

March 10, 2020

The Honorable Brian Schatz
United States Senate
Washington, DC 20510

Dear Senator Schatz:

Thank you for introducing S. 2301, the “Reforming Disaster Recovery Act,” which would help communities and companies modernize and build resilient infrastructure for the future. This important legislation would permanently authorize the Office of Disaster Recovery and Resilient Communities and provide disaster assistance under the Community Development Block Grant (CDBG) program. Resilience and mitigation spending pays back to the taxpayer more than \$11.00 for every \$1.00 invested.¹ Resilience and predisaster mitigation is good public policy that is good for the environment and the economy.

As the legislative process continues, we believe S. 2301 should be improved to:

- **Establish a specific predisaster mitigation fund.** As Congress directed 6% of Stafford Act funds to predisaster mitigation, we urge you to include similar provisions under the CDBG-Disaster Recovery program. Further, the bill should clarify the allocation for mitigation section to specifically support predisaster mitigation to leverage with FEMA’s existing competitive grant program for predisaster mitigation.
- **Encourage coordination among relevant federal and state agencies.** State development officials who manage CDBG priorities should engage with the numerous state officials involved in resilience, including state emergency managers, homeland security advisers, insurance commissioners, various public safety and fire, transportation, energy, water, and natural resources agencies to align priorities and strategies. Officials should also integrate with regional resilience plans. Coordination must also occur among the relevant federal energy, small business, transportation, and water

¹ Research recently published by the National Institute of Building Sciences (NIBS) found that building to the current (2018) common model building code standards as opposed to the model codes from the 1990s returns an average of \$11 for every dollar (11:1) invested predisaster and presents a range of other benefit-cost ratios by disaster type.

agencies and state development officials to ensure appropriate selection of effective predisaster mitigation projects and alignment with existing disaster recovery and postdisaster mitigation efforts.

- **Incentivize and institutionalize resilience.** Additional funding, technical assistance, and other benefits should be provided to states and communities that are most active in implementing predisaster mitigation, including green infrastructure and other nature-based solutions.
- **Pilot small business planning grants.** Sixty-five percent of small businesses have no continuity plans in place. Grants should be made available to catalyze strategic planning among small businesses ahead of the next disaster. We support your proposal to promote collaboration among the SBA, FEMA, and HUD to develop a common application to make it easier for small businesses to access funding.
- **Provide flexibility for mitigating flood risk.** Instead of specific elevation requirements for structures located in flood-prone areas, we urge you to require the evaluation of potential flooding throughout the planned, design lifetime of structures. Similar to the approach taken in the National Defense Authorization Act for 2020, this approach could include requiring project plans to account for expected flood heights.
- **Ensure that projects be risk reducing and cost effective.** These federal taxpayer investments should be leveraged to reduce overall disaster risk and required to have a cost-benefit ratio of 1.0 or greater to ensure an appropriate return on that investment.
- **Require all expired and unspent funds be recaptured for mitigation and resilience projects.** Many communities are awarded CDBG-DR funding, which remains unspent. Expired, unspent funding should be reallocated and competitively awarded to states and communities for predisaster mitigation.
- **Encourage the use of American National Standards when referring to consensus-based codes.** The American National Standards Institute (ANSI) accredits the process by which other organizations in the United States create standards and is recognized as the “gold seal” for standards development. CDBG would benefit from taking advantage of the latest editions of voluntary, consensus standards, in particular those designated as American National Standards, in its predisaster mitigation efforts.

We welcome the opportunity to discuss these issues with you and your staff.

Sincerely,

BuildStrong Coalition
Center for Climate and Energy Solutions
International Association of Plumbing and Mechanical Officials
Mississippi River Cities and Towns Initiative
U.S. Chamber of Commerce

cc: Members of the House Committee on Financial Services
Members of the Senate Committee on Banking, Housing, and Urban Affairs