

STATEMENT  
OF  
MICHAEL SPRAYBERRY  
SENIOR ADVISOR FOR EMERGENCY MANAGEMENT  
HAGERTY CONSULTING, INC.

BEFORE  
THE  
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

UNITED STATES SENATE  
WASHINGTON, D.C.

“Disaster Recovery Assistance - Authorization of the Community Development Block Grant –  
Disaster Recovery Program”

Submitted

By

Michael Sprayberry | Hagerty Consulting, Inc.  
1618 Orrington Ave., Suite 201, Evanston, IL 60201

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Chairman Brown, Ranking Member Toomey, and Members of the Committee, my name is Mike Sprayberry and I am the Senior Advisor for Emergency Management with Hagerty Consulting, Inc., a firm which specializes in emergency management and disaster recovery – simply put, we help diverse communities nationwide prepare for, respond to, recover from, and mitigate disasters. I appreciate the opportunity to appear before the Committee today to discuss and support permanent authorization for the Community Development Block Grant-Disaster Recovery (CDBG-DR) program administered by the US Department of Housing and Urban Development (HUD).

Prior to joining Hagerty Consulting two months ago, I served the State of North Carolina for more than more than fifteen years in various leadership roles within the state’s Division of Emergency Management including eight years as the Division’s Director while also leading the state’s Office of Recovery and Resiliency (NCORR) and serving as the state’s Deputy Homeland Security Advisor. I also served as President of the National Emergency Management Association in 2017-2018. It is in this context that I gained familiarity with both the value of CDBG-DR program as well as the difficulties in deploying that funding.

During my tenure as North Carolina’s Emergency Management Director, the state was impacted by two significant hurricanes – Matthew in 2016 and Florence in 2018 – which generated a total of \$778 million of CDBG-DR allocations to the state (plus an additional \$202 million from HUD for mitigation activities). These storms both struck the southeastern corner of the state and created overlapping damage, most notably in the form of extensive inland flooding which inundated low lying areas.

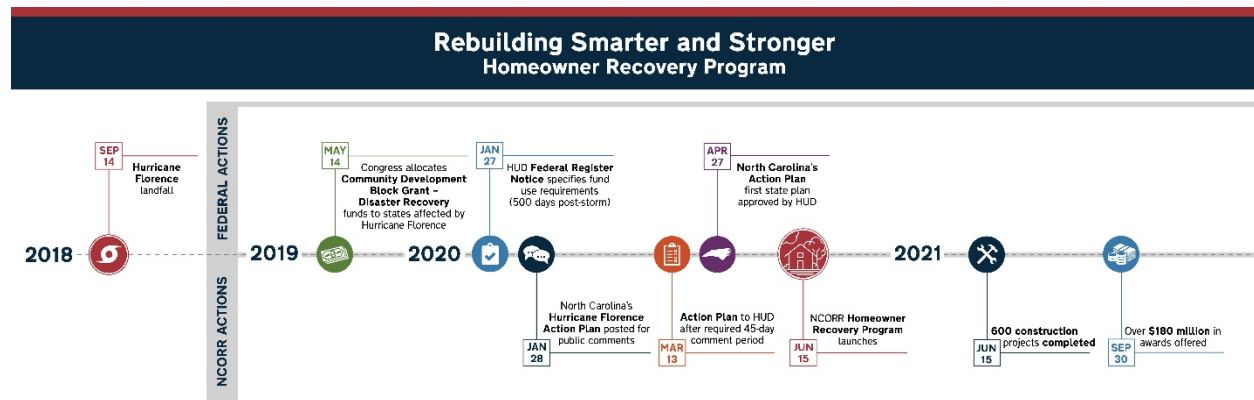
CDBG-DR funding ultimately proved to be an invaluable complement to other recovery resources available from public and private entities, most notably funding available through various programs administered by the Federal Emergency Management Agency (FEMA). It has enabled a stronger focus on housing recovery needs and has assisted the low- and moderate-income population that has the fewest resources to recover. At the same time, the lack of a permanent authorization for CDBG-DR has hampered its effectiveness.

Let me focus on a few impacts arising from that reality. First, the ad hoc nature of CDBG-DR means that it is difficult to effectively plan to receive the funding. CDBG-DR exists only when funds are appropriated for the purpose. Using information available on the HUDexchange website, it appears there have been thirty-two (32) CDBG-DR appropriations since the early 1990’s for a total of almost \$95 billion if we include the most recent \$5 billion enacted on September 30 of this year. This track record indicates it has become reasonably predictable that CDBG-DR will be appropriated in the wake of the most catastrophic events but there is little certainty as to the timing or scope of that action.

Prior to the CDBG-DR allocation in response to Hurricane Matthew, North Carolina had not received CDBG-DR funding since 2004 when it was awarded \$4.5 million. As such, there was a very limited understanding within the state as to the evolution of CDBG-DR during the intervening twelve years and the concurrent expectations that would be placed upon the state.

We learned on the fly and ultimately Governor Roy Cooper established NCORR to effectively manage CDBG-DR funding and improve coordination across the spectrum of recovery and resilience efforts. The problem was that we lost critical time in our recovery while attempting to understand how to deploy the funding, a delay that could have been reduced with a more structured implementation of CDBG-DR via permanent authorization.

Second, delays in implementation of CDBG-DR must be reduced if the program is to be of the greatest value to jurisdictions as they attempt to recover from major disasters. Without a permanent legislative authorization and implementing regulations, CDBG-DR timelines will likely be negatively impacted by the recurring need to develop Federal Register Notices to govern the use of the funds. The upper half of this graphic from the NCORR website demonstrates the elongated timeline associated with Federal actions on the Hurricane Florence allocation:



In describing this timeline, NCORR notes that 500 days elapsed between Florence’s landfall until HUD was able to issue the Federal Register Notice governing the CDBG-DR funds allocated to address recovery needs associated with that disaster. Half that time was associated with the period from landfall until enactment of an appropriation and the other half from appropriation to Notice issuance.

Focusing on the second half of that equation, permanent authorization of CDBG-DR will enable HUD to issue standing regulations which should reduce delays arising from the internal Federal “friction” that arises in the development of these Notices. Further, permanent regulations will give CDBG-DR recipients confidence to begin planning more quickly post-disaster based on an assurance that there will not be policy changes that could negate planning efforts in support of a rapid program launch. While HUD recently indicated that it intends to issue a CDBG-DR “universal notice”, it seems like a soft alternative to a well-structured, publicly reviewed regulatory structure.

Third, establishment of a front-end CDBG-DR funding mechanism that provides, at a minimum, early planning funding as a predicate to a larger award would be exceptionally useful as a component of any permanent authorization. This would enable grantees to begin the necessary procurement and staffing efforts that are necessary to successfully implement a CDBG-DR

program. It is important to understand that many states do not have an appropriate structure to effectively manage CDBG-DR allocations which may total hundreds of millions of dollars and thereby dwarf annual CDBG allocations. Extensive back-end operations must be put in place rapidly to ensure a successful CDBG-DR launch and it would be best to fund these actions with CDBG-DR funds. In sum, early planning funding paired with aggressive technical assistance efforts through HUD seem like essential tools in delivering CDBG-DR benefits to disaster-stricken communities and households.

One final point that is important to me based on my experience in North Carolina is to recognize that some areas of the nation are repeatedly impacted by disasters. This was the case in North Carolina regarding hurricanes Matthew and Florence and the appropriations language got in the way of being able to use the Matthew-related CDBG-DR funding to help deliver a rapid response to Florence. Any authorization bill should take care to allow a degree of fungibility between qualifying events to address emerging post-disaster needs in real time and to minimize standards that require attributing repetitive damage to particular events and their respective funding stream.

This hearing has been triggered by the introduction of S. 2471, the *Reforming Disaster Recovery Act*, by a bipartisan group of senators. In the absence of a broader examination of long-term disaster recovery policies at the Federal level, it is important to deal with the reality that CDBG-DR has been funded continually over the past three decades. Overall, S. 2471 addresses the points I have raised in this statement and deserves your consideration as a significant step forward that will address the timing problems that have plagued CDBG-DR implementation.

Congress may choose not to fund CDBG-DR in the future but considering the track record, we should assume that it will continue to be part of Federal disaster recovery efforts. The prudent move would be to create a permanent structure for CDBG-DR in pursuit of better and more responsive performance for the nation's disaster impacted communities.

Thank you for this opportunity to appear before the Committee and I look forward to addressing any questions that you might have.