

**Testimony of Chrishelle Palay,  
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Presented to the Subcommittee on Oversight and Investigations

Committee on Financial Services

United States House of Representatives

“Ensuring Equitable Delivery of Disaster Benefits to Vulnerable Communities and Peoples: An  
Examination of GAO’s Findings of the CDBG Program”

January 19, 2022

On behalf of the Houston Organizing Movement for Equity, I would like to thank Chairman Green and Ranking Member Barr for the opportunity to testify before you today on behalf of vulnerable communities impacted by disasters in Texas. I am Chrishelle Palay, Coalition Director of HOME, which was created in response to Hurricane Harvey in Houston, Texas. HOME is a coalition of organizations that advocate for a just and equitable recovery working at the intersection of fair housing, labor, and environmental and climate justice. This coalition of 19 organizations works with impacted communities and other stakeholders by connecting real people’s issues to equity-based solutions to real people’s issues and holding decision-makers accountable. Disaster mitigation must be equitable, eliminating or reducing disparities between communities and ensuring that all people are better protected and able to recover from future disasters, whatever form they may take.

It’s been 4 years since Hurricane Harvey and the HOME Coalition continue working on behalf of families who still have not recovered from its wrath. Harvey may have been natural in its formation and the way it hit Texas, but after the water dried up and the volunteers fatigued, its aftermath continues to linger much longer for people with fewer resources. While many people think of disasters as affecting everyone equally, regardless of race, ethnicity, income or wealth, we know that this is not the case, in part because of pre-existing disparities in infrastructure, storm protection, and geographic and social vulnerability. I don’t speak rhetorically or anecdotally. Not only have I been involved in disaster recovery advocacy efforts for over 10 years, but I also reside in one of the most flood prone and disaster impacted neighborhoods - Kashmere Gardens.

**Systemically Impacted Communities**

Much of my testimony will reflect my personal experience as a community leader, policy advocate, and resident of a directly impacted neighborhood to provide a clearer sense of how federal decisions play out locally. My involvement with disaster recovery advocacy began 10 years ago following Hurricanes Ike and Dolly, when a HUD approved a conciliation agreement between the state of Texas and advocates that compelled the state to plan for recovery by prioritizing low-income communities most vulnerable to disasters. Unfortunately, a decade later, the state of disaster recovery is unchanged and best practices have not been applied. Since then, my commitment to disaster recovery has become more personal. I am raising my family in Kashmere Gardens, a community where family roots were established over 60 years ago. This working class historically African American community, with a growing Latino population, is one of the poorest in Houston with an average median income of \$22,000 a year. It also happens to be the epicenter of a

flooding epidemic in Houston and Harris County. A network of failing open ditches throughout the area quickly fill to the brim during heavy rain. Houses leaning on cinder blocks, fading blue roof tarps, and abandoned homes and businesses are daily stark reminders that Kashmere Gardens is reeling from public and private disinvestment, redlining, and the lack of affordable housing. Floods and other disasters exacerbate these issues and the long road of inequities in federal disaster recovery can make matters worse. Many of my low income neighbors are now encountering endless roadblocks as they continue waiting for assistance over four years since Harvey.

### **Disaster Recovery Through The Lens of Impacted Community Members**

Low-income survivors are forced to navigate complicated recovery assistance programs like FEMA, HUD and SBA. While each agency offers a variety of assistance programs for individuals at varying income levels, no single agency has the sole responsibility and mission to assist low-income survivors. Storm survivors, especially those lacking financial security, are forced to determine where to apply for assistance and be prepared for likely denial. Households dependent on assistance must exercise extreme patience and remain in hazardous living conditions as they await federal declarations, disaster appropriation, program guideline requirement approvals, federal register notices, state and local action plan drafting and approval, and then the program application and implementation process. In addition to time restraints imposed by procedural processes, disaster relief programs are frequently delayed because of ongoing political debate creating more lag time for much-needed rebuilding in disaster-impacted communities.

Meanwhile, as CDBG-DR and MIT programs are designed and approved at various levels, households are urged to apply for FEMA assistance which has proven challenging for many. FEMA denial rates are high; fewer than half of applicants were granted assistance during the five months after Hurricane Harvey. When families are denied and feel this is unjustified, they can appeal the decision, but this adds to the wait time for help that is often needed immediately. Those with a safety net or enough financial means to cover immediate costs will be well on their way to recovery, while those without may be stuck for months or even years.

Following FEMA's individual application process for home repair, Texas homeowners whose award did not cover damages or were denied assistance often applied for General Land Office (GLO) administered FEMA funds through the PREPS program (Partial Repair and Essential Power for Sheltering) program. The stated intention of the program is to provide temporary repairs to owner-occupied single-family residences to allow homeowners to live in their homes as they complete permanent repairs. However, the homeowner experience and perception of PREPS is drastically different than General Land Office (GLO) official statements would lead one to believe. We observed several issues with the PREPS program, including administrative failings, poor communication with homeowners, inconsistent construction quality, and failure to address safety and health concerns. Homeowners regularly observed that all wet materials had not been removed from homes in the PREPS program. Failing to remove flooded materials led to active mold growth in several homes, and this created health hazards for families who lost their FEMA-funded hotel accommodations after PREPS repairs were completed.

Four years after Harvey, many homeowners who applied for home repair assistance have not recovered, despite applying for assistance through the City, County, or State. As applications are reviewed, and properties assessed, a substantial number of homeowners and renters have yet to recover. Residents in unrepaired homes continue living in black mold, position pots and buckets to collect rainwater from leaky roofs, and avoid rotted waterlogged wood floorboards. Many of those who applied for assistance from the City or County were given the option to transfer to the State repair program when GLO took control of the home repair program. Despite GLO's takeover, many homeowners who originally applied for assistance with the City do not have clear information about their status in either program. Some applicants were instructed to reapply, restarting the timely and tedious program with the State, while others are assured they have been approved for construction with the City. After enduring four years of disrepair and exposure to harmful environmental and health conditions, no resident should have to settle for ambiguous answers.

Tenants have also had their fair share of challenges in receiving adequate assistance in response to Hurricane Harvey. They have largely been left out of the funding allocation or programming. The State of Texas uses FEMA acceptance numbers to determine unmet need. FEMA's high threshold to prove need therefore disqualifies most low-income tenants for assistance. These tenants are not taken into consideration with Action Plans are drafted by the state of Texas. Instead, millions of funds are allocated to landlords and developers who will build apartments providing no guarantee for displaced tenants, or those living in dangerous living conditions, to relocate; and often at higher rents than before the disaster

While awaiting approval for federally funded assistance, storm survivors also seek help from nonprofit social service providers. Days after Hurricane Harvey struck and first responders completed search and rescue missions, foundations, celebrities, and religious organizations rallied the community to raise money. The Harvey relief groups raised a total of nearly \$1 billion. The funds were distributed to various nonprofits and the majority funded home repairs and total home rebuilds. To navigate this web of relief, survivors must be very savvy and know how to navigate a multitude of websites, phone numbers, and physical offices. Most of this hinges on having computer access to search for organizations offering assistance and then completing an online application. They also must be compelling storytellers and know how to pursue the help they need diligently. Those lacking time or the ability are often people with inflexible jobs, health issues, or families with young children. Disproportionately, these are people of color. And if they are unable to navigate the maze, they are unlikely to get the help they need. Those millions of dollars will be spent elsewhere and will likely reward those with the most capacity to navigate this system, not the most in need.

### **HOME's Observations & Recommendations**

Over the past four years, HOME Coalition has worked with grassroots organizations whose community members continue to be trapped in the institutional complexities of disaster recovery. As issues are raised with local and state grantees, it is clear that the jurisdictions also face ongoing internal challenges in administering and spending disaster recovery resources in a way that truly targets vulnerable communities. The current lack of coordination among disaster recovery and mitigation agencies and grantees has led to systemic administrative devolution to multiple levels

and types of governments and agencies with varying levels of capacity that delays and makes disaster recovery less effective for communities. A dedicated, single agency must be established to address the needs of low-income survivors through the ENTIRE course of disaster response and recovery. The City of Houston spent only 1.8 percent of its \$1.275 billion sub-allocation, which caused massive delays in assistance for community members that needed it most. Despite the ongoing debate between City and GLO, this fact further demonstrates the need for intentional agency collaboration, a reliance on past disasters, and the lessons learned from them to inform program planning and ensure pre-existing capacity. There is no reason all recovery efforts should be starting from scratch every time. The frequency with which disasters are occurring and becoming more destructive is grounds for a massive overhaul of how federal and regional agencies respond to and manage the unique circumstances of disaster recovery.

The following are recommendations for consideration:

1. FEMA and HUD need to coordinate their programs to create a more equitable and efficient disaster recovery system. Consider holding a joint hearing with witnesses from both FEMA and HUD to explore gaps and opportunities for coordination between agencies in serving low-income and marginalized communities.
1. Require grantees to prioritize racial and social equity in disaster recovery and mitigation programs. In doing so, the number of people or housing units protected should be used as a metric instead of the current cost/benefit analysis. Historic inequities existing prior to the disaster must be addressed so that more vulnerable communities can better recover.
2. Mitigation planning must include input from the most affected communities, and community engagement processes must recognize that these are the least able to participate in conventional processes. For example, families may not be able to take time off work or afford childcare to attend meetings. Also, some do not have internet access necessary to respond to online surveys, nor do they have access or political power that ensures local elected officials are responsive to their needs. HUD must require specific efforts to do outreach to these communities, and ensure that they have as much input as wealthier communities with the resources to engage at a high level.
3. Buyout and relocation programs must provide low-income families with enough resources to have a meaningful choice to move to areas that suit their needs. Buyout programs must also involve communities in planning to keep community networks together and mitigate wider risks.
4. Risks from industrial and hazardous uses must be mitigated. The elevated level of risk to communities, often communities of color, located near these hazards is a critical problem exacerbated by natural disasters.
5. Adopt general standards to guide disaster recovery and mitigation efforts that center community's basic human rights, dignity and autonomy that are key to storm survivors' equitable recovery, including:
  - a. The RIGHT TO STAY and return home to neighborhoods that have adequate storm protection and other essential public infrastructure — especially in neighborhoods

that have experienced longstanding public and private disinvestment. Renters, including those in subsidized housing, must have a right to stay in and return to safe and accessible housing.

- b. The RIGHT TO CHOOSE whether and where they want to relocate. Survivors must be informed of all housing opportunities and options available to them, and not be forced to return to unsafe places
- c. The RIGHT TO EQUAL TREATMENT. Every neighborhood — regardless of the race, ethnicity, economic status, or disability of its residents — must be provided, equitable levels of quality flood protection and equal access to essential public infrastructure.
- d. The RIGHT TO HAVE A SAY. We must ensure that people in forgotten communities are included and their feedback is seriously considered. Survivors must help design the recovery, know where they are in the process, and be empowered to speak and be heard, in their own language.

### **Conclusion**

The country's resilience in the face of more frequent and severe disasters depends on the equitable delivery of disaster benefits to vulnerable communities and peoples that are disproportionately vulnerable to and affected by natural disasters and climate change. These communities must be able to withstand and recover from disasters quickly, in a way that not only mitigates future damage and vulnerability, but in a way that goes beyond physical infrastructure. Low-income communities and communities of color are disproportionately affected by and have a more challenging time recovering from a disaster because of geographic and social vulnerability forced on them by segregation, discrimination, and the cumulative effects of previous disasters on wealth and access to opportunity. Improving the quality of life for existing residents and making them more resilient to other shocks, including economic stress that can push middle and working-class families into poverty following a disaster, is at the core of our concern for equity in mitigation programs. The United States is already confronting the stresses of climate change, inequality, and aging infrastructure and facing a future that promises sea level rise and more devastating and frequent natural disasters. Building resilience and mitigating hazards empower local, state and federal leadership to invest in communities, positioning them to emerge in stronger positions after tough times and live better in good times.

Thank you again for the opportunity to testify today and I look forward to your questions and working with you to address these longstanding issues of equitable delivery of disaster benefits.