neglected.

How did we arrive at this number? Since residents named neglected property their number one concern, in June 2008, Neighborhood Housing Services with the help of Limitless Vistas students, surveyed every property in the neighborhood - over 1300 in total - to locate those vacant and neglected properties.

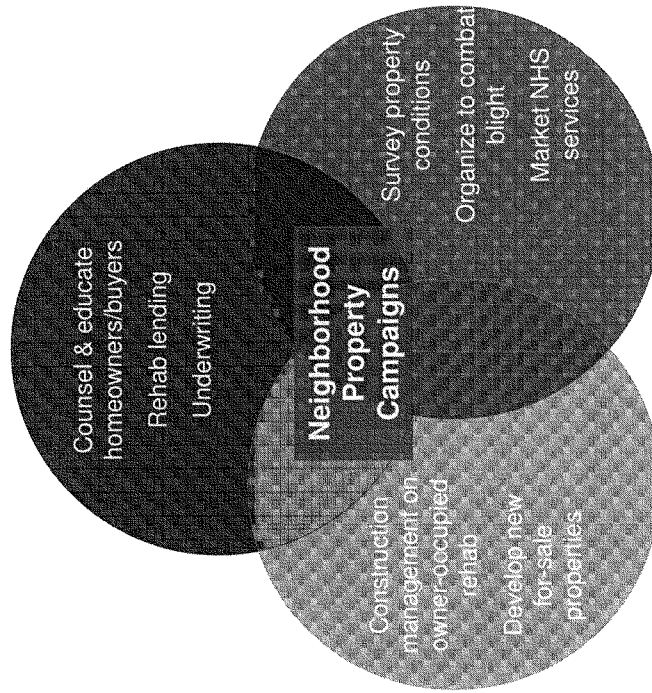
We surveyed whether the building was vacant or occupied, what condition it was in, and whether or not it was under construction. "Neglected" refers only to those buildings that meet all of the following criteria:

- 1 - Vacant
- 2 - In "poor" or "fair" condition
- 3 - Not under construction

These properties, displayed in the map, will be the focus of our property campaign.



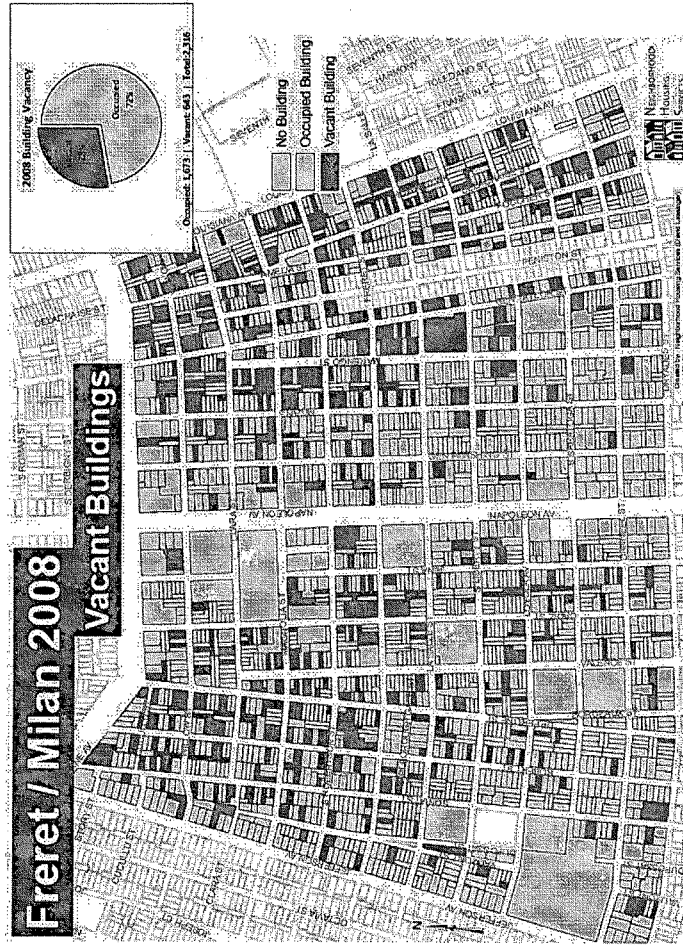
Homeownership Center



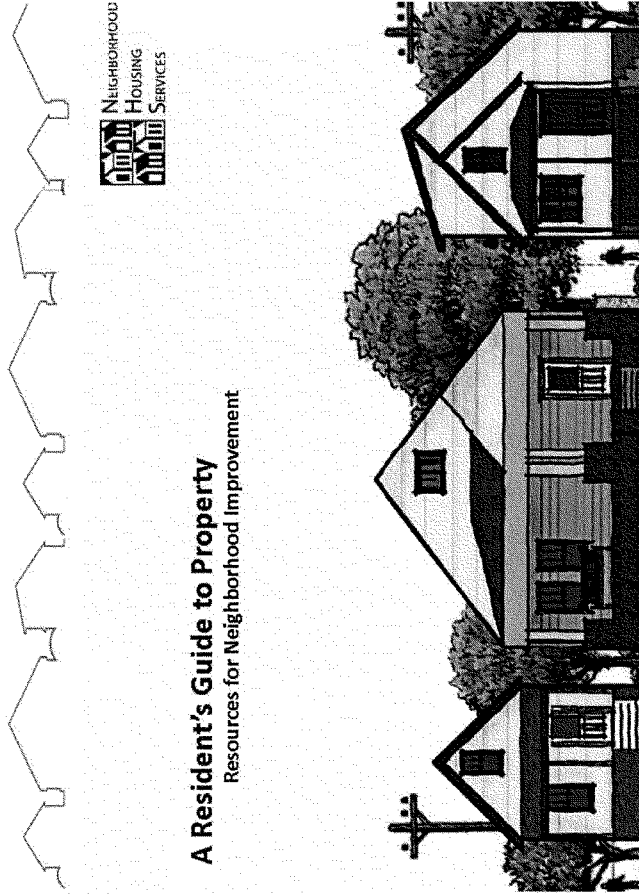
Design / Build Center

Community Building Initiative

Using a Data-driven Approach



Building Resident Capacity



Prepared Statement of W. Craig Fugate, Administrator Federal Emergency Management Agency, U.S. Department of Homeland Security

I. Introduction

Good morning Chairwoman Landrieu, Ranking Member Graham, and distinguished Members of the Subcommittee. It is an honor to appear before you today on behalf of the Federal Emergency Management Agency (FEMA).

Five years ago, Hurricane Katrina struck the Gulf Coast region, devastating 90,000 square miles and claiming more than 1,000 lives. In its aftermath, we witnessed failure in aspects at every level of government. Our nation has learned from this tragedy and we have moved forward with the help of authorities provided by the Post-Katrina Emergency Management Reform Act as we work to strengthen the nation's emergency management system.

Recovering from a disaster on the magnitude of Hurricane Katrina requires a team approach, and FEMA is only one part of the team. All members of the federal family, including the Department of Housing and Urban Development (HUD), the Army Corps of Engineers, the Department of Education and others, including state and local governments, the private sector, faith groups and non-profits, and ordinary citizens all have a role to play. Hurricane Katrina survivors and volunteers from around the country have been and continue to be the biggest contributors to the Gulf Coast's recovery.

My testimony today will provide a brief overview of the progress made over the year and a half of the current Administration, discussing relevant statistics, as well as legislative and administrative action. I also hope to demonstrate how our efforts and initiatives have had a positive impact on the lives of people in this community. Finally, I will discuss the important lessons that we have learned along the way, and how they inform how we do business moving forward so that past mistakes are not repeated and barriers to recovery are removed.

The Subcommittee's continued attention to this matter is important, not only because we must constantly evaluate whether we are better prepared to handle the next disaster or emergency, but also because responding to and recovering from a major national disaster like Hurricane Katrina requires sustained and ongoing affirmative efforts by federal, state and local entities. Simply put, rebuilding the Gulf Coast region is a marathon, not a sprint – but be assured that FEMA now has the endurance to finish the race.

II. Overview of Progress Made

Public Assistance

FEMA has demonstrated a fierce commitment to helping Louisiana and the rest of the Gulf Region get back on its feet. One of the most important ways we do this is through our Public Assistance Program. Since January 2009, FEMA has obligated over \$2.25 billion in Public Assistance funding in Louisiana, including: \$919.5 million in education; \$267.1 million in public works; \$196.6 million in public safety and protection; \$91.9 million in health care; \$665.9 million in public infrastructure; and \$112.8 million in debris removal and emergency protective

measures. Over the past year and a half, Mississippi has received \$170.9 million in Public Assistance funding. This money is essential to rebuilding communities, and FEMA continues to fund projects that get children back to school, parents back to work, and cities back to providing essential public services through hospitals, fire departments, law enforcement, safe roads and clean water.

Individual Assistance

Recovery funding also comes in the form of individual assistance, including helping disaster survivors with housing, crisis counseling, low interest loans, legal services and unemployment assistance. With respect to housing, FEMA has assisted 1,498,722 survivors of Hurricanes Katrina and Rita with some form of financial assistance, totaling nearly \$5.7 billion and making it the largest temporary housing operation in our nation's history. As of August 20, there were 707 Louisiana households and 176 Mississippi households still residing in FEMA-provided temporary housing units as a result of Hurricanes Katrina and Rita. Although over 99 percent of those originally housed by FEMA have now moved into longer-term housing, FEMA continues to work with HUD and our other federal, state and local partners to help the remaining individuals and families transition from FEMA temporary housing to longer-term housing that better meets their needs.

Mitigation

Public and individual assistance programs are absolutely essential to helping communities hit by a disaster get back on their feet. However, we must expand our focus to include not only recovery from past disasters, but also thoughtful preparation for future ones. Mitigation work is especially important in the Gulf Region, which is at a higher risk of natural disaster. For that reason, the Hazard Mitigation Grant Program (HMGP) provides grants to state and local governments to implement long-term hazard mitigation measures after a major disaster declaration. In the past year and a half, FEMA has obligated approximately \$238.4 million, bringing the total mitigation amount obligated to \$427.3 million for Hurricane Katrina and \$103.1 million for Hurricane Rita. This money is used to harden and retrofit buildings, as well as elevate and otherwise protect structures from the effects of flooding, wind and other hazards.

Changes

The progress that FEMA has made in just a few years is the result of legislative enactments, broad administrative action and an overall change in attitude within FEMA. As a result, we have fundamentally changed the way that we approach the recovery process. I'd like to highlight a few of the ways in which we have changed the way we do business.

Review Panels

One of the most important changes we made is the way we approach the recovery process. We re-evaluated our own attitudes, so that we can be more proactive and better at identifying areas to improve our working relationships with State and local partners. An example of this shift is the establishment of two Public Assistance review panels, which help to expedite decisions on

pending Public Assistance projects, and give us the opportunity to work closely with applicants to resolve long-standing disputes. Created by Secretary Napolitano in 2009 in order to expedite final eligibility decisions for disputed projects, these review panels can help stalled projects to move forward. To date, these two panels have resolved 173 previously disputed cases. Our ability to resolve these disputes is a result of the relationships we have built in the communities.

Arbitration Review Panels

In some cases, the dialogue facilitated by our review panels is not successful and we now have a tool to help us quickly resolve these public assistance disputes. Last year, Congress enacted legislation that you authored, Madame Chair, requiring FEMA to establish a new arbitration process to provide an independent adjudication of disputes arising from public assistance projects through a neutral panel of arbitrators. We have received 25 arbitration cases to date. Of these, the Civilian Board of Contract Appeals has issued four decisions in favor of the applicant, four decisions in favor of FEMA, and three decisions in which the applicant received a portion of its request. In addition, one case has been withdrawn and eight have settled or are in the process of settling. Five cases remain open. FEMA will conduct an evaluation of this arbitration process by the end of the year in order to determine if it accelerates applicants' recovery and whether a similar process would be appropriate to implement in future disasters as well.

Post-Katrina Emergency Management Reform Act (PKEMRA) of 2006

A major change made to FEMA in the aftermath of Hurricane Katrina was Congress' enactment of the Post-Katrina Emergency Management Reform Act (PKEMRA) of 2006. This law enabled FEMA to improve our own processes so that we can more quickly and efficiently provide assistance to the communities we serve. The law provided FEMA with more tools in our toolbox, allowing us to enhance operations, enable effective decision-making, and upgrade our response and recovery capabilities. I'd like to discuss just a few of the many PKEMRA provisions, as well as the ways in which FEMA's implementation of these provisions has helped us to better serve our communities.

PKEMRA created several provisions in order to prevent waste, fraud and abuse in the contracting and relief aid processes. To this end, FEMA implemented new software in 2007 that communicates real-time data to caseworkers in order to prevent duplicate housing payments. FEMA also implemented checks in the National Emergency Management Information System that trigger additional review for 'high-risk' recipients before assistance is delivered, in order to prevent potential fraud. These actions allow FEMA to balance the need to quickly provide disaster aid to victims with our responsibility to be good stewards of the Disaster Relief Fund.

FEMA has also greatly benefitted from the establishment of the National Advisory Council, which provides valuable advice on a number of initiatives early in the concept development phase in order to solicit feedback and gain stakeholder buy-in before initiatives are completed.

FEMA has implemented the PKEMRA requirements to establish a National Emergency Family Registry and Locator System and, separately, the National Emergency Child Locator Center, in conjunction with the Attorney General and the National Center for Missing and Exploited

Children, to help displaced persons find their loved ones. We've worked with our partners to provide first aid and education, as well as all-hazards preparedness training to children grades one through seven, caregivers, parents, and responders. The agency also supports team community emergency response training for high school students.

Moreover, PKEMRA has helped us to integrate the private sector into our preparedness, response and recovery efforts. In 2007, FEMA established a Private Sector Division of External Affairs, in response to recommendations in PKEMRA. Our Private Sector Division facilitates full engagement with business and industry, academia, non-profit and other non-governmental organizations as a key player in disaster preparedness, response and recovery.

Finally, PKEMRA enabled FEMA to strengthen its partnerships within the entire emergency management community through the establishment of both a small state and rural advocate and a national disability coordinator, whose office has subsequently been expanded to an Office of Disability Integration and Coordination.

These are just a few examples of the many ways in which the enactment and continued implementation of PKEMRA has strengthened our ability to help individuals, families and communities.

Eliminating the Alternate Project Penalty

Other legislative authorities outside of PKEMRA have also helped us to directly assist affected communities. The Consolidated Appropriations Act of 2008 (PL 110-161) provides a statutory waiver of the alternate project penalty. For example, FEMA is now able to provide funding at 100 percent for educational facilities in Louisiana, known as the Recovery School District (RSD). This will allow RSD to restructure their school campuses without any reduction in Federal financial assistance. RSD will leverage eligible funds pertaining to 127 disaster-damaged campuses to a New Orleans Public School Master Plan that consolidates operations to 87 campuses, over the period of an estimated 8 years.

Special Community Disaster Loans

The Stafford Act authorizes FEMA to provide loans to local governments who have suffered a substantial loss of tax and other revenue as a result of a major disaster through the Community Disaster Loan (CDL) Program. The U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (PL 110-28) gave FEMA the authority to cancel repayment of all or a part of an applicant's Special Community Disaster Loan (SCDL) if "the revenues of the local government during the three full fiscal year period following the major disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character." (42 U.S.C. 5184(c)(1))

In January of this year, FEMA published the final rule establishing procedures for recipients of SCDLs to apply for loan repayment cancellation. The rule applies to communities in Louisiana and Mississippi that received these loans following Hurricanes Katrina and Rita. On March 20, FEMA began working with communities who notified the Governor's Authorized Representative

(GAR) of their intent to pursue cancellation of the SCDL repayment. In coordination with the GAR, FEMA contacted the applicants to begin collecting the required information and documentation.

FEMA is conducting formal meetings with those applicants to discuss our findings, complete and sign any necessary paperwork regarding their applications for cancellation, and address any additional questions. Following these meetings, the applicants will be notified in writing regarding whether or not they qualify for a full or partial repayment cancellation.

FEMA's authority to cancel a community's loan is limited to those applicants whose revenues during the three full fiscal year periods following the major disaster are insufficient to meet its operating budget. As we notified Congress earlier this month, 20 percent of applicants will qualify for full cancellation, 21 percent for partial cancellation and 46 percent will not qualify for cancellation.

III. How These Initiatives Affect Real People in the Community

Statistics on the progress of our initiatives and a discussion of administrative and legislative action can be instructive in providing a birds-eye view of how far we have come and how FEMA has continued to adapt to meet the needs of communities that have experienced disasters. However, in order to more fully understand what happened in the Gulf Region during Hurricane Katrina and how FEMA's efforts have made a real difference in the lives of individuals, families and communities in the Gulf, I would like to share just a few examples of FEMA-funded projects and the impacts they have had in helping to reshape communities and rebuild lives.

L.B. Landry High School

In the Algiers neighborhood of New Orleans, L.B. Landry High School/Middle School was badly damaged by Hurricane Katrina due to high winds and rain. Floor and ceiling damage occurred due to rain intrusion in the buildings. The electrical system suffered voltage surges and excessive moisture penetration. Mold damaged many areas of the campus, including the HVAC ductwork and fans and filters in air handling units. Many plumbing fixtures on campus were unsalvageable.

Repair of L.B. Landry High School was a partnership between FEMA, the Recovery School District (RSD), the Louisiana Recovery Authority (LRA), the Louisiana Department of Education and the Governor's Office of Homeland Security and Emergency Preparedness. FEMA obligated more than \$61 million in order to help rebuild L.B. Landry. The new three-story structure houses classrooms, special education classrooms, administrative office space, guidance offices, a cafeteria and kitchen, arts, music and drama facilities, science labs, two gymnasiums, a 650-seat auditorium, locker rooms, vocational technology classrooms and a health clinic that is also equipped to service the greater community.

Two weeks ago, students at L.B. Landry had their first day of school at the new facility. I think they are going to have a great year.

Fire Station #6 in St. Bernard Parish

As another example, here in St. Bernard Parish, Hurricane Katrina created storm surge flooding and high winds that badly damaged Fire Station #6, a single-story facility with a fire engine bay, living quarters and equipment storage. The storm surge reached a height of fifteen feet, and a tornado damaged the exterior walls, windows and roof.

Because the fire station was more than 70 percent damaged, FEMA funded the building for full replacement. To reduce the risk of future flood damages, the structure is being rebuilt as a two-story facility, with living quarters and office space on the second floor.

To date, FEMA has provided more than \$101 million to help damaged fire stations throughout Louisiana recover from the effects of Hurricane Katrina. St. Bernard Fire Station #6 has been obligated \$1.8 million to rebuild the station. Construction has been underway since June 2009, and completion is anticipated for September 2010.

St. Bernard Port, Harbor and Terminal District

Also located in this Parish is the St. Bernard Port, Harbor and Terminal District, which was inundated with flood and rainwater during Hurricane Katrina. All buildings within the port were damaged by flooding, and the building that housed most of the administrative offices also sustained substantial roof damage.

As a result, FEMA obligated \$9.3 million for the St. Bernard Port Harbor, \$2.97 million of which is to help fund construction on a new 33,000-square-foot facility, bringing all administrative functions and a new security system under one roof. The new structure is better able to withstand hurricanes and other natural disasters. In fact, the new building is designed to endure a wind load of 150 miles per hour. It has a safe operations room for use during future storm events, and has a backup generator capable of operating the facility for over a week. The port was dedicated just last month, and while I may not be an expert in aesthetics, I must say that I think it looks pretty good, too.

This modern facility with a state-of-the-art infrastructure will help to facilitate the economic progress for which this area is so ready. On behalf of FEMA, we hope that it is just the beginning of a successful and prosperous future for the port and those who use it.

We are seeing the effects of our work all over the Gulf Coast region, from Alabama to Louisiana, Mississippi and Texas. Communities are being rebuilt, many stronger than they were before, and individuals are going back to work. As I said, we must have a clear understanding of how the work we do connects to individuals, families and communities affected by Hurricane Katrina.

IV. Moving Forward Based on Lessons Learned from Hurricane Katrina

We have made great strides in the past year and a half, but we must continue to approach the work of emergency management with vigilance. We can and must learn lessons from past disasters and change our approach, where appropriate, to move forward in a way that will

maximize our ability to respond to and recover from the next catastrophe. Under this administration, we have taken and continue to take important steps in the right direction.

Internal Policy Review

One of my top priorities as FEMA Administrator is to eliminate barriers to the efficient and effective delivery of assistance under the Public Assistance Program and Individual Assistance Program to disaster-impacted communities. In order to ensure that we are adequately meeting the needs of grant applicants, FEMA recently completed an aggressive review of all disaster assistance policies in the Public Assistance Division. The idea behind such an internal policy review is to allow for an appropriate use of the Stafford Act that maximizes our ability to streamline and enhance implementation of our programs. A similar review is currently being conducted in our Individual Assistance Division. This results-oriented approach will be essential to our work to help communities recover faster.

As a result of our Public Assistance review, FEMA has identified several matters that could improve the delivery of our services under the Public Assistance Program. FEMA is working with the Department and appropriate stakeholders to determine the best way to move forward with those ideas.

Since January 2010, FEMA has reviewed 84 disaster assistance policies, and has made several recommendations for the purpose of revising or rescinding policies, or converting them into fact sheets. By putting clear systems into place, we can help to ensure a results-oriented approach that will lead to better and faster service to affected communities. The next step in our continued effort to remove barriers to efficient and effective delivery of public assistance will be a bottom-up review of the Public Assistance Program. We look forward to sharing those results with this Subcommittee.

Partnership with the Department of Housing and Urban Development (HUD)

In 2007, as a response to Hurricane Katrina, FEMA partnered with HUD to create and pilot the Disaster Housing Assistance Program (DHAP), a temporary housing rental assistance program for eligible individuals and households displaced by Hurricanes Katrina and Rita. This groundbreaking new program was administered by HUD through its existing national network of Public Housing Agencies (PHAs) and ended Oct. 31, 2009. Under DHAP Katrina, FEMA referred approximately 47,000 families to HUD for assistance. While not all families agreed to participate, HUD provided rental assistance and case management to 36,792 families through DHAP Katrina.

Local PHAs throughout the nation were awarded grants from FEMA to provide rent subsidies to eligible families, and at a state's request, case management services. DHAP was created initially as a pilot program in the aftermath of Hurricane Katrina, but a modified version of DHAP has also been utilized in Hurricanes Gustav and Ike.

Disaster Case Management

With the new authority provided by PKEMRA and the desire to move toward a standing case management services delivery program, FEMA established an interagency agreement with the U.S. Department of Health and Human Services' Administration on Children and Families (ACF) in 2007 to develop a Disaster Case Management Pilot Program. Disaster case management assistance is designed to be a partnership between the case manager and the client in the development of a Disaster Recovery plan and to assist with any disaster-related unmet needs. ACF piloted this model, in partnership with Catholic Charities USA, in an effort to assist Hurricane Gustav and Ike disaster survivors in Louisiana. In support of the progress that ACF had made, FEMA extended the pilot program through June 2010 and provided supplemental funding in excess of \$22 million. As of February 2010, a total of 7,623 case management cases were opened and 5,853 have been resolved thus far.

Employment/Personnel

Of course, our ability to respond to any disaster is dependent on a well-trained workforce with effective surge capability, both at headquarters as at our regional and field offices. In the past, FEMA has suffered from staffing shortfalls and we are taking steps to fill these positions and facilitate continuity of operations.

Prior to Hurricane Katrina, FEMA had approximately 1,700 permanent full-time employees. As of August 20, 2010, FEMA had increased its staffing numbers to 4,457 permanent employees. While some of this increase is due to contractors being converted to permanent full-time employees, we have worked extremely hard to fill key positions, and as a result, have increased our permanent workforce by approximately 75 percent.

One of my priorities is a Workforce Enhancement Initiative, which is a working group comprised of FEMA employees from across the country, across divisions, and across seniority levels. This group is focused on two key areas: leadership development and new employee integration. Together, these efforts will increase FEMA's workforce professionalism, retention, and mission readiness.

FEMA also created the Disaster Reserve Workforce Division in 2008, which is responsible for ensuring the development, deployment and support of a disaster workforce ready for the national, all-hazard response needs of FEMA program managers and regional leadership. Because disaster reservists account for seventy to ninety percent of any disaster response and recovery effort, we must have a reserve program that is prepared to respond to a major disaster on a moment's notice.

Within FEMA, we are moving from a primarily training-based focus of validating disaster employees to a system that – while supported by training – requires the employee to demonstrate an ability to perform the essential functions of his or her emergency response position.

Over the past year, FEMA took several actions to improve the capabilities of the disaster workforce. For example, we expanded the effort to credential the disaster reserve workforce to

the entire FEMA workforce – reservists, permanent full-time employees and Cadre on-Response Employees (CORE). In addition, we established a governance structure for the national credentialing program.

Another issue has been the high transition rate among key Public Assistance staff. Transitions may be necessary when staff demobilize or change positions in the Joint Field Offices (JFO); we must work to ensure that Public Assistance operations are uninterrupted, however, and that an incoming project specialist is able to pick up where the incumbent left off. For that reason, FEMA is working to complete a Standard Operating Procedure (SOP) for the transition of project specialists at the JFO. The SOP will require a period of overlap between outgoing and incoming project specialists to facilitate continuity of operations.

A recent Department of Homeland Security (DHS) Inspector General report stated that FEMA has made significant progress to improve its logistics capability by increasing staff levels and training and developing personnel.¹ We can and will continue to build upon this progress to ensure that we have a complete and well-trained workforce ready to perform the task at hand.

Response

FEMA is also coordinating and facilitating development of detailed catastrophic response plans for hurricanes, earthquakes, biological attacks and other threats. Our planning assumptions for catastrophic disasters are based on worst-case scenarios. They are designed to challenge preparedness at all levels of government, and force innovative, non-traditional solutions as part of the response strategy to such events. FEMA will also work to validate the preparedness consistent with these plans through disaster response exercises.

A significant planning effort in Region VI focuses on catastrophic hurricane planning for Louisiana. The draft Joint Region/Louisiana Hurricane Operation Plan was exercised at the Region VI Regional Interagency Steering Committee meeting in June, and is being updated to reflect lessons learned and after-action review comments. Additionally, they are working with other Regions to address host state operations for Louisiana evacuees: Region VI is meeting with Region VII and the State of Missouri this month to discuss these operations. This catastrophic planning initiative integrates plans at all levels of government with an overarching Federal Interagency Hurricane Concept of Operations Plan and FEMA 2010 Headquarters Hurricane Operation Plan, and provides the basis for a fundamental re-tooling of all-hazards catastrophic incident guidance.

Rapid Temporary Repair

Just this month, FEMA announced the launch of the Rapid Temporary Repair (RTR) initiative, a pilot program that will take place in the aftermath of certain disasters to help individuals move from hotels, motels and congregate shelters and back into their homes. RTR will expedite temporary repairs to damaged windows and doors in areas affected by wind events such as tornadoes, severe storms and wind storms. This initiative is a partnership between the U.S.

¹ Department of Homeland Security Office of Inspector General, "FEMA's Logistics Management Process for Responding to Catastrophic Disasters," OIG-10-101 (July 2010).

Army Corps of Engineers, the affected state, and FEMA. We will closely monitor the successes and failures of this pilot program so that it can be modified and improved as necessary in order to evaluate the need for a permanent program.

Contract Support

Through the use of pre-existing contract support, we have put systems in place to ensure more efficient disaster preparedness and public assistance. In the event of a disaster, there may be no time to shop around for and set up contracts for basic services that government cannot provide. Because of our need to move quickly when a disaster strikes, we have set up several pre-competed Technical Assistance Contracts, to ensure that we have the capacity to act quickly and on a large scale in a disaster environment.

V. Conclusion

The work we have done and continue to do in order to respond to and recover from Hurricane Katrina is a marathon, not a sprint. But be assured that FEMA has adopted and continues to implement a vigilant and results-oriented approach to the recovery. As a result, I am proud to say that we are closer to the finish line.

FEMA has learned valuable lessons from Hurricane Katrina and has taken steps to prepare for the next disaster. We were gratified by the results of a recent DHS Office of Inspector General report, which stated that FEMA is better prepared now than at any previous time in its history to handle a catastrophic disaster.² We will continue to build upon the significant progress that we have made to ensure that we are doing everything within our power to help communities prepare for, respond to, recover from and mitigate all major disasters.

Thank you again for the opportunity to testify today on the progress we have made, the lessons we have learned, and the steps we have taken and continue to take in order to make a real difference in the lives of individuals, families and entire communities in the Gulf Coast region. I'm happy to answer any questions the Subcommittee may have.

² Department of Homeland Security Office of Inspector General, "FEMA's Logistics Management Process for Responding to Catastrophic Disasters," OIG-10-101 (July 2010).

DEPARTMENT OF THE ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

**LIEUTENANT GENERAL ROBERT VAN ANTWERP
CHIEF OF ENGINEERS
U. S. ARMY CORPS OF ENGINEERS**

BEFORE

**THE AD HOC SUBCOMMITTEE ON DISASTER RECOVERY
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL
AFFAIRS**

UNITED STATES SENATE

ON

**Five Years Later: Examination of Lessons Learned, Progress Made,
And Work Remaining from Hurricane Katrina**

August 26, 2010

Introduction

Madam Chair and Members of the Subcommittee, I am Lieutenant General Robert Van Antwerp, Chief of Engineers. Thank you for the opportunity to be here today to discuss the U.S. Army Corps of Engineers' (Corps) ongoing recovery, reconstruction, restoration and improvement efforts in the Greater New Orleans area.

The Corps has made significant progress on the Hurricane and Storm Damage Risk Reduction System (HSDRRS) in the last five years. Over 270 contracts have been awarded and over \$9.0 billion obligated for the program; about 60% of these awards have gone to Louisiana-based businesses. It is significant that the awards include over \$2.25 billion directly to Small and Disadvantaged Businesses, representing close to 30% of all contract obligations. The work continues at a rapid pace.

After Hurricane Katrina made landfall in August 2005, firm Administration commitment and quick Congressional action provided authority and appropriations that enabled the Corps to repair and restore 220 miles of the system to the pre-Katrina level of protection. The Corps and its partners are working to provide risk reduction from hurricane storm surges with a 1% chance of occurring in any given year (100-year risk reduction). The Corps operational goal is to have the physical features in place to defend against the effects of a 100-year storm by June 2011. Work will continue beyond 2011 to complete other features of the system such as the Southeast Louisiana Urban Flood Damage Reduction Project (SELA) and the Non-Federal Levees in Plaquemines Parish as well as the adaptable, permanent canal closures and pump stations at the Lake Pontchartrain outfall canals.

The Corps is using the overall resources of the entire Mississippi Valley Division and other Corps expertise across the Nation to deliver this essential system to the citizens of Greater New Orleans and Southeast Louisiana, and deliver on our commitment. Even beyond this internal effort, the Corps is leveraging the knowledge and capability of our partners in industry, architect-engineer firms, members of academia and international counterparts to develop and apply state-of-the-practice engineering solutions to the Greater New Orleans Hurricane and Storm Damage Risk Reduction System and across coastal Louisiana.

Hurricane and Storm Damage Risk Reduction System Status

The risk reduction system in the New Orleans area includes about 350 miles of levees and floodwalls, floodgates, canal closure structures, 78 pump stations and other structures. The Corps is improving the perimeter system comprised of the existing Lake Pontchartrain and Vicinity (LPV) and West Bank and Vicinity (WBV) projects that reduce risk to the most populous areas of Jefferson, Orleans, Plaquemines, St. Bernard, and St. Charles parishes. Improvements are also being made to the SELA project, an interior rainfall drainage system designed for a 10-year rainfall event.

Major features of the work include erecting surge protection barriers to reduce storm surges entering the Inner Harbor Navigation Canal (IHNC) and the Harvey and Algiers Canals, adding scour protection, replacing I-walls with stronger T-walls, repairing existing pump stations, storm proofing pump stations, improving interior drainage and improving the LPV and WBV projects to provide the 100-year level of risk reduction. The authorized and funded work also

incorporates certain Plaquemines Parish non-federal levees into the existing New Orleans to Venice hurricane risk reduction project and improves non-Federal levees in Terrebonne Parish.

At present, the design of the 100-yr risk reduction system (WBV and LPV) is over 92% complete. Nearly all environmental compliance documentation is complete, and 96% of the necessary real estate rights of entry have been provided by the State of Louisiana and Levee Authorities. Just a few of the 100-yr construction contracts remain to be awarded. We are intensely managing all ongoing construction. We are on track to be able to defend against the effects of a 100-year storm in June 2011. Work will continue beyond 2011 to complete all features of the entire program.

The Corps constructed five new safe rooms so pump station operators can operate the interior drainage system during storm events. The repairs of the Parishes' pump stations are complete and the storm proofing is 31% complete. The safe rooms and pump station repairs were all 100% federally funded. Designs are ongoing for the New Orleans to Venice – Non-Federal Levee improvements in Plaquemines Parish.

Upon completion of the 100-year HSDRRS, the greater New Orleans area will have the best perimeter defense in its history. Extensive modeling, lessons learned, and risk informed processes have enhanced the Corps' design criteria and on-the-ground construction. The system in place performed as designed during Hurricanes Gustav and Ike in 2008, withstanding a 12-foot storm surge.

The four Project Partnership Agreements (WBV, LPV, IHNC surge barrier and SELA) necessary to proceed with construction were signed with the Coastal Protection and Restoration Authority (CPRA). CPRA was created by the State of Louisiana to address these projects, as well as other coastal restoration issues in Louisiana. The Corps has also signed all deferred payment agreements with the State of Louisiana that extend the State's payments for the cost-shared portion of the work over a 30-year period. The state's estimated cost share is \$1.70 billion, of which approximately \$200 million is real estate acquisition and \$1.5 billion is the state's deferred cash contribution. Federal funds appropriated for the program, totaling \$14.45 billion, include \$1.5 billion to finance the state's cost share until non-Federal funds are received.

In accordance with Section 2035 of the Water Resources Development Act, 2007 the Corps has implemented a robust independent external peer review of the HSDRRS. This includes the overall design criteria and their application during design and construction, the armoring manual, and the 1% Hydraulic Design Report. Unique studies are also part of the peer review plan and include the Barge Impact Study to analytically study the effects of barge impacts on floodwalls as well as the study to determine applications for Spiral Welded Pipe in foundation piles. The most complex projects such as the IHNC Surge Barrier, the West Closure Complex and the Permanent Pump Stations are receiving additional peer review during design and construction. In collaboration with local stakeholders, additional projects and applications are being included in the peer review process.

All Harvey Canal floodwall contracts (five), totaling about \$340 million, are constructed. No federal protection previously existed along the east side of Harvey Canal. About 2.5 miles of floodwalls and one mile of levee along the east side of the Harvey Canal have been constructed. The Gulf Intracoastal Waterway (GIWW) - West Closure Complex, a surge barrier and pump

stations across the GIWW south of the confluence of the Harvey and Algiers Canal, will provide the 100-year level of risk reduction in 2011.

The Corps continues extensive efforts to include the public throughout the HSDRRS system construction. The Corps has hosted more than 300 public meetings in Jefferson, Orleans, Plaquemines, St. Bernard, and St. Charles parishes to listen to stakeholders and to obtain public comment into the development of the system. The Corps has also conducted numerous Industry Days with both small and large businesses, to obtain their input and to assure firms are able and ready to bid for construction awards.

Inner Harbor Navigation Canal (IHNC) Surge Barrier

One of the largest surge barriers in the world, nearly two miles long, the state-of-the-art Inner Harbor Navigation Canal Surge Barrier Project at Lake Borgne includes a concrete pile-supported wall across the Gulf Intracoastal Waterway to the Mississippi River Gulf Outlet and three gated structures. The Corps' largest-ever Design-Build civil works construction contract, the IHNC Surge Barrier will provide flood risk reduction to the Ninth Ward, Gentilly, New Orleans East, Orleans Metro, and St. Bernard Parishes.

The project has navigational safety features and a more robust barrier wall to meet new design criteria, and added nourishment of 705 acres of marsh to meet Louisiana Coastal Zone Management standards. After just 15 months of construction, the project is now about 75% complete. The nearly 2-mile wall and the barge gate are complete and work continues on the remaining gates and tie-ins to the floodwalls at each end of the structure. This project is on track to be able to defend against the effects of a 100-year storm in June 2011.

The Lake Pontchartrain (Seabrook) Floodgate, a surge barrier that is also part of the IHNC corridor surge risk reduction, was awarded for pre-construction services under an Early Contractor Involvement contract. Construction will begin in September, and will have the coffer dam or the sector gates in place features that will defend against the effects of a 100-year storm in June 2011. Overall completion of this project's elements is scheduled for later that year.

Gulf Intracoastal Waterway--West Closure Complex (GIWW – WCC)

In May 2009, the Corps awarded an Early Contractor Involvement (ECI) contract for the GIWW-West Closure Complex. A major feature of the 100-year system, it will reduce risk for west bank portions of Jefferson, Orleans, and Plaquemines parishes by removing over 25 miles of levees, floodwalls, gates and pumping stations along the Harvey and Algiers Canals from exposure to storm surge. ECI allows the construction contractors to review and provide input to the project during the design phases, and to order long-lead-time items such as pump motors and drivers and foundation piles in advance of starting physical construction.

This project abuts the 3,200 acre Bayou aux Carpes wetland. In 1985, the U.S. Environmental Protection Agency (EPA) restricted the discharge of dredged or fill material in Bayou aux Carpes to prevent unacceptable adverse effects on shellfish beds and fishery areas, wildlife, and recreational areas. Working closely with the EPA, navigation interests, local government and non-governmental organizations, the Corps developed a plan for the West Closure Complex that would minimize impacts to the Bayou aux Carpes protected area. In May 2009 the Corps

received approval for a modification of the EPA Final Determination for actions proposed as a part of the Gulf Intracoastal Waterway --West Closure Complex project.

The project includes construction of a surge barrier spanning the GIWW south of the intersection between the Harvey and Algiers Canals, configured with structures for vessel traffic on the GIWW and a pump station containing the largest drainage pump stations in the world for rainwater intercepted when the structure is closed during storm events. Construction began in August 2009. This project is on track to be able to defend against the effects of a 100-year storm in June 2011. The overall construction of the pump station is scheduled to be completed in 2012. After only 1 year of construction, the project is about 40% complete.

Permanent Protection for Outfall Canals

Public safety is our first priority and the Corps is committed to providing a permanent solution for robust perimeter protection at the three Outfall Canals. Interim Closure Structures and Pump Stations at the three outfall canals (17th Street, Orleans Ave. and London Ave.) currently provide 100-year level of risk reduction, but these are not permanent facilities. These facilities were designed and built in 2006 with an estimated project life of five to seven years. The operational effectiveness of this system design and these facilities was demonstrated during Hurricanes Gustav and Ike in 2008 when the gates and pump stations successfully operated in concert with the city's pumps at the interior ends of the canals.

Operational Safe Water Elevation limits have been established for each canal to ensure stability of the canal walls in support of the New Orleans Sewerage and Water Board's operational requirements for pumping rain water out of the city. The Corps, working with its state and local partners, is completing a rigorous re-analysis of the floodwalls that parallel the canals to determine what actions should be taken to address any areas of concern and remediate those areas to ensure the Sewerage and Water Board can pump unimpeded under normal lake conditions. The Corps is committed to completing all necessary remediation work in the summer of 2011.

The Corps is authorized and funded to construct permanent gated pumping stations at or near the mouths of 17th Street, Orleans and London Avenue Canals that work in series with existing Drainage Pump Stations operated by the Sewerage and Water Board of New Orleans. The Corps will include adaptable design measures in the permanent pumping stations, such as deepened sills, that are within current authority and funding. This will ensure that no large work element would have to be removed or replaced if other options are eventually authorized, funded and constructed. The Individual Environmental Report (IER) Decision Record for the Permanent Canal Closures and Pumps was signed in June 2009, satisfying the National Environmental Policy Act requirements. The Corps is currently in the second phase of the contracting process and is scheduled to award a design-build project for this work in April 2011. Construction completion is expected in fall 2014.

St. Bernard Levees and Floodwalls

Following Hurricane Katrina, about 80% of the St. Bernard Parish levees were either repaired or constructed to achieve the pre-Katrina authorized elevation. After evaluating several alternatives and conducting a rigorous public involvement process, the Corps determined that T-walls on top

of existing levees provided the most effective, timely, and cost-effective solution to provide 100-year risk reduction in this area. The Record of Decision for Individual Environmental Report (IER) 10, signed in May 2009, advances the plan to construct 23 miles of floodwalls in St. Bernard Parish. All five floodwall contracts for the St. Bernard Parish were awarded this spring. Construction is proceeding at the rate of about two miles per month and is scheduled to be completed in 2011. This project is on track to be able to defend against the effects of a 100-year storm in June 2011.

Eastern Tie-In

The Eastern Tie-In project will tie the 100-year HSDRRS into the Mississippi River levee just south of Oakville on the eastern side of the system on the west bank. As a result of substantive public comments, the Corps extended the public review period for the Individual Environmental Report Number 13 to address the pros and cons of potential alternatives to the proposed alignment. All three contracts were awarded this summer. The Corps is now building a floodwall with a gate to provide risk reduction across Highway 23 and is scheduled to be complete in 2011. This project is on track to be able to defend against the effects of a 100-year storm in June 2011.

Southeast Louisiana Urban Flood Control Project (SELA)

While completion of the SELA projects is not a requirement to provide 100-year risk reduction to the Greater New Orleans area, it will improve the system's ability to handle interior drainage. Since Katrina, the Corps has awarded 12 SELA contracts for interior drainage projects with a total worth of nearly \$230 million. Eight of the 12 contracts are complete, and one of the remaining contracts is scheduled to be completed this year. The other three are scheduled to be completed by the summer of 2012.

Overall, the Corps has awarded 52 of 74 SELA contracts. Work in Jefferson and Orleans Parishes is approximately 60 percent complete, and remaining work is scheduled to be completed in 2016.

Grand Isle

At Grand Isle, the Corps recently completed a \$26 million program that reconstructed about six miles of sand dunes with a geo-textile tube core/sand cap. Construction began in May 2009 and was completed in April 2010. The tubes were filled with sand removed from excavation of the existing dune. The sand cover and beach nourishment portion of the project was dredged from an offshore borrow site. This project will reduce the impact of storm surges to the island residents and structures. The geo-tube core of the dune will enhance the sustainability of the dune when subjected to hurricane forces.

Terrebonne Parish

In June of 2006 in Public Law 109-234, Congress authorized and appropriated \$30 million for the Corps to repair, replace, modify, and improve the nonfederal levees and the associated

protection measures in Terrebonne Parish. The completion of this project in July 2009 advanced the Terrebonne Parish Consolidated Government's plan of improving the Terrebonne Parish nonfederal levees.

Armoring

Since Katrina the Corps has undertaken a concerted effort to improve standard armoring methods and is working with academia to research the use of various armoring materials. Armoring adds resiliency to a levee and can reduce erosion and scouring of back slopes when wave overtopping occurs. About 420 transition spots (where a floodwall meets a levee) have been or are in the process of being armored. The ongoing research will help determine where and if additional measures other than grass cover may be needed to help make levees more resilient to wave overtopping. The research and development effort is expected to complete by end of this calendar year, and additional armoring on completed earthen levees will begin in 2011.

Co-located Mississippi River Levees

The WBV Mississippi River Levee/Hurricane Storm Damage Risk Reduction System co-located project is located along the Mississippi River in parts of Plaquemines and Orleans Parishes. This is an approximately 15 mile stretch of the Mississippi River where the levee serves two purposes, to protect against a high water river event and to reduce the risk from storm surge events that promulgate up the river during a tropical storm. The Corps has completed a hydrological analysis on the co-located Mississippi River Levees and will use a new technique to raise and cap portions of the Mississippi river levees with a stabilized soil mixture that has been successfully used on levees in Vicksburg, Mississippi, and Memphis, Tennessee. The raising and capping of these levees will provide 100-year level of risk reduction from storm surge that may promulgate up the river by June 2011.

Plaquemines Parish and New Orleans to Venice Non-Federal Levees

The Corps is engaged in two separate Federal projects on a complementary timeline that will reduce risk in Plaquemines Parish below Oakville, outside the 100-year HSDRRS. The Plaquemines Parish Non-Federal Levee project includes replacing or modifying 32 miles of current levees between Oakville and St. Jude on the west bank of the Mississippi River and constructing 2 miles of earthen levees from the ground level. When completed in 2014, these levees will be part of the New Orleans to Venice Federal levee system. The New Orleans to Venice project is completing existing Federal levees on the east bank from Phoenix to Bohemia, and on the west bank from St. Jude to Venice and is scheduled for completion in 2014. The projects are currently in design and are going through the environmental compliance process in accordance with NEPA.

Mississippi Activities

When Hurricane Katrina came ashore, the counties of Hancock, Harrison and Jackson in Mississippi received storm surges up to 28 feet as the eye of the storm went through western Hancock County with 120 mile-per-hour winds. It is believed this is one of the largest tidal surges ever recorded in the United States. The physical devastation in Mississippi was tremendous.

Congress directed the Corps to design comprehensive improvements and modifications to the Mississippi coastal counties for hurricane storm damage risk reduction, preventing saltwater intrusion, preserving fish and wildlife habitat and preventing erosion and for other related water resource purposes. This direction came in two forms, one was to identify short-term projects and the other was to look at the long-term effort. This is the Mississippi Coastal Improvements Program (MsCIP).

The criteria required the projects to be designed quickly, easily accomplished and with total state, local and community support for the short-term. After meeting with residents, elected officials, business representatives and the scientific community, 180 projects were identified. Of these 180 projects, 15 projects were selected for the short-term recovery effort. That Interim Report was submitted in December 2006 and to date all fifteen have been completed or are underway. These projects included hurricane and storm damage risk reduction, ecosystem restoration and flood damage reduction.

The full MsCIP Comprehensive Plan goals are to minimize risk to loss of life and safety; restore environmental resources; implement cost effective measures to reduce damages from hurricanes and storms without encouraging re-development in high risk areas; mitigate damage caused by salt water intrusion; seek cost effective ways to restore eroded coastal resources such as barrier islands and wetlands and identify other water resources related programs.

The Chief's Report for the Mississippi Coastal Improvements Program was submitted to Congress in January 2010. This Comprehensive Plan is a unique approach of structural and non-structural features, which include environmental features such as coastal wetland restoration; forest restoration; submerged aquatic vegetation restoration; coast-wide beach and dune restoration; structural elements such as flood proofing, levee protection to Forrest Heights, barrier island restoration, and the High Hazard Area Risk Reduction Plan (HARP) which proposes purchasing approximately 2000 properties located in high hazard zones of the three counties from voluntary sellers.

In June 2009, Congress authorized the Barrier Island and environmental restoration elements of the Comprehensive Plan and provided \$439 million of the Federal share of MsCIP for this work. I am happy to report these are underway and, to date, have not been affected by the Deepwater Horizon incident. The complete Comprehensive Plan is awaiting authorization and appropriations from Congress to move forward.

The MsCIP and Louisiana Coastal Protection and Restoration (LACPR), were part of a system modeling analysis. While being accomplished by two different districts and divisions they were fully coordinated with each other to ensure efforts complement each other and do not cause inadvertent negative effects to either State.

Coastal

Since Hurricane Katrina, the Corps has been involved in leading a number of simultaneous efforts located on or near the Mississippi Gulf Outlet (MRGO). The comprehensive plan for deauthorization of deep draft navigation was completed in 2008. The MRGO channel was officially closed to all navigation in April 2009 and the physical construction (using about

350,000 tons of rock) was completed in July 2009. A study to identify the best ways to restore wetlands affected by the MRGO is currently underway. Feasibility scoping meetings for this study have already taken place, and the Corps plans to complete the feasibility-level design and release a draft report for public comment and peer review in 2010.

The Corps is also engaged on several other fronts, primarily under the Louisiana Coastal Authority (LCA) and the several authorities that support the ongoing effort to restore the coastal ecosystem. The ecosystem restoration activities are conducted under multiple authorities, with funding from varying sources and an array of different cost-sharing formulas. They include: (1) the Coastal Wetlands Planning, Protection and Restoration Act; (2) a LCA ecosystem restoration program; (3) a related effort to restore wetlands affected by the MRGO; and (4) the science needed to support all of these related ecosystem restoration efforts. Coastal protection and restoration and marshland creation provide another of the multiple lines of defense against hurricane surge.

The Louisiana Coastal Protection and Restoration (LACPR) Final Technical Report provides a description of a variety of alternatives for effectively attaining increased levels of risk reduction through coastal protection and restoration throughout five planning units across the Louisiana coast. The evaluation presented in the final technical report quantifies and compares beneficial values and tradeoffs associated with each of the final plans. Plans include one or more of three types of risk reduction measures: structural, nonstructural, and coastal restoration. LACPR will be an effective tool to enable Louisiana to develop long range plans to provide multiple lines of defense for its coast. On June 30, 2010 the Assistant Secretary of the Army (Civil Works) transmitted the LACPR Final Technical Report to the U.S. Congress. Currently the Corps has team members embedded with the State of Louisiana team that is updating the State Master Plan.

This concludes my testimony, Madam Chair. Again, thank you for allowing me to testify today. I will be happy to answer any questions you or the other Members may have.

Submitted Testimony
Mayor Mitch Landrieu, City of New Orleans
Thursday, August 26, 2010
United States Senate Committee on Homeland Security & Governmental Affairs,
Subcommittee on Disaster Recovery

Thank you to Senators Landrieu and Graham for holding this hearing in such an appropriate place, and at such an appropriate time. This week we commemorate the 5th anniversary of Hurricane Katrina by remembering the more than 1800 Americans who lost their lives, and honoring the resiliency of the residents who have returned and those that remain displaced. We also acknowledge the many people and organizations from around the country who have unselfishly lent a hand in our recovery.

We appreciate the opportunity to share with the rest of the country the lessons we have learned throughout this recovery.

Because of the massive devastation caused by Katrina, New Orleans has emerged as America's most immediate laboratory for innovation and change. Since Katrina, New Orleanians have worked together to rebuild our city. We value the federal government's partnership as we continually work towards rebuilding a city for the 21st century.

After five painful years, our working relationship with FEMA has improved. Just yesterday, the Agency confirmed that the city will receive a \$1.8 billion lump-sum settlement to rebuild the schools destroyed by Katrina. We will finally be able to get our children out of temporary buildings. This settlement will fund the next phase of our school facilities master plan, which will make schools the centers of neighborhood renewal.

We are working in partnership with the Department of Justice to reform the New Orleans Police Department. The city is doing its part by selecting the country's best police chief, reorganizing the management structure of the NOPD, creating greater transparency, beefing up the homicide unit, and putting more police on the streets instead of behind desks. We look forward to instituting the reforms prescribed by DOJ and we appreciate Department's help.

But the only way to successfully reduce crime in the long term is to provide our children with the education they deserve. We are reforming New Orleans public schools with remarkable success. Over 60 percent of our public schools are charters, student performance has improved for three years in a row, and the percentage of students attending what the state considers 'quality schools' has increased from 28 to 59 percent.

In an example of necessity breeding innovation, New Orleans has become the model for national Health Care reform. In the absence of hospitals destroyed by Katrina, a network of 87 neighborhood health clinics provides affordable, primary care to 292,000 residents.

But none of these successes will bear fruit if we do not adequately protect the city from future hurricanes. We must have category 5 flood protection, and we must rebuild our coast. South Louisiana's coastal wetlands not only provide a staging and processing platform for 25% of our

domestic energy supply. They provide the most important barrier to catastrophic storms that our coastal communities have. And as Katrina has surely taught us, New Orleans is now a coastal city. The Mississippi River delta is the fastest-disappearing land mass on earth. We must do all we can to stop the damage and restore our wetlands.

Before the well was plugged, the BP oil gusher spewed over 200 million gallons of oil into the Gulf. That is the equivalent of an Exxon Valdez disaster every four days. This has devastated the economy of south Louisiana. And New Orleans, already dealing with a \$78 million budget shortfall due to mismanagement, dropping revenue, and irresponsible budgeting, has certainly felt the effects. According to the Clean Water Act, the federal government can fine BP up to \$21 billion dollars. The lion's share of these funds should go to the people of the Gulf Coast to restore the damage done.

The Landrieu/Domenici Gulf of Mexico Security Act promises the Gulf Coast states their fair share of offshore oil royalties, which will be dedicated to restoring the coast. However, the revenue sharing does not go into effect until 2017. Knowing this, Senator Landrieu has introduced the RESPOND Act, which would enact a fair share and begin construction on coastal projects immediately. Congress should pass the RESPOND Act, and President Obama should sign it.

In addition the industry must do its part to restore and maintain the very land that it uses to support its operations. An ethic of conservation and stewardship as old as the country itself must be renewed.

Ironically, because of the Hurricane Katrina and the BP oil gusher, New Orleans is poised to become the city that defines 21st century America. Our success or failure will be the symbol of America's ability to accomplish great things.

**FIVE YEARS LATER: LESSONS LEARNED, PROGRESS MADE, AND WORK
REMAINING FROM HURRICANE KATRINA**

**Kevin Davis
St. Tammany Parish President**

AUGUST 26, 2010

Chairwoman Landrieu, Ranking Member Graham, and Members of the Ad Hoc Subcommittee on Disaster Recovery:

Let me begin by saying that on behalf of all of the residents of St. Tammany Parish, we are grateful to you for your continued support in funding our efforts to recover from Hurricane Katrina and its effects. When I spoke to you in August of 2008, I detailed the specifics of the devastation that Hurricane Katrina wreaked on our Parish. As you may recall, the eye of Katrina passed directly over Slidell, Louisiana in the southeastern portion of our Parish. A 20 foot storm surge extended for over 50 miles and came inland for over 7 miles. As a result nearly 49,000 homes were damaged. We removed almost 7 million cubic yards of debris in roadways and on private property with the assistance of FEMA and additional assistance of NRCS to remove waterway debris. We have demolished over 500 homes damaged beyond repair by Katrina. We have repaired the infrastructure and utilities which were devastated by the storm. But most importantly, we have assessed our emergency response capabilities and processes and implemented necessary changes and improvements as a result of lessons learned from Katrina. I am here today to focus on lessons learned or should I say lessons that should have been learned.

The lessons learned from Katrina are that FEMA's role in emergency response and preparedness should be focused on funding and technical assistance, not actual response. Second lesson to be learned is that as part of this focus FEMA must assess whether its rules, regulations and processes work and whether those rules and processes are being applied consistently. Third and the most important lesson to be taken from Katrina, FEMA must take into account the input and knowledge of local jurisdictions.

Let me now relate to you some examples of on-going recovery issues which St. Tammany Parish is dealing with which relate to Katrina lessons.

Though St. Tammany Parish has made great progress in its recovery, work still continues. Reconstruction of public buildings and facilities continue though temporarily halted by the insolvency of the Disaster Relief Fund announced at the beginning of this year. Hopefully with the approval by Congress of additional funds for the DRF, funding for project work sheets on these projects will begin to flow again so that these projects can resume. It is important to note that FEMA's Public Assistance Program is set forth as a reimbursement based program. However, in a disaster like Katrina, or even Hurricanes Gustav or Ike, local jurisdictions responding to the effects are not in a position to advance funds for projects. The exhaustion of the DRF and cessation of funding of project

worksheets stops the recovery process at the local level. This is something to be avoided in the future if at all possible.

Our Parish also continues to struggle with waterway debris issues. Let me explain further what I mean by waterway debris. St. Tammany Parish has 57 miles of coastline and 500 miles of waterways. It also has hundreds of rivers, creeks, and other waterways which run through it on their way to Lake Pontchartrain and the Gulf of Mexico. These waterways were choked with vegetative debris as a result of Hurricane Katrina much of which was removed through the efforts of NRCS through their emergency waterway program. However, this was only a first pass. As "second pass" was never done. Trees damaged by Hurricane Katrina which subsequently have fallen are blocking these waterways again. Vegetative debris, vehicles and other construction debris was submerged in these waterways and therefore not identified for removal, particularly in the case of FEMA project worksheets. We continue to attempt to work with FEMA to obtain PW's for this debris as it is a navigational hazard, a drainage issue and environmental concern.

In addition to vegetative debris, our Parish has other waterway debris challenges. Numerous waterfront communities in St. Tammany were obliterated by Katrina's wind and surge. The remnants of what was once waterfront housing, recreational camps, boat docks and fishing piers now stand in the coastal waters of our Parish. These remnants are piers, footings and debris which stand in the middle of waterways posing a danger to recreational and commercial boaters and emergency personnel. FEMA's position on this debris is that it is not eligible for removal because it is like the foundation of a damaged house which FEMA will also not pay to remove. This policy makes no sense. While FEMA will not as a rule pay to remove a concrete foundation on a demolished home, the remaining foundation is not a hazard vehicular traffic. The debris which remains in our coastal waterways is an imminent threat to boat traffic. It is also over time becoming floating debris which is carried through Lake Pontchartrain. This is a threat to the health and safety of the general public and therefore a revision to this policy must be considered.

The third waterway debris issue which St. Tammany Parish continues to address is marsh grass and silt. Hurricane Katrina stripped thousands of cubic yards of marshland from coastal marshes and deposited them in waterways and canals. Those waterways and canals are now in many cases not navigable. In the case of the Coin du Lestin subdivision, a waterfront community in Slidell, we have been forced to incur the cost to remove this debris without assistance from FEMA. The debris is a navigational hazard and drainage impediment in a publicly maintained waterway. It is inconceivable why this work was deemed not eligible under FEMA's rules. I submit that the only reason for this ruling was the inconsistent and cavalier application of FEMA's Public Assistance program policies by biased individuals.

Be that as it may, the Parish is about to complete its work at Coin du Lestin as I speak. In fact, the work done by the Parish and its contractor at Coin du Lestin is considered by many state and federal agencies to be a model for debris removal and coastal restoration. We have removed the debris in the canals at Coin du Lestin via a dedicated delivery

dredging project. The hydraulic dredge used is piping the debris to the nearby Big Branch National Wildlife Refuge which is under the supervision of the U.S. Fish and Wildlife Service. Thus, we are removing the hurricane debris, removing the navigational and drainage threat, and restoring coastal marsh at the same time. Under FEMA's current policies such a project is prohibited. This is another area that I am urging a re-examination of the PA program.

Almost exactly two years after Hurricanes Katrina and Rita our Parish was hit by Hurricanes Gustav and Ike. Again, FEMA came in to provide assistance. While the funding was needed and we are thankful to have received it, it was readily apparent that the agency had not implemented any lessons learned from Katrina. Some of the personnel, mostly FEMA contractors, were recognizable as they were still here dealing with Katrina. However, issues with rotating out of staff every few months or weeks and lack of training were still there.

As it stands, local jurisdictions are still subject to the whim and caprice of the FEMA representative which shows up at their door with respect to eligibility calls. I suggest that this is a result of FEMA's confusion over its role in disaster response and recovery. It is obvious to me that FEMA has an inherent identity crisis. In my opinion it should leave the response and recovery to the locals and stick to its role in providing funding and technical assistance. This will allow the agency to focus on its rulemaking process and implementation of the process through state and local agencies. Let the boots on the ground carry out the response and recovery efforts as they are the ones that know how their citizenry will be best served.

I would be remiss to fail to mention the current disaster which we in Louisiana and the Gulf Coast in general, are battling--The BP Oil Spill. Needless to say this is another insult to our region and a blow to continued recovery efforts. FEMA's role in response to the BP Oil Spill is limited to date as BP, as the Responsible Party, and the U.S. Coast Guard, as the Accountable Party, are leading the effort. This is hurricane season in south Louisiana, however, and recognizing the potential for Oil Spill contamination inland as a result of a tropical storm or hurricane I have attempted to address the issue of oiled storm debris with FEMA in advance of any actual storm. In fact, I have discussed the possibility of Oil Spill contamination from a storm this season with numerous state and federal agencies and all have the same concerns regarding response. The issues range from how will oiled debris be handled and disposed of to who will fingerprint and test Oil Spill contaminants that come ashore during a tropical storm.

In order to discuss and plan for response to a storm this season with the added threat of Oil Spill contamination, I initiated a dialogue with BP, Environmental Protection Agency, U.S. Coast Guard, Louisiana Governor's Office of Homeland Security and Emergency Preparedness, Louisiana Department of Environmental Quality and FEMA. All responded that they were interested in discussing and agreeing to procedures to address these unanswered questions related to the Oil Spill, except FEMA. FEMA's response to my request to discuss these issues before a storm might hit was that they were coming up with their own rules and would provide those to the Louisiana Governor's

Office of Homeland Security and Emergency Preparedness. There was no need for discussion. To date, I have received no guidance or procedures from FEMA pertaining to storm response and the handling of debris in light of possible Oil Spill contamination as a result of a 2010 hurricane.

This is just another sign that the old FEMA is still firmly in place. No lessons learned. If we are forced to respond to a hurricane with the threat Oil Spill contamination and no procedures in place in advance, chaos will ensue. It will look just like the chaos which occurred following Hurricane Katrina: a lack of clear policy, untrained and transitory personnel, inconsistent application of rules and, as a result, local frustration and a waste of taxpayer dollars.

Five years later and no lessons learned. This is a sad epitaph. I urge this Committee to consider the comments and recommendations made here and direct that appropriate changes be made within FEMA. There is a worthwhile purpose behind the Stafford Act and good people within FEMA who have been tapped to implement the rules.

In order to insure that the lessons from Hurricane Katrina are not lost, FEMA must take the following actions: 1) reexamine the Agency's mission and focus on providing funding and technical assistance to state and local jurisdictions, 2) reassess its regulations, rules and processes which are currently in place to determine what does and does not work pertaining to Public Assistance and other program administered by the Agency, 2) consider the input of state and local jurisdictions in reassessing its rules, regulations and processes.

I hope that these frank and candid comments help the work of this Committee. I thank you for the opportunity to speak to you today and for the Committee's continued support in Louisiana's recovery efforts.

Jiff Hingle

Sheriff

Plaquemine Parish Louisiana

Testimony before the Ad Hoc Subcommittee on Disaster Recovery

“Five Years Late: Lessons Learned, Progress Made & Work Remaining from Hurricane
Katrina”

August 26, 2010

Hurricane Katrina completely destroyed the Plaquemines Parish Sheriff’s Office Detention Center located in Pointe a la Hache, Louisiana. Upon the first availability, the Plaquemines Parish Sheriff’s Office (PPSO) and the Federal Emergency Management Agency (FEMA) met to discuss assistance in rebuilding the detention facility. Upon discussing the replacement of the permanent detention facility, FEMA, from the very beginning, agreed that a temporary detention facility was necessary due to the duration of time needed to build a permanent facility and the fact that the PPSO had no place to hold their prisoners. The following is a summary of events that added to the complexity and duration of the temporary and permanent detention facilities:

In August 2006, the LeBlanc Group was contacted to assist in the bid package for the demolition of the Plaquemines Parish Detention Center. The Leblanc Group was the architect and engineer (A&E) on the damaged facility and had the expertise and information necessary to safely move the demolition forward. The damaged detention facility was successfully demolished in February 2007.

In March 2007, the PPSO advertised for A&E services for the temporary detention facility. The Leblanc Group was awarded the contract in May of 2007 and began work on

the original temporary facility design. The original proposal was to build the temporary detention facility at grade level using modular units. During that period, the design of the temporary detention facility was halted due to advisory base flood elevation (ABFE) concerns raised by FEMA. The Leblanc Group decided that they could not afford to wait on the constant delays created by FEMA regarding the ABFE and asked to be relieved of their contractual obligation.

In August of 2007, the PPSO advertised for professional services including project management and disaster recovery. In October 2007, Benetech, LLC (Benetech) was awarded the contract and began work on the conceptual design for the temporary and permanent detention facilities. However, Benetech was unable to move the design forward because the ABFE concerns were still not adequately addressed by FEMA. FEMA determined later that both facilities were required to be elevated creating a much more complex project. Moreover, the design process was hindered further because the actual elevation height was still not specified by FEMA.

In January 2008, PPSO advertised for A&E services for the permanent facility. In May 2008, the bid was awarded to L. Robert Kimball & Associates, Inc. (Kimball).

In February 2008, Benetech delivered the draft of the conceptual design on the permanent and temporary facilities with both facilities being elevated as per FEMA. In the following months, there were many discussions and meetings as to an increase in the square footage of the facilities caused by the elevation of the facilities. FEMA required justification for the increased square footage and many changes were made to the design. At this point, all attention was focused on moving the conceptual design of the temporary detention facility forward.

In April 2008, PPSO advertised for A&E services for the temporary detention facility. In June 2008, the contract was awarded to Kimball, who began the schematic design work based on Benetech's conceptual design product. The following year involved numerous meetings between FEMA and the PPSO regarding size and elevation, which caused the project to come to a stand still. FEMA still had not given an answer on elevation and gave many indications that they would not fund the temporary detention facility.

In January 2009, after much persistence by the PPSO, Version 1 of Project Worksheet (PW) 14223 for the construction of the temporary detention facility was written. On June 2, 2009, after almost four years of working with the Federal Emergency Management Agency (FEMA), (PW) 14223V1 was obligated bringing the funds available for construction of the 450-bed temporary detention facility to \$41,002,458.

In July 2009, the Plaquemines Parish Sheriff's Office (PPSO) learned that FEMA began to re-analyze the cost effectiveness of constructing the temporary facility and the permanent facility, and received information that FEMA was going to offer PPSO two options to proceed. The first option was to cease work on the temporary facility and accelerate the construction of the permanent facility. The second option was to continue with the construction of the temporary facility as Phase 1 of the facility and then expand the facility in Phase 2 so the facility would have a total capacity of 871 beds. On July 1, 2009, the PPSO called FEMA to discuss the options and agreed to the first option, ceasing all work on the temporary facility. At this time, approximately 65% of the design of the temporary facility had been completed. FEMA is in the process of writing PW

14223V2 to de-obligate the balance of the funds after deducting the costs incurred by PPSO.

PERMANENT FACILITY

PW 1211V0 for the construction of the permanent facility at ground level was obligated on March 15, 2006 for \$19.25 million. Version 1 was a no cost version for insurance deduction and was obligated on August 23, 2007. On June 26, 2008, Version 2 which added the cost of a new slab was obligated for \$519,225. The Program Management fees totaling \$916,450 were de-obligated in Version 3 on February 6, 2009 as these fees will be included in a separate PW. Version 4 included the cost to elevate the 205,000 square foot facility with a capacity of 871 inmates. This version was obligated on October 23, 2009 for \$56,591,697. At the time of preparing this document, PW 1211V5 for the construction of the 871 bed permanent detention facility is in the process of being obligated. This version for \$36,370,675 is based on the Design Development plans and specifications and will bring the total funds available for construction of the permanent facility to \$111.81 million. The design for the facility is approximately 95% complete and construction of the facility is scheduled to start early next year. The elevation of the facility was finally settled on June 22, 2010 and required to be 19 feet off the ground.

SPECIAL COMMUNITY DISASTER LOAN

In March 2006, the PPSO received 3.1 million dollars as a Special Community Disaster Loan for assistance after Hurricane Katrina. In February 2010, PPSO met with the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) to begin the process of forgiveness of the loan. On April 14, 2010, GOHSEP asked for all federal grant information from the PPSO's annual audit reports. A preliminary audit review by GOHSEP found a cumulative deficit of 1.4 million dollars, leaving a balance due of 1.7 million dollars. However, we feel that the cumulative deficit found by GOHSEP is not accurate and that the balance should be much less. We have notified GOHSEP that we have found their deficit unsatisfactory and have asked for a 36 month (September 2005 –August 2008) review of our records to find the accurate deficit.



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Final Testimony for the Record

Flood Preparedness and Mitigation: Map Modernization, Levee Inspection, and
Levee Repairs

Before the
Disaster Recovery Subcommittee
State, Local and Private Sector Preparedness and Integration Subcommittee
Senate Committee on Homeland Security and Government Affairs

Sam Riley Medlock, J.D., CFM
Association of State Floodplain Managers

July 28, 2010

Introduction

The Association of State Floodplain Managers (ASFPM) thanks both Subcommittees, Chairwoman Landrieu, Chairman Pryor, Senator Graham, Senator Ensign, and members of the Subcommittees for your attention to the nation's flood risk, flood map, and levee issues.

As we all know, these issues have generated significant interest among the American public lately. They point to the real need to better integrate the nation's flood risk management policies and programs. This offers an opportunity to meet the challenges of flood hazard identification, aging flood "control" infrastructure, flood risk management approaches, flood insurance, and flood insurance affordability in a constructive manner – to better protect lives and property and reduce costs to taxpayers of flood disasters. We are very pleased to have the chance to share some of our thoughts on the challenges presented. Today, our testimony addresses the following:

- I. **Challenges & Opportunities: Levees, Maps & Insurance**
- II. **Levees: One Tool To Managing Risk**
- III. **Maps: Hazard Identification (with a caveat emptor)**
- IV. **Flood Insurance & Residual Risk**
- V. **Recommendations & Conclusion**

The Association of State Floodplain Managers, Inc. (ASFPM) and its 29 Chapters represent more than 14,000 state and local officials and other professionals who are engaged in all aspects of floodplain management and hazard mitigation, including management, mapping, engineering, planning, community development, hydrology, forecasting, emergency response, water resources, and insurance for flood risk. All ASFPM members work to reduce our Nation's flood-related losses. Our state and local officials are the federal government's partners in implementing flood mitigation programs and working to achieve effectiveness in meeting our shared objectives. Many of our state members are designated by their governors to coordinate and implement the National Flood Insurance Program, and many others are involved in the administration and implementation of FEMA's mitigation programs. For more information on the Association, please visit our website at <http://www.floods.org>.

I. Challenges & Opportunities: Levees, Maps & Insurance

By holding this hearing on both levee and flood map issues, the two Subcommittees have recognized that they are interrelated issues. ASFPM appreciates that recognition and would add the further interrelationship with flood insurance and, specifically, affordability of flood insurance. Often because of concerns about the financial impact of requiring flood insurance, there is a very unfortunate tendency to avoid identification of risk and to focus on flood control structures as the only approach to dealing with flood hazards, despite their limitations and residual risk that still exists behind levees.

In fact, we must recognize that areas behind levees are at risk from flooding. As much as it may be desired to wish that the risk didn't exist, as much as some might find it distasteful to print a notice on a flood map that flooding can occur behind levees, as much as some might not want to even map these risk areas showing Americans that there is danger to their families and businesses in being in such areas, and even if some want to make policies to make it easier to ignore the risk (by not having mandatory purchase behind levees), the risk exists. The risk existed before the great 1927 Mississippi River flood breached levees all along the lower Mississippi (and ironically after victory had been declared over the river), the risk existed before the 1993 Missouri and Mississippi River flood (which caused more than 100 levee failures), and before Katrina. The risk still exists. It is unacceptable to ignore this risk. Levees have failed, levees are failing, and levees will fail in the future. Our policies, programs, and most importantly, our actions must recognize this risk.

The problems with these three elements, maps, levees and flood insurance, have crystallized to create an opportunity to better manage flood risk, to better protect lives and property and to help communities and individual citizens to restore their economic and personal lives more fully and quickly after a flood disaster. This is because we are in the process of gaining a better understanding of the true status and condition of levees, flood walls and other flood control structures. Acknowledgement of the cost of repair and ongoing operation and maintenance of such structures is leading to consideration of more non-structural ways of managing flood and storm water to provide less costly protection while also using natural floodplains and gaining environmental benefits. Concern about flood insurance cost has become apparent as an important reason for concern about levee repair and updated flood maps.

If policy makers can seize the opportunity this situation presents, it could lead to:

- Better coordinated (federal, regional, state and local) flood risk management and community planning;
- Consideration of a full range of measures to address flood hazards: structural, non-structural, a mix of both, insurance that reflects the true risk in its actuarial rates;
- Improved understanding that all levees will fail or overtop at some point, so having multiple approaches to buying down the risk is important; and
- Innovative concepts and ideas for making insurance more affordable while also allowing use of actuarial rates to reflect true risk.

Unfortunately, two federal policies have driven communities in a “race to the water’s edge:”

- Principles and guidelines for federally-supported water projects that provide significant funding for large-scale flood “control” structures, that are costly to maintain and that fail or become overwhelmed with catastrophic consequences, and
- The so-called 100-year, or 1%-annual-chance, standard that originated in the National Flood Insurance Program as a policy rating standard, and that was never intended but is incorrectly perceived to be a standard for safety by property owners and communities.

These two policies combined to create the perfect storm of aging, neglected structures and communities that grew without allowing for margins of error and the dynamic nature of the waterways they share with neighboring communities. At present, four significant policy initiatives are underway that can contribute to development of integrated flood risk management for the nation.

- A National Committee on Levee Safety was created by the Water Resources Development Act of 2007. That Committee has completed its report to Congress and is in the process of developing legislative recommendations pursuant to that report.
- The FEMA Administrator has launched a major “Re-Thinking the NFIP” work group to collect and analyze ideas large and small for the design and implementation of the NFIP and to develop legislative recommendations.
- The Administration has recently re-established the Federal Interagency Floodplain Management Task Force – an entity which had been dormant for nearly 15 years but which has great potential to better integrate policy; and
- The Council on Environmental Quality has been leading work on redesigning the fundamental Principles and Guidelines of the Army Corps of Engineers and to make the new Principles and Standards applicable to all federal agencies dealing with water resources.

II. Levees: One Tool To Managing Risk

The nation has received many “wake-up calls” on the consequences of overreliance on levees and the failure to prepare those who live behind them: the 1993 Midwest Floods, 2005 levee failures in and around New Orleans, the 2008 Midwest Floods, and more recent disasters that claimed lives, homes, and businesses, and destroyed the economic vitality of many communities. However, many other levees are in far worse shape than those in New Orleans in 2005, and the clock is ticking largely unknown to the families and business at risk, or even to many community officials.

There are five main components to the problematic use of levees in the United States today.

1. Communities and states erroneously think flooding is a federal responsibility.
2. We don’t know how many miles of levees there are or their condition.
3. The NFIP’s use of the inadequate 100 year flood standard with no attendant means to address the residual risk behind the levee has led to less protective levees and encouraged development behind them.
4. Residual risk behind or below flood control structures is by and large not fully understood, leading to a false sense of security for those living behind levees.
5. Risks are increasing behind levees because development is adding to the consequences of failure or overtopping; especially those built originally as agricultural levees and are now “protecting” developing areas.

The Need for a National Flood Risk Management Policy and Framework

We will soon enter an era of levee “triage” – the process of prioritizing federal response to flood risk associated with levees and rationing scarce federal dollars on multiple-objective risk reduction projects that may include floodplain restoration, reconfiguration of structural systems, and combinations of approaches to make the best use of limited public resources. Response to the levee crisis – and smart investment of limited public dollars - must entail evaluation of the full range of measures to reduce risk, including flood insurance, changes in land use, and strategic relocation from areas of greatest risk. Such evaluation will require national policy and leadership in flood risk management, beyond the scope of a levee safety policy or program. A complete inventory of all of the nation’s levees – federal, nonfederal, and private – is the first step to conduct the levee triage that will be necessary so that everyone, including Congress, understands the scope of the crisis we face.

Although the National Levee Safety Act of 2007 provided for the development of a policy framework for levee safety, the National Committee on Levee Safety struggled to identify and operate within its mission parameters in a policy vacuum; with no national flood risk management policy to guide decision-making beyond the levee footprint. While the Committee recommendations on governance, engineering, and outreach help guide decision-making once the decision is made to build a levee, the report provides no insight to guide the important decision of whether or not to levee an area to protect against floods, or how a levee may be combined with nonstructural measures or if a levee should be built at all.

ASFPM strongly supports the NCLS recommendation requiring that properties that receive some protection by a levee be insured against flood damage to help address the residual risk that exists behind every levee. This requirement will reduce economic exposures, increase understanding of residual risk behind levees, and place the responsibility for levee-related flood risk on those who live with or

contribute to that risk. However, Congress needs to take the following factors into consideration in crafting this requirement:

- (1) Current mandatory purchase guidelines exempt from the flood insurance requirement those properties that do not have a federally backed mortgage. As a result, homes and businesses that are owned outright have no mechanism for ensuring that flood insurance is purchased and maintained. One option would be to require insurance as a condition of receiving a local certificate of occupancy, accessing local utilities, or other means currently employed to enforce building codes for other safety issues. Congress might also require a study of a long-term (20 years or more) flood insurance policy that attaches to the property.
- (2) Risk-based premiums could have a significant effect on some low income families and small businesses. An approach that is gaining support would be to allow levee districts or communities to obtain group flood insurance for everyone behind their levee. Another option would be making vouchers available through HUD to support the transition to risk-based flood insurance premiums.

Although the NCLS Report identifies minimal criteria for participation in a National Levee Safety Program and potential access to new pools of federal funds, the measures identified do not appear sufficient to achieve shared responsibility, accountability, and reduced risk. As emphasized above, existing federal programs encourage inappropriate reliance on levees, undervalue nonstructural risk management solutions, and provide few consequences for unsound local land use practices. For these reasons, the new system of incentives and disincentives needs to address each of these existing policy flaws, target the right audience, and ultimately change how states and local governments, as well as citizens, view and rise to their responsibility to prevent flood damage.

The NCLS report to Congress calls for a new federal fund to match state and local dollars to help address the many levee deficiencies anticipated across the nation. Despite enormous past investment in flood “control” structures, that spending has been outpaced by development in risky areas and development in the watershed that increases runoff and flooding, and by the steady deterioration of those structures. As the public grows to recognize the risks associated with levees, communities are working to evaluate the various actions they can take in response to those risks: levees can be repaired and improved or set back from the river to relieve pressure and erosion on the levee; homes, businesses, and infrastructure at risk can be relocated to reduce risk and restore floodplain function; waters can be detained upstream; and measures can be combined to achieve the most effective results with scarce public dollars. The NCLS recommends, and ASFPM supports, creation of a National Levee Rehabilitation, Improvement, and Flood Mitigation Fund to provide cost sharing support for state and local efforts to address levee deficiencies and reduce flood risk.

Along with the challenges of the unknown levels of protection of levees and of their condition, many local governments are facing the de-accreditation of their levees, for purposes of recognition under the NFIP. More than 300 (of over 900) communities are facing the impending expiration of agreements regarding their Provisionally Accredited Levees, or PALs. The result of having a levee that is not accredited as providing flood protection is that the area behind that levee will be mapped in the “without-levée” condition and will be designated a Special Flood Hazard Area subject to appropriate flood insurance requirements and land use measures to prevent and mitigate flood damage.

Unfortunately, an issue has emerged in recent years that hinders the potential effectiveness of this existing system of incentives to prevent harm: the misperception that flood insurance is an unnecessary burden on those living behind levees. Levees are designed to provide only a specific level of protection. They can fail in any flood, or be overtopped in larger flood events, which is why relying solely on levees leaves

those living behind them subject to significant and poorly understood risks. Everyone should understand the risk to life and property that remains behind levees--risks that engineers acknowledge that even the best flood-control system cannot completely eliminate.¹ In its recently adopted Resolution on levee safety, the American Society of Civil Engineers amplified the need for public understanding and better management of the nation's flood risks, emphasizing that:

[R]isk communication is especially important in situations such as levee construction where the community is often emboldened by an erroneous sense of security to greatly increase development in areas protected for a time by levees; and at the same time the consequences of such failure have dramatically increased due to flood depth and velocities which accompany such failures.

III. Maps: Hazard Identification (with a caveat emptor)

The purpose of FEMA's mapping program is to provide people living and working behind levees with appropriate risk information so that they can make informed decisions to minimize economic loss, damage, and loss of life. As noted above, the 1%-chance standard for flood insurance rating purposes is not a safety standard. Although a newly imposed requirement to purchase flood insurance is an additional cost for those living at risk, it is only appropriate that those at risk be informed and insured and bear part of the cost of living at risk. The affordability problem must be dealt with outside of identification of risk.

The poor condition of much of the nation's infrastructure, including levees, dams and other flood control structures, as well as stormwater facilities, has become more evident. More accurate flood maps now reflect the unreliable flood protection of levees and the effects of development by showing some areas as now in the 100-year flood hazard area (and, conversely, by showing about an equal number of structures as no longer in the 100-year flood hazard areas). It is important to note that almost as many properties are newly shown as out of a Special Flood Hazard Area (SFHA) as are newly shown as in the SFHA. Requirements for the purchase of flood insurance in areas newly shown as at risk of flooding are highlighting concerns about affordability of flood insurance.

As a former community and regional planner, I can speak firsthand to the importance of flood maps in reducing the loss of lives and property in floods. I can also speak to the need for local officials to be able to interpret flood maps, and understand that no map can ever predict exactly where floodwaters will go -- the simple fact is that maps are based on models and the best available data. As engineering models improve and the body of data about a given basin grows, floodplain delineations can and do shift. This can be due to changes in hydrology, impervious cover, or other physical changes in the basin. However, it can also be due to the availability of new data that may more accurately depict how floodwaters would likely move through a valley. Ultimately, floodplain mapping is not a perfect science. It falls to communities to make informed and reasonable decisions about where and how to grow. Additionally, communities have specific responsibilities and opportunities through the mapping process.

A misconception promulgated at the July 28, 2010 hearing is that FEMA has some sort of an incentive to place more properties in Special Flood Hazard Areas (SFHAs) and require more property owners to purchase flood insurance. Again, although FEMA can directly refute this myth, ASFPM urges Subcommittee members, panelists, and the American public to understand that FEMA and the National Flood Insurance Program have no such incentive.

¹ See American Society of Civil Engineers Resolution 529, adopted Jan. 25, 2009, available at http://www.asce.org/pressroom/news/policy_details.cfm?hdid=527.

On the contrary, FEMA and the NFIP are motivated solely to help communities and states identify and manage flood risk. NFIP's debt has resulted in part from the program's inability to charge premiums that are sufficient to build the capital that most private insurers have to offset losses or purchase private reinsurance. Under its authorizing legislation, NFIP must offer subsidized flood insurance premiums along with its full-risk premiums. The subsidized premiums, which represent only about 35 to 40 percent of the cost of covering the full risk of flood damage to the properties, account for about 23 percent of all active residential NFIP policies. Even with significant increases in NFIP participation, the NFIP probably could not collect enough to pay the \$766 million in annual interest and still pay down the debt. For this reason, ASFPM supports retirement of that debt.

IV. Flood Insurance & Residual Risk

ASFPM applauds the constructive examination of the National Flood Insurance Program (NFIP) launched by FEMA Administrator Craig Fugate. Administrator Fugate has recognized both the value of the NFIP and the need for a new phase of program growth and adaptation to changing circumstances. During a Listening Session on the future of the NFIP last November, Mr. Fugate challenged over one hundred invited participants to think creatively about the overall value of the NFIP, what it was intended to achieve, what it has and has not accomplished, and needed changes, both small and large. One example to encourage thinking big was whether or not the private sector could now handle and provide flood insurance. Mr. Fugate has subsequently charged a FEMA working group with assembling the recommendations, analyzing their merits and feasibility, and then developing substantive recommendations for moving the NFIP forward. The working group will evaluate not only the suggestions from the recent and additional Listening Sessions, but also the recommendations of a multi-year NFIP Evaluation led by the American Institutes for Research, the results of several Government Accountability Office Studies, Congressional Research Service studies, and other reports. FEMA expects to have a number of substantive additional reform proposals ready for Congressional consideration within the next two years, upon which we urge your timely consideration.

Flood insurance should gradually move toward being actuarially sound to reflect actual risk and enable market-based financial decisions about how much risk-related cost to assume. We recognize that there are affordability problems for some citizens living in at-risk areas; this is more prevalent in older riverine areas than in recently developed coastal areas or some newly developed areas behind levees. The de-accreditation of levees and more accurate flood maps have highlighted the affordability issue. We do not support efforts to delay issuance of flood maps, withholding accurate information about flood risk from citizens living and working in hazardous areas. We suggest that this issue presents challenges, but ones that can lead to constructive new growth and adaptation for the NFIP if addressed correctly.

For decades, levees have been extensively used to attempt to control floodwaters and to remove lands behind levees from the insurance and land use regulation requirements associated with the National Flood Insurance Program. People have built homes and businesses assuming that their property will never flood. Local officials and property owners generally are unaware of their residual risk.

As levees and systems are assessed to determine levels of protection and condition, many communities learn that their levees are not designed for large flood events, do not protect to the level of moderate floods like the 100-year, or will not perform as anticipated, and that additional actions are necessary to manage risk, including flood insurance and management of development in flood prone areas. Some communities blame the federal government for their predicament, demanding federal funds for larger levees, challenging the accuracy of maps, and denying that their citizens need flood insurance. However, history has taught us that floodwaters do not follow lines on a map, even the most accurate maps depict conditions that can and do change, and that those families who may least be able to afford flood insurance are likely those who need it most when those levees fail or overtop, which will happen at some point.

A number of very interesting ideas have emerged from academia, from a local levee district and from discussions among practitioners and policy makers. Most need further development, but they illustrate the kinds of ideas that could help to address the affordability issues and thereby facilitate better flood risk messaging, planning, and mitigation. Consider a number of interesting ideas to address the affordability problem.

- A program of flood insurance vouchers to assist with purchase of flood insurance issued through a means-tested program could be administered by the Department of Housing and Urban Development. An analysis might show it would be less costly for the taxpayer to pay for flood insurance vouchers for low income property owners for a limited time rather than have the taxpayer continue to pay disaster costs from the Disaster Relief Fund every time that a community floods
- Group flood insurance policies for areas behind levees. Levee districts could include the cost in their tax or fee structure and purchase the policy for those behind the levee. This would both signal to property owners that there is a residual risk while also protecting them in the event of levee failure or overtopping.
- Community group flood insurance for Special Flood Hazard Areas. Communities could purchase group policies for areas within their jurisdiction identified as SFHAs, thereby insuring everyone in those areas, not just those with federally backed mortgages. This would enable more rapid recovery of the area following a flood disaster. It would also offer an incentive to local officials to take steps to reduce losses and discourage unwise development because such actions would result in a lower cost group policy.

V. Recommendations & Conclusion

Ultimately, any national levee safety policy will function best within the context of an overarching national flood risk management strategy, and risks failure without it. The best engineering and evacuation planning will not be sufficient to ensure that existing levees and activities they are intended to protect are well managed, and that any new levees are appropriately selected as just one part of an overall strategy to manage flood risk in a given community. The Report of the National Committee on Levee Safety provides Congress with important insights to help drive at least some of the next steps for the nation. ASFPM and its members stand ready help Congress meet the challenges identified in the report that related to levees, and the overall physical, political, environmental, economic and social landscape in which they operate.

1. **Flood insurance must be mandatory behind levees. Also, such flood insurance policies should be actuarially rated which will reflect the true risk – whether residual or something more.**
2. **Flood maps must reflect flood risk accurately and must be published without delay to inform those inhabiting such areas – including areas behind levees.**
3. **Communities choosing levees as their form of mitigation must accept responsibility for their choice and better mechanisms need to be developed to reward communities who take this responsibility seriously (better cost shares, eligibility for funding) versus those who don't.**
4. **Congress should establish a National Levee Safety Program that incentivizes states to take responsibility since land use authority resides at the state and local levels.**
5. **If discounted rates are applied for areas newly mapped as floodplain, FEMA could provide information as to eventual actuarial rates as well as information about mitigation actions which could be taken in the interim to reduce eventual actuarial rates.**

To actually reduce flood-related loss of life and property in the nation, we must move toward a true flood risk management framework with the nation's policies and programs. A comprehensive flood risk management program recognizes that:

- Managing flood risk is a shared responsibility among individuals, the private sector, community, and state and federal government;
- Flood risk is not isolated to the 100-year hazard area but is rather a continuum of risk that crosses all risk and jurisdictional lines on a map;
- Development and other activity outside the 100-year floodplain impacts flood levels—if we only manage activity in that 100-year floodplain, we miss opportunities to save lives and reduce flood damages and impacts;
- All structural protection measures will fail or be overtopped at some point by some flood event;
- Managing flood risk requires consideration of a mix of measures that may include structures, avoidance, and even retreat from high risk areas. Selection of only one structural measure, such as a levee, leads to severe losses in catastrophic events. Levee failure and high storm surge and 500-year events have shown the need for a mix of approaches including elevation, insurance and structures;
- Flood levels will increase in the future because development increases runoff; and observable trends indicate that storms are intensifying;
- Flood risk will increase as the natural resources and functions of floodplains are altered by development since this destroys the natural system that reduces the negative impacts of flooding;
- Flood risk management includes concepts such as identification of flood risk, community planning to steer development away from areas of risk, basing flood insurance on actual risk, vigorous promotion and support of hazard mitigation actions, and enabling citizens to better recover from disasters by being insured to reduce their financial risk.

The nation must carefully balance the issue of who benefits and who pays for development at risk. There are about 130 million housing units in the U.S. Of that about 10 or 11 million are in flood hazard areas. Of those in flood hazard areas, roughly half carry flood insurance. This means 90% of the population does not live in identified Standard Flood Hazard Areas, but continues to pay a large amount each year for disaster relief for flooding, rebuilding damaged infrastructure in flood areas, and may have to cover the \$18 billion debt of the NFIP. Yet those same taxpayers obtain few, if any, of the benefits of that development. This points out the need to tie program outcomes of the NFIP to these other programs like disaster relief programs and programs of HUD, DOT, USDA and others.

The Association of State Floodplain Managers appreciates the opportunity to share our views, recommendations, and concerns with you. We hope these observations, based on our collective experience in working to reduce flood risk in the nation and in serving as your partner, will be helpful in your work. We look forward to answering any questions you may have and assisting the Subcommittees in any way that you find helpful. I can be reached at: (608) 692-5010 or at: sam@floods.org. Our website is: www.floods.org.

**Post-Hearing Questions for the Record
Submitted to Secretary Donovan
From Senator Mary Landrieu**

**“Five Years Later: Lessons Learned, Progress Made, and Work Remaining from
Hurricane Katrina”
August 26, 2010**

1. Placed-in-Service Deadline for “Big Four” and other LIHTC Developments

Congress provided Louisiana with \$170 million in GO Zone Low-Income Housing Tax Credits after the hurricanes to develop affordable rental housing. The Louisiana Housing Finance Agency packaged the credits and sold them to developers as equity in 13,888 units that it planned to build statewide. The law requires that developers place these units in service by January 1, 2011 in order to claim the tax credit with the IRS, which they may do each year for 10 years after the units are occupied. However, the economic downturn has reduced the value of the credits and access to private financing has essentially dried up, placing all of the “Big Four’s” 1,800 units (representing \$33.4 million in unused credits) in jeopardy.

- The State of Louisiana has requested a 2-year extension of the Placed-in-Service deadline from Congress, and I was able to include this extension in a jobs package that passed the Senate in March. What will happen if Congress fails to act?

If the two-year placed in service extension is not enacted, millions of federal, tax credit and developer dollars will be lost as well as several thousand jobs and critically needed housing.

After Hurricanes Katrina and Rita, Congress issued a special allocation of LIHTCs to aid in the development of affordable housing in affected Gulf States. These LIHTCs, known as Gulf Opportunity Zone or GO Zone Tax Credits, are set to expire on December 31, 2010 to the extent they are allocated to low-income housing that is not placed in service by that date. Because of the devaluation of the LIHTC and the tightening credit market, some projects that are funded with GO Zone Tax Credits have been stalled and are unlikely to meet this deadline for being placed in service. The two-year extension passed by the Senate as part of H.R. 4213 would provide additional time to finish the work to keep critical investments and complete the work on these critical projects.

This is particularly important for the Housing Authority of New Orleans’s Big Four housing developments. These developments were destroyed by Katrina and Rita and have left a gaping hole in the availability of low income housing in New Orleans. The rebuilding of these developments depends on a mixture of Federal, State, and private sector funds. As you are aware overall, Congress provided the impacted states (Louisiana, Mississippi, and Alabama) a total allocation of \$323M in low-income housing tax credits to rebuild from the 2005 storms. To date, 77 projects worth over \$80M have yet to be placed-in-service. Without an extension of the placed-in-service date on these GO Zone LIHTCs to December 31, 2012, a total of more than 6,000 Gulf Coast affordable housing units are unlikely to be completed and an estimated 13,000 construction-related jobs are in jeopardy.

The credit crisis locked up the equity markets through the end of 2008 and well into calendar year 2009, at which point many point syndicators and equity providers were unwilling to close on their GO Zone Credit investment commitments without an extension of the December 31, 2010 placed in service deadline for GO Zone Credits.

Generally, construction of major developments requires not less than 18 to 24 months from construction start to completion and receipt of certificates of occupancy. A one year extension of the placed in service deadline to the end of December 2011 represents 14 months if the deadline were extended today. A two-year extension would accommodate for weather or other unforeseen yet reasonable delays.

It has been our experience that many tax credit syndicators and investors with respect to major developments, including HANO's big 4 developments, will continue to refrain from closing if there is not sufficient time to get to closing (minimum 45 to 60 days) and to commence construction and complete construction (not less than 18 to 24 months from closing) by the extended placed in service deadline.

2. Housing Assistance & Place-Based Development

The size and scope of the devastation caused by Hurricane Katrina led to the most extensive rebuilding effort in the history of our nation and an increased role for the Department of Housing and Urban Development (HUD) in the recovery efforts. HUD's CDBG program provided funding for neighborhood revitalization and housing rehabilitation through the Louisiana Road Home Program. In September 2007, HUD's role was expanded further through an interagency agreement with FEMA to administer the Disaster Housing Assistance Program providing long-term rental assistance and case management services to eligible families. In 2008, HUD demolished most of the 3,000 Big Four apartments that were occupied when Katrina hit to develop mixed use, mixed income communities.

- Please elaborate on HUD's expanded role within the federal government in disaster housing and recovery efforts since Hurricane Katrina and tell us about the concept of place-based development that your agency has advocated.

As described in the National Disaster Housing Strategy, HUD is in a support role with respect to interim housing. In that support role HUD helps to address interim housing needs through the Disaster Housing Assistance Program (DHAP). Also, through the National Housing Locator System we help disaster survivors identify interim housing opportunities. The Strategy also indicates that the Department will be taking the lead with respect to permanent housing. HUD is building its capability to have an expanded role within the federal government regarding disaster housing and other recovery areas. HUD's Community Development Block Grant (CDBG) program is a program that has broad flexibility to address disaster recovery needs in housing, economic, and community revitalization and development. The CDBG program continues to build its capacity and is now providing greater focus on technical assistance for its grantees. Also, the Department continues to learn and improve the Disaster Housing Assistance Program that is funded through interagency agreements with FEMA. FEMA and HUD have made progress in developing an interagency agreement template to use after future disasters requiring such housing voucher assistance.

Beyond that, HUD is creating a new office, the Office of Disaster Management and National Security. This office is coordinating our preparedness, disaster response and recovery activities, and protective services and security responsibilities across the department. The office works closely with FEMA in all of those areas.

There are many other steps HUD is taking regarding disaster housing. HUD has initiated a number of disaster-related housing research projects. We have staff working with FEMA on the Joint Housing Solution Group and the National Disaster Housing Task Force. We and other federal departments and agencies are assisting FEMA in developing a National Disaster Housing Framework. Secretary Donovan and Secretary Napolitano co-chair the Long-term Disaster Recovery Working Group.

In response to your request for information and ideas about place-based programs and initiatives for the fiscal year 2011 budget that show special promise for achieving better outcomes, we selected four signature approaches that we believe highlight the Department's investments in people and places. The first program, Community Development Block Grants (CDBG), is one of HUD's oldest programs targeted to communities in need. However, over the years, the CDBG formula has not kept pace with demographic and economic changes at the local level and HUD is proposing to test new approaches through a competitive grant program called "the Catalytic Investment Competition" in fiscal year 2011. The second initiative, Choice Neighborhoods, is a signature place-based policy proposal in HUD's fiscal year 2010 budget that is renewed in the fiscal year 2011 budget. Building on HOPE VI, Choice Neighborhoods will fund competitive grants to transform neighborhoods of extreme poverty into neighborhoods of choice—functioning, sustainable mixed-income neighborhoods with well-functioning services, schools, public assets, transportation and access to jobs. Also launched in fiscal year 2010, the new Office of Sustainable Housing and Communities recently announced the results of its competitive planning grants to metropolitan regions and local communities to support integrated transportation, water infrastructure and land use planning and support joint research with the Department of Transportation. HUD made this announcement in collaboration with the Environmental Protection Agency who is an integral partner in this work. The City of New Orleans was awarded one of these planning grants for a planning study of the Claiborne Ave. corridor. Finally, in fiscal year 2011, HUD is proposing three new initiatives aimed at addressing homelessness that are aligned with other place-based investments.

**Post-Hearing Questions for the Record
Submitted to Doris Voitier
From Senator Mary Landrieu**

**“Five Years Later: Lessons Learned, Progress Made, and Work Remaining from
Hurricane Katrina”
August 26, 2010**

Doris Voitier – St. Bernard School District

1. Students Displaced by a Disaster

Hurricanes Katrina and Rita displaced an estimated 370,000 students throughout the Gulf Coast. Congress authorized the Emergency Impact Aid program to provide tuition reimbursements to host schools that took these students in and aid to schools in the disaster area to restart operations. These programs sunset in 2006, and Senator Lamar Alexander (TN) and I introduced legislation to codify the temporary programs so that a framework will be in place to provide emergency impact aid to public and private K-12 schools in the event of a future catastrophic disaster like Hurricane Katrina.

- Do you believe it’s important for the federal government to develop this type of framework before the next catastrophic disaster occurs?
- Was the St. Bernard School District able to take advantage of emergency impact aid to restart school operations?

Answer: The immediate restoration of educational services is critical to a recovering community after a catastrophic disaster. Families will not return unless and until basic services are provided, including a safe learning environment for their children. Parents are willing to experience personal hardships in the rebuilding process only if they are certain that their children are well provided for and that their children’s educational development continues.

In the event of a catastrophic disaster, especially of the magnitude of Hurricane Katrina, revenue sources for local governments are seriously compromised. In the case of St. Bernard Parish, every home, every school, every church and every business was significantly damaged or destroyed. There were no businesses left to provide sales taxes, and homes and businesses were destroyed which is the major source of property taxes. It was imperative that the federal government step in to immediately provide monetary resources necessary for the continued education of the children. This type of framework should definitely be provided by the federal government to ensure that schools and communities which are experiencing a cash flow problem will have the necessary resources to provide quality educational services for children.

St. Bernard School District was able to take advantage of emergency impact aid to restart school operations; however, the aid was not available soon enough. Displaced Student money did not arrive at the district level until the spring of 2006, and Restart money was not available to us until May of 2006. The delay was caused by the federal and state governmental entities having to develop and agree upon policies, procedures, formulas and methods of distribution. Even though we were reimbursed for expenditures made in the fall of 2005, we experienced a cash

flow problem until we were able to access the money in the late spring and summer of 2006. This cash flow problem caused us to have to borrow money through the FEMA Community Disaster Loan program.

If legislation is passed to develop a program to aid school systems with their operational expenses in the immediate aftermath of a catastrophic disaster, safeguards should be in place to ensure that the funding arrives immediately, not several months after the disaster.

**Post-Hearing Questions for the Record
Submitted to Lauren Anderson
From Senator Mary Landrieu**

**“Five Years Later: Lessons Learned, Progress Made, and Work Remaining
from Hurricane Katrina”
August 26, 2010**

Lauren Anderson – Neighborhood Housing Services of New Orleans

1. Community Engagement

Since Hurricane Katrina, New Orleans and the surrounding parishes have witnessed the emergence of numerous neighborhood associations and other community nonprofit organizations that are working to meet people’s needs and revitalize neighborhoods.

- What are your recommendations for sustaining community engagement and building the capacity of this vital network to leverage the good work that nonprofits are doing?

Answer: It is very difficult to secure funding for civic engagement work. NHS provides critical staff support and infrastructure to the residents in our communities. This support leverages thousands of hours of volunteer efforts by community members. Nonprofits throughout the Gulf Coast and indeed throughout the country are feeling the effects of the economic downturn. At the same time that the demand for our services are increasing, support is drastically declining. While economic stimulus measures have helped the for-profit sector, little federal funding has been provided to the nonprofit sector, the safety net for communities. Nonprofits, like NHS need funding from all sectors, government and philanthropy to sustain their work.

**Post-Hearing Questions for the Record
Submitted to Administrator Fugate
From Senator Mary Landrieu**

**“Five Years Later: Lessons Learned, Progress Made, and Work Remaining
from Hurricane Katrina”
August 26, 2010**

1. FEMA Workforce

Congress passed the Post-Katrina Emergency Management Reform Act in 2006 to address deficiencies identified in the response to Katrina. FEMA was reorganized to enhance and clarify its mission and authorities. The Act includes provisions to augment the management and capability of FEMA’s workforce. FEMA’s workforce has doubled since Katrina, and under your leadership I’ve noticed an increased focus on outcome over process.

- Please discuss some of the initiatives that have been completed or are underway to improve the training, skills, and capabilities of FEMA’s employees, and any of the major internal reforms you’d care to highlight.

Response: FEMA has made great strides since Hurricanes Katrina and Rita with regard to improving training for FEMA employees, advancing operational capabilities, striving for Mission success, and working to increase public confidence in the Agency’s ability to get the job done. FEMA is focusing on occupational core competencies for both mission critical and non-mission critical occupations, so that operational core competencies are mirrored in the individual knowledge, skills, and abilities of the workers who perform FEMA’s vital jobs. The competencies of the FEMA workforce continue to be analyzed and further developed so that the right people are in the right place at the right time to make a difference for the Agency and the people it serves.

In December 2009, Administrator Fugate identified the Enhancement of FEMA’s Workforce as one of his top three priority initiatives. The Administrator announced the development of the Workforce Enhancement Initiative (WEI), with a core objective of creating an improved work environment for FEMA’s current and future employees. As part of the Enhancement, FEMA is exploring opportunities to improve the lifecycle of FEMA’s workforce, from recruitment through professional growth into the most senior levels of leadership. The core objective of the WEI is to create an improved work environment for FEMA’s current and future employees, including interns. The objective will be substantially

achieved through enhanced recruitment, hiring and developmental initiatives and opportunities.

In support of the WEI, FEMA has established work groups/teams from all levels of the agency to determine short and long term solutions to the challenges that face FEMA employees throughout the lifecycle of their careers. The groups are focused on the following areas: Employee Integration; Leadership Development and Training; Recruiting, Hiring and Retention; Intern Programs; Position Allocation Reviews; and Performance Management. Some of the improvements under development include:

- Revamping FEMA's hiring webpage to make it more user-friendly for prospective employees;
- Revising FEMA's New Employee Orientation program and on-boarding process;
- Developing, training for, and implementing a revised performance evaluation system;
- Staging a Career Development Office to help supervisors and employees continue to identify opportunities for hiring, details, and fellowships that enhance FEMA's workforce environment;
- Activating a website to provide virtual tools to publicize employee services programs to all levels of the organization; and
- Developing processes and procedures to increase detail opportunities within and external to the agency.

Some of those efforts are detailed below.

- FEMA's Chief Component Human Capital Office (CCHCO) is establishing a Career Development Office (CDO), which will reside in the CCHCO. The mission of the CDO is to support and empower all FEMA employees, by creating an environment—real and virtual—that provides an office and a web portal for employees to access resources to further their personal career development. The CDO will enable employees to obtain information on career guidance, training, details/rotational opportunities, Federal resume workshops and other career development training courses. The CDO website was launched on September 17, 2010.
- In an effort to focus on training for new employees, the WEI Employee Integration group is assisting the CCHCO with revising FEMA's orientation program. The integration of FEMA's operational core competencies with new employees' occupational competencies will be a highlight of this program. The

relevance and effectiveness of Individual Development Plans will also be addressed and encouraged during the orientation program. The new orientation program is expected to hold its first pilot session in November 2010.

- The CCHCO continues to offer its Performance Excellence Series (PES) to employees. The content of the PES courses were developed using DHS Core Competencies for GS grades. Due to the high demand for this program, PES training dates are established well in advance. In addition to the PES, Federal Executive Development courses are offered to FEMA employees through external sources, such as USDA Graduate School, the OPM Federal Executive Institute, the Brookings Institute, the Government Affairs Institute, and the US Coast Guard. These courses are available to FEMA, full-time permanent employees at the GS-11 through Senior Executive Service levels. The courses are designed to develop and enhance the effectiveness and efficiency of FEMA leaders. Organizations are encouraged to nominate at least two qualified employees for one or more Federal Executive Development Programs.
- The WEI Recruitment, Hiring and Retention group and the CCHCO are developing processes and procedures to increase detail assignment opportunities for FEMA employees, including the development of a web tool to solicit detail assignment “volunteers.” Draft guidelines and marketing strategies have already been established for this employee detail/rotation program and are expected to be finalized in the first quarter of FY11.

Additionally, due to FEMA’s increased focus on creating a more diverse and inclusive workplace, the Emergency Management Institute and the Office of Equal Rights are working together to revamp FEMA’s diversity awareness training. FEMA’s new Diversity Management Advisory Council will be responsible for mandating the training for all employees once the training curriculum is finalized (completion expected in FY11).

2. Increased Partnership with State and Local Governments

FEMA has made significant strides over the last five years in forming working relationships with state and local governments *prior* to a disaster.

- Can you tell us about the FEMA WARM Cell’s role in helping the State of Louisiana plan for evacuation, sheltering, and logistics?

Response: The Louisiana FEMA Warm Cell was a group of on-site federal employees who assisted in response efforts related to hurricane season. The Warm Cell disbanded in December 2008 because Louisiana has made huge strides on its

own in the area of sheltering and evacuation. After the Warm Cell stood down, FEMA maintained a limited presence at the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) State Emergency Operations Center. FEMA maintained that presence through the 2009 season after which it completely removed a full time presence at GOHSEP. Responsibility for planning was transferred back to Region 6.

Working from the regional office, Federal planners continue to assist the state with its planning efforts and in expanding its capacity. For instance, in FY 2009, Louisiana was awarded funding for critical emergency supplies under the 2009 State Homeland Security Grants Program which allows the state to stockpile emergency supplies such as food, water and medical supplies. Awarding of this grant has allowed FEMA to reduce its stockpile level of commodities in the state and assume a more territorial approach to the states in the region which would be affected by an event.

FEMA Region 6 continues to take an active approach in working with the state to increase its "In-State" sheltering. Over the past two years we have seen a significant improvement in the states' ability to shelter its evacuation population in state. We expect to see continued improvement in this area as new ideas and concepts are developed which allows the state a proactive approach in sheltering.

**Post-Hearing Questions for the Record
Submitted to Lt. General Robert Van Antwerp
From Senator Mary Landrieu**

**“Five Years Later: Lessons Learned, Progress Made, and Work Remaining
from Hurricane Katrina”
August 26, 2010**

1. Flood Protection

When Hurricane Katrina struck, weaknesses in existing flood protection measures exposed a failure at the federal level to adequately prepare for the risk of flooding in coastal Louisiana. The Corps of Engineers is scheduled to complete levee repairs and improvements by June 2011 to provide 100-year flood protection for the New Orleans area.

- Are you confident that these systems will not experience similar failures?

We are very confident in the performance of the Hurricane and Storm Damage Risk Reduction System (HSDRRS) for the Greater New Orleans area, and upon completion, the area will have the best perimeter defense in its history. Extensive modeling, lessons learned, and risk informed processes have enhanced the Corps' design criteria and on-the-ground construction. Scientific and engineering rigor underpins all the HSDRRS work. Even beyond this internal effort, the Corps is leveraging the knowledge and capability of our local partners, partners in industry, architect-engineer firms, members of academia and international counterparts to develop and apply state-of-the-practice engineering solutions to the Greater New Orleans Hurricane and Storm Damage Risk Reduction System and across coastal Louisiana.

- What does the Corps need to ensure another Katrina doesn't happen again in Louisiana or elsewhere?

As part of the way the Corps does business across the nation, the Corps has initiated a new direction in terms of how it plans, formulates, and implements the program and project management of water resources infrastructure. These changes incorporate not only the most advanced technical considerations, but organizational, human, and social factors as well, and how they in turn impact engineering system decisions. Firm Administration commitment and quick Congressional action to provide authority and full appropriations in support of these new programs is critical in delivering large scale water resources infrastructure systems such the one in the greater New Orleans area.

2. Coastal Protection

In addition to having bountiful ecological benefits, Louisiana wetlands have served as a natural hurricane buffer zone for south Louisiana, helping to absorb storm surge. Louisiana's coastal wetlands are eroding at an alarming rate. Since 1932, coastal Louisiana has lost more than 1,875 square miles (1.2 million acres). While the typical land loss rate is about 24 square miles per year, Hurricanes Katrina and Rita eliminated 217 square miles of coastal wetlands (9 times that amount) in just two days. As a result of Hurricane Katrina, Congress directed the Corps of Engineers in the Energy and Water Appropriations Act of 2006 (P.L. 109-103) to conduct a comprehensive hurricane protection analysis and develop an integrated approach toward "Category 5" hurricane and storm surge protection. It is my understanding that the final technical report was submitted to Congress on June 30th.

- Please discuss some of the key recommendations contained within the report including actions that Congress may need to take?

The Louisiana Coastal Protection and Restoration (LACPR) report, submitted by Honorable Jo-Ellen Darcy ASA(CW) on 29 June 2010, presents multiple options to reduce risks from hurricane storm surge in Louisiana. These options include structural and non-structural components working in concert with coastal restoration. A "multiple lines of defense" strategy combining elements of all three options is identified as the best approach. Plan selection is based on costs and the tradeoffs between plan effects and other values. Reducing storm risk is a shared responsibility for governments and individuals. We are now engaged in a partnership with the State of Louisiana to help support the update of Louisiana's Master Plan for coastal protection and restoration. This includes embedding Corps staff on teams in Baton Rouge. The result is expected to help produce a Master Plan update that identifies plans and tradeoffs and includes defining clear areas of Federal responsibility and/or partnership opportunities. Congressional authorities to identify risk reduction measures exist for coastal Louisiana. However, these authorities are broad in nature and generally dated. Updated authority specific to areas and levels of risk reduction would better define the Federal role in the State. In addition, linking the elements of a multiple lines of defense strategy to authorizations would aid the Corps in multi-purpose planning.

- How will this report be incorporated into the long term restoration plan being formulated by Navy Secretary Mabus, and how has the Corps been engaged in that process initiated at the direction of President Obama?

As part of the broad spectrum of coastal restoration plans that overlap federal and state agencies across the Gulf of Mexico, the LACPR report and other Corps coastal plans, such as the Louisiana Coastal Area (LCA) program were considered in the inventory for Gulf Coast restoration associated with recovering from the Deep Water Horizon Oil Spill. Potential inventory include near term projects contributing to recovery actions and longer term projects that support development of a sustainable coastal system. The Corps is also part of the Gulf Coast restoration working group led by the President's Council on Environmental Quality. Support areas from the Corps may include coastal engineering expertise, contracting support, construction management, scientific skills/services and ecosystem restoration planning capability to support this national priority.

- Has the Corps considered its role in management over the Mississippi River as a critical component of ecosystem restoration in Coastal Louisiana?

The Corps has a proud history of working on the Mississippi River and providing benefits for the Nation in the form of coastal defense fortifications, waterborne commerce, flood protection, and environmental protection. Our work has led to maintaining a reliable deep draft port system, controlling flood water discharges, and helping to manage water in key coastal estuaries. We are currently working with the State of Louisiana to develop a long-term vision for the multi-purpose management of the river over the next two centuries. Major engineering efforts will be required to maintain the benefits of the river for the Nation while adapting those efforts to enable dynamic management of the river's resources for sustaining the Louisiana coast. One such effort being launched with the State of Louisiana is the LCA Mississippi River Hydrodynamic and Delta Management Feasibility Study. That effort is aimed at identifying how much water and sediment is available in the Mississippi River for coastal restoration plans while still maintaining other key services such as navigation, flood risk reduction and freshwater supply for communities and industries.

**Post-Hearing Questions for the Record
Submitted to I.F. "Jiff" Hingle
From Senator Mary Landrieu**

**"Five Years Later: Lessons Learned, Progress Made, and Work Remaining
from Hurricane Katrina"
August 26, 2010**

1. Public Assistance – Detention Center

Hurricane Katrina's accompanying storm surge decimated the lower half of Plaquemines Parish, destroying its 815-bed Detention Center. Initially, inmates were housed at alternate facilities, and in 2009 the parish received an initial award of \$21.4 million from FEMA to build a temporary detention center, and \$56.6 million to support the construction of a new permanent facility. Since the awards were announced in 2009, the plans have been revised in coordination with FEMA to build one facility for approximately \$111 million, but the project is still pending final review.

- Will Plaquemines Parish benefit from the legislation that capped flood insurance penalties and waived alternate project penalties for criminal justice facilities?

The Plaquemines Parish Sheriff's Office will not benefit from the legislation that capped flood insurance penalties because we had insurance coverage on our facilities. However, the Plaquemines Parish Sheriff's Office will benefit from the waived alternate project penalties.

