

United States House of Representatives
Committee on Financial Services
Subcommittee on Oversight and Investigations

Testimony from Stephen C. Costello, P.E

Subject: Community Development Block Grant – Disaster Relief Program, Stakeholder Perspectives

Good morning Mr. Chairman and Honorable Committee Members:

My name is Stephen Costello and I am the Chief Resilience Officer for the City of Houston. I am here today on behalf of our Mayor Sylvester Turner and I thank you for the opportunity to share my perspective regarding the Community Development Block Grant – Disaster Relief Program.

My work in the storm water and floodplain management fields began in 1977, when I was employed as a civilian by the U.S. Army Corps of Engineers. Several years later, I entered the private consulting industry which led to the start of my engineering firm in 1991. In 2009, I was elected to serve in Houston's City Council as an At-Large Council Member. I served for 6 years where I advocated for infrastructure investments and was instrumental in the passage of Renew Houston, a dedicated fund for storm water drainage investment. In 2015, facing term limits, I unsuccessfully ran for Mayor and subsequently returned to private practice.

During the early months of Mayor Turner's tenure, I was honored for his consideration for the possibility of my return to the city. During this time, the city had experienced the Tax Day Flood on April 16th, 2016, its third massive flood event in less than 18 months. As a result, I joined the Mayor's staff as the Chief Resilience Officer and was tasked to focus on flooding and drainage issues. Publicly, the Mayor gave me the title Flood Czar. Currently, my main duties are to be the interface between external agencies - County, State and Federal - and internal city departments for flooding and drainage projects.

With respect to the topic under consideration by this Subcommittee, I respectfully offer these comments based on recent experiences with Hurricane Ike and 2015 flood recovery funds. Upon assuming my current position, I was asked to assist in completing several infrastructure projects identified in the 2008 Hurricane Ike Disaster Relief Action Plan. These projects are still ongoing and are expected to be completed by June 2019, 12 years after the hurricane. Several reasons can be attributed to the delay; however, the primary issue is associated with the established flow of recovery funds from HUD to the State or local Metropolitan Planning Organization (MPO), and ultimately to the city.

A more positive experience has demonstrated the success of direct allocation. In 2016, the city received a \$66.5 million-dollar direct allocation from HUD for assistance in the 2015 floods recovery. The approved action plan distributed the funds among infrastructure, home repair, housing buyout, and planning and administration activities. In May 2017, Congress allocated an additional \$20.5m directly to the city for infrastructure and administrative expenses. Having the direct allocation of \$87.0m afforded the city the opportunity to expediate projects in affected areas. For example, by working closely with Harris County Flood Control District, we have been able to leverage the housing buyout dollars with the existing Harris County buyout program. Additionally, the city has leveraged funding by collaborating with Harris County on drainage infrastructure projects in Spring Branch, where both agencies share the cost of construction. Finally, two residential areas, where the city planned SWAT projects, were expanded further utilizing HUD funds to increase the service area and provide greater drainage relief. The SWAT, or Storm Water Action Team, is structured to complement major capital improvement projects to address localized urban drainage challenges in a shorter timeframe. Through this process, our office anticipates these projects will be completed within 3 - 5 years.

The comparison of the Ike recovery and 2015 flood recovery demonstrates how direct allocation has been more efficient for project delivery and completion as it removes multiple layers of involvement in the management of recovery funds. Still, it is important to recognize that the success of the action plan implementation may also be attributed to the level of expertise of the recipient. While smaller municipalities could continue to benefit from the important role the State and/or local MPO play, the City of Houston, as the 4th largest city in the United States, has a Public Works staff exceeding 4000 people with proven disaster recovery-related expertise for action plan implementation and project delivery.

Thank you for the opportunity to testify before the Subcommittee on Oversight and Investigations this morning and I look forward to any questions from the Chair or Committee Members.

Stephen C. Costello
Chief Resilience Officer
City of Houston