Chairman McCaul, Ranking Member Thompson, and members of this Committee, thank you for inviting the Department of Housing and Urban Development (HUD) to discuss our efforts to assist the people of Texas recover from Hurricane Harvey.

Before Harvey even made landfall, HUD’s Washington and Texas offices were working with the Federal Emergency Management Agency (FEMA) and Governor Greg Abbott’s office on response and recovery preparation. HUD staff was immediately sent to FEMA’s Regional Office in Denton, Texas, and then to its Joint Field Office in Austin to coordinate efforts with federal, state, and local partners.

There has been exemplary collaboration, cooperation, and communications between HUD and FEMA, the Governor’s office, the Texas General Land Office (GLO), and other federal and local partners. HUD is in constant contact with Governor Abbott, GLO Commissioner George Bush, FEMA Field Coordinating Officer Kevin Hannes, Senior Deputy Director of GLO’s Community and Revitalization Office Pete Phillips, and Chair of the Governor’s Commission to Rebuild Texas John Sharpe.

**HUD’s Initial Response**

In the response phase of a disaster, FEMA, not HUD, is the federal agency responsible for providing emergency, short-term housing assistance through its Individual Assistance (IA) and Transitional Sheltering Assistance (TSA) programs. HUD’s primary disaster assistance, the Community Development Block Grant-Disaster Recovery (CDBG-DR) grant, is intended to facilitate long-term recovery needs after all other disaster assistance – from FEMA, the Small Business Administration (SBA), other federal agencies, the National Flood Insurance Program, and private insurers – has been exhausted. CDBG-DR funds are designed to address unmet needs as communities work towards their long-term recovery strategies.

However, there are steps HUD can and did take in the wake of Hurricane Harvey. Immediately after a presidentially declared major disaster, HUD offers states and local governments, homeowners, public housing authorities, and private owners of HUD assisted housing certain program flexibilities to assist the urgent needs of families impacted by the disaster.

Some of those flexibilities include:

- Providing state and local units of government the ability to redirect their existing block grant assistance to meet the urgent needs of their citizens;

- Offering and simplifying the notification process for 19 regulatory and administrative waivers aimed at cutting red tape in the disaster recovery process. For example, HUD
reduced red tape by reducing the comment period on certain HUD formula funding from 30 days to seven days, suspending rules to allow CDBG grantees to replace affordable housing units that were lost as a result of the hurricanes and flooding, suspending the cap limiting CDBG expenditures for public services to 15 percent, and allowing CDBG grantees to pay for additional support services for individuals and families affected by the hurricanes; and

- Immediately issuing a 90-day foreclosure moratorium for homeowners with mortgages insured by the Federal Housing Administration (FHA). FHA subsequently extended this moratorium until February 21, 2018, and even introduced a new option to help struggling homeowners remain in their homes through an interest-free second loan covering up to 12 months of missed payments. All of this is done to give borrowers the breathing room they need to stay in their homes and begin to rebuild.

The work of HUD’s staff has been commendable. They worked tirelessly with FEMA to rapidly rehouse Texans, many of whom lost everything. Working together, they managed to secure temporary – and, in many cases, permanent – housing for survivors.

Moreover, nearly 100 HUD employees from other parts of the country volunteered to help Texas families, deploying to FEMA’s Joint Field Office, emergency shelters, and Disaster Recovery Centers.

HUD played an integral role in initial response and recovery and will continue to support, along with the help of Congress, the people of Texas through the long-term recovery process.

**Disaster Strike Team**

HUD created a *Federal/State Long-Term Recovery Strike Team* last November to support the long-term planning needs of smaller, more rural areas severely impacted by Harvey. The concept was simple: reach out to these communities, cut red tape, and get them help. HUD did not ask that they travel to Austin or Fort Worth – HUD went to them. The strike team brought together top leaders from other federal agencies, along with disaster recovery staff and emergency management officials from the state, with local partners to raise awareness of available federal resources and share best practices.

**Long-term Disaster Recovery**

Mr. Chairman, at some point following a major disaster like Harvey, response must give way to recovery. It is during the disaster *recovery* phase when HUD plays a larger, more direct role, as the Coordinating Agency for the Housing Recovery Support Function (RSF).

On September 8, 2017, President Trump signed legislation that appropriated $7.4 billion through HUD’s CDBG-DR program. HUD promptly allocated $5 billion of these funds to the State of Texas to help hard-hit areas recover.
In allocating CDBG-DR funds, HUD relies on information from FEMA and the Small Business Administration (SBA) on the number of seriously damaged homes that lack insurance and businesses that failed to qualify for SBA’s disaster loan program. HUD’s analysis found approximately 65,000 which had serious damage that was not covered by other funding sources. Similarly, more than 4,000 businesses suffered serious damage from flooding that was not covered by insurance or other resources.

CDBG-DR grants support a wide variety of activities including housing redevelopment, business assistance, and repair of damaged infrastructure. Congress directed HUD to make these funds available for residents in the “most impacted and distressed” areas in the state. In early February, HUD published a notice identifying these hard-hit areas requiring that 80 percent of the $5 billion be targeted to 16 East Texas counties: Harris, Jefferson, Orange, Galveston, Fort Bend, Brazoria, Montgomery, Liberty, Hardin, Chambers, Aransas, Wharton, San Patricio, San Jacinto, Nueces, and Victoria, and 11 Zip Codes with relatively concentrated damage.

In addition, HUD staff contacted hundreds of local public housing authorities throughout Texas and private owners of HUD assisted multifamily rental housing to determine their damage and continues to work with the public housing authorities and private owners to rebuild these affordable rental housing units. HUD is committed to working with state, local, and private sector partners to address the unmet housing needs of all families including individuals with disabilities.

**Recovery Planning**

Unfortunately, Texas is no stranger to natural disasters, and that means the state, through the GLO, has considerable expertise in administering CDBG-DR.

To date, HUD made two CDBG-DR allocations to the state in response to Harvey – the $5 billion previously mentioned and an additional $58 million remaining from a prior appropriation. The GLO submitted a plan for the $58 million and is currently preparing an action plan for the $5 billion that will be informed by public comments received from Texas citizens. Once finalized, this plan will be submitted to HUD for review. HUD will expedite its review and approval of these plans to ensure the funds are put to work on behalf of the people as quickly as possible.

In February, President Trump signed a budget agreement that included $28 billion in CDBG-DR funding to support long-term recovery in areas impacted by disasters in 2017, as well as mitigation investments in areas that experienced disasters dating back to 2015. Congress directed HUD to allocate these funds quickly and that is precisely what HUD intends to do. Very shortly, HUD will announce an allocation of disaster recovery funds consistent with statutory directives. Texas will share in this funding based on the Department’s analysis of unmet housing, business and infrastructure needs.

In closing, our prayers continue to be with those families and individuals still recovering from these devastating hurricanes. HUD will continue to work with Congress and alongside local partners to ensure the long-term housing recovery needs of the people of Texas are met. I thank
you for the opportunity to be here on behalf of HUD today Mr. Chairman, and I would be more than happy to answer any questions you or the Committee members may have at this time.

###