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Statement by

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before the

Subcommittee on Economic Development,
Public Buildings, and Emergency Management
Committee on Transportation and Infrastructure

U.S. House of Representatives

March 4, 2010

Chairwoman Norton, Ranking Member Diaz-Balart, and members of the Subcommittee, I am Frank Cownie, Mayor of Des Moines, Iowa. I am a member of the U.S. Conference of Mayors Stafford Act Reform Task Force, chaired by Mayor Nagin, and also serve as Chair of the organization's Metro Economies Committee. I am honored to have the opportunity to appear before you this afternoon.

Under Mayor Nagin's able leadership and that of our Vice Chair, Sacramento Mayor Kevin Johnson, our Task Force did a remarkable job of identifying the various Stafford Act provisions which caused problems for local officials trying to prevent, mitigate, and respond to disasters, and of developing recommendations intended to solve those problems. Today I would like to cover our recommendations regarding hazard mitigation and then talk a bit about our experiences in Des Moines relating to the flooding which occurred in June of 2008.

HAZARD MITIGATION RECOMMENDATIONS

Hazard mitigation measures have proven to be effective in reducing property damage, costs of repair and replacement, and loss of life. FEMA's Hazard Mitigation Grant Program provides funding to assist communities in implementing long-term hazard mitigation measures as they repair or rebuild following a disaster. Public facilities, critical infrastructure, and private homes and businesses can be retrofitted and hardened. New construction and development patterns can follow best practices to prevent the waste of future resources in repairing what could have been mitigated.

A Congressionally mandated study for FEMA estimated that \$4 can be saved for every dollar spent on mitigation. More funding should be made available for hazard mitigation after a disaster, and communities that are at high risk should have more funding and financial incentives for hazard mitigation programs available to them. Additionally, the entire hazard mitigation grant process should be streamlined so less funding is lost to complex and bureaucratic administration and more can be spent on the actual construction of safer structures. Specifically, the Hazard Mitigation Grant Program should be changed to:

- Provide the President discretion to increase the federal cost share to 100 percent for hazard mitigation, as in other disaster programs;
- Direct hazard mitigation funding to the impacted community in proportion to the damage done by the event;
- Make initial hazard mitigation funding available immediately, based on the Preliminary Damage Assessment (PDA) estimates;
- Under the Stafford Act's mitigation planning provisions, allow at-risk communities to be "pre-certified" to take initiatives that follow hazard mitigation guidelines, and to be reimbursed once post-disaster mitigation funding is available;

- Allow historically at-risk communities to annually register, or self-certify, that they have in place hazard mitigation eligibility components, i.e., adopted hazard mitigation plans and model codes for building, electrical, and fire, etc. to expedite the application process during times of disaster;
- Require 75 percent of the allowable administrative costs to be provided by the grantee to the subgrantees as funding for their implementation costs or as services performed by the grantee for jurisdictions without administrative capacity;
- Increase the amount of Hazard Mitigation Grant Program (HMGP) funding by 4 percent of the estimated aggregate amount of the grant for both state and local jurisdictions that have building codes consistent with, or more stringent than, the most recent nationally recognized model building codes if adopted within six years of the most recent version of that code;
- Allow for approval of an initial conceptual HMGP application that conforms to an approved Hazard Mitigation plan but does not require significant expense on a project that may ultimately not be approved;
- Allow the development costs of detailed design, engineering, environmental work, and cost-benefit analysis components of an HMGP application to be eligible for program funding;
- Permanently adopt the Demolish-Rebuild (Pilot) Program developed after Hurricanes Katrina and Rita and make it an eligible activity under HMGP;
- Institute use of cost-effective considerations based on geographic and historical data as a substitute for cost-benefit analysis formulas to streamline the application process and speed up mitigation project completion;
- Streamline criteria for environmental review for hazard mitigation to simplify the application process and speed up mitigation project completion;
- Institute a uniform state and federal application methodology for hazard mitigation to prevent inconsistencies and delays in the approval process;
- Allow for complete hardening of a facility impacted by the event, not just the broken element;
- Allow for consideration of local fire, building, and electrical codes in reimbursement of costs for replacement or repair of a structure or its mechanicals.

OUR EXPERIENCE IN DES MOINES

In June of 2008 Des Moines was threatened by serious flooding. We discussed our experience in Des Moines with the Task Force and, as a result, it recommended that disaster assistance funds

should also be provided to reimburse costs associated with preventive measures. Stafford Act pre-event funds are provided through annual grants to assist with preparations such as hardening of structures. Reimbursement should also be provided to jurisdictions that use resources to take urgent preventive measures to mitigate the effects of potential disasters which appear to be imminent threats. These measures, which could include precautionary evacuations and target-hardening of facilities or levees, should be covered even if the path of the threatening event changes or the preventive measures successfully mitigate the effects of the disaster.

In our experience in Des Moines, a vast majority of the disaster funds were allocated to and administered by the State of Iowa. This resulted in major delays in assisting disaster victims. The State had to set up administrative procedures, hire new staff, set up new tracking systems, and establish methods of communication and reporting. Many administrative rule changes were made, and are still being made, resulting in more delay and confusion. While this administrative model may be necessary in rural and unincorporated areas, many of the areas hardest hit are Entitlement Cities experienced in administering federally funded programs such as CDBG and HOME.

- Entitlement Cities, including the City of Des Moines, already have in place the administrative procedures and systems of financial accountability needed to administer these funds. Direct allocation to Entitlement Cities, as was done during the floods of 1993, would greatly increase efficiency without compromising accountability. A direct allocation made to the City of Des Moines in 1993 resulted in disaster victims receiving needed assistance much more quickly than they would have had they been required to wait around while rules were being created at the State level. Many victims of the last disaster in Iowa are still waiting for assistance.
- Due to the funds being allocated to the State, localities have had much less control over how the funds are spent in their communities. The State of Iowa set up specific programs and allocated funding based on Federal Emergency Management Agency (FEMA) and Small Business Administration (SBA) assistance received. This allowed little discretion to decide what is most critical at the local level. In Des Moines, for example, dealing with aging infrastructure is a high priority and a significant prevention and mitigation strategy, but limited competitive funds were made available for this activity at the State level.
- Direct allocation of disaster recovery funds to Entitlement Cities would allow for expedited assistance to victims and increased local control over priorities without jeopardizing administrative or financial accountability.
- We were unable to have direct access to know who in our community received FEMA or SBA assistance. This information would have been helpful in assessing where to concentrate outreach as well as to verify the amount received for the Duplication of Benefits process that is required under the Stafford Act.
- In our experience, FEMA recipients were unaware of the specific items their funds could be spent on (e.g., home repair versus personal property, etc.) or that they needed to keep

receipts. This has been a challenge in administering other disaster relief programs because, if they didn't keep receipts or didn't spend the funds on the right things (say a washer and dryer rather than paint and drywall), recipients may not qualify for other programs or will have to pay the difference. These are low income people and it is hard for them to come up with even a couple hundred dollars. When FEMA comes out for assessments and when funds are sent, there needs to be better communication regarding what the funds can be used for and the importance of keeping receipts.

- The online system that FEMA recipients can utilize to get a copy of their FEMA awards is cumbersome and hard to use. Many applicants could not use it to get their award letter and had to call FEMA and wait up to 30 days to receive a copy. Property owners need to be given clear and complete instructions up front from FEMA concerning the applicable uses of disaster awards and how said uses may later affect their DOB.
- The assessments that FEMA did in order to award funds seem to be all over the place. We had families awarded as little as \$60 when, in fact, they had thousands of dollars in repairs. We understand that FEMA is just the front line and that more assistance will be available, but many of the families in the Jumpstart program were not. Some took out payday or car title loans to pay for repairs that the FEMA funds did not cover.
- A key concept that isn't covered by the language involves coordination between FEMA and the U.S. Army Corps of Engineers (USACOE) in each and every event where both entities exercise jurisdiction. The absence of this coordination is particularly problematic for communities (not individual residents) that are told by FEMA that levee repairs, for example, are not a FEMA reimbursable expense (because they view this as a COE reimbursable expense), while the COE says the expense is COE non-reimbursable (because they view it as a FEMA reimbursable expense). Clearly, coordination that starts from the viewpoint of reimbursement to communities, without regard to the federal source of reimbursement, would be the better approach in support of local governments.
- The response time from FEMA is too slow. The floods occurred in June 2008, the final revised application was submitted in February 2009, and the grant was finally approved in April 2009. Communities should be able to obtain "pre-certification" from FEMA in order to proceed with acquisition, relocation, and demolition activities more quickly in order to assist property owners devastated in a disaster.
- The Birdland area of the City of Des Moines was substantially damaged by flooding due to a breach in the levee, but the area was not eligible for property acquisition under HMGP because it is protected by a levee. Since the Birdland area did not qualify for HMGP assistance, the City of Des Moines was forced to administer a locally funded flood buyout of 14 substantially damaged properties after the floods of 2008. The program was based on HMGP property acquisition guidelines, including acquisition, relocation, and demolition, and it was fully completed before the HMGP application process was completed. The HMGP program needs to be amended, or a different program needs to be established, to include these types of properties, as the impact on these properties was as severe as it was on properties eligible under HMGP. The

application process was tedious and time-consuming. Much of the supporting documentation should not have been necessary until after grant approval. Communities were given the option of using either of two separate BCA modules. After completing the BCA and writing the grant, the module used by our community was not the same as that used by Homeland Security. Even though either BCA module was to be allowable, our community was asked to complete the BCA using the new module, which generated new results and required a rewrite of the grant. After completing that, Homeland Security then asked our community to split the grant into two separate projects which required yet another rewrite.

- Grant administration is inefficient and overly time-consuming. After sending acquisition documents to Homeland Security in May 2009, our community was required to prepare supplemental model deed restriction documents in November 2009, after 11 of the 12 grant eligible properties were acquired. When we asked about the need, Homeland Security agreed it seemed strange, but FEMA required it anyway. This means that the City has to obtain additional signed documents from the previous owners. It seems if one document could handle the job, FEMA will require three.
- Our community had one property with ICC demolition coverage. Our initial assignment request to FEMA was sent in July 2009 and we were still waiting for confirmation of the assignment approval from FEMA in December 2009. This has taken multiple phone calls, faxes, emails, and letters from both the property owner and City staff for what should have been one simple assignment request.
- It is often difficult to understand the rules of FEMA involvement in the midst of a disaster, and it is often difficult to determine who our city should use as a FEMA point of contact having authority to represent the agency during a disaster.

Thank you for the opportunity to testify on this important matter. I will be happy to try to answer any questions you might have.