

The Hurricane Sandy Rebuilding Strategy: In Brief

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Background

On the evening of October 29, 2012, Hurricane Sandy, the second-largest Atlantic storm on record, made landfall in southern New Jersey. The consequences of the storm included at least the deaths of 159 people, over 23,000 people who required temporary shelters, 8.5 million customers who were left without power, approximately \$65 billion in damages, and 650,000 homes that were damaged or destroyed.¹

As with other major natural disaster events, some Members of Congress responded to Hurricane Sandy by holding a series of hearings to gather information² and visiting the affected region to assess the damage and to confer with state and local officials. On January 29, 2013, Congress passed the Disaster Relief Appropriations Act, 2013 (P.L. 113-2), a \$50.5 billion package of disaster assistance largely focused on responding to Hurricane Sandy.³ The Disaster Relief Appropriations Act, 2013, provided supplemental funding to over 66 different accounts and programs, including \$16.0 billion for the Community Development Block Grant (CDBG) program, \$11.5 billion for the Disaster Relief Fund, \$10.9 billion for the Public Transportation Emergency Relief Program, and \$5.4 billion total for disaster-related activities of the U.S. Army Corps of Engineers (pre-sequester).⁴ In addition, the Sandy Recovery Improvement Act of 2013 (SRIA), passed as Division B of P.L. 113-2, reformed key provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act, P.L. 93-288 as amended).⁵ The supplemental appropriation was also preceded by Congress providing an additional \$9.7 billion in borrowing authority for the National Flood Insurance Program (NFIP) in P.L. 113-1 on January 6, 2013.

This report briefly analyzes the Hurricane Sandy Rebuilding Strategy (HSRS), which is the key strategic document released by the Hurricane Sandy Rebuilding Task Force established by executive order. The HSRS has 69 different recommendations meant to guide the regions' recovery from the disaster. This report also discusses overarching issues for Congress that may arise in oversight of the Hurricane Sandy recovery process and how lessons learned from Hurricane Sandy can be applied to future disasters. This report will be updated as warranted by

¹ Extensive descriptions of Hurricane Sandy and its impacts can be found in Hurricane Sandy Rebuilding Task Force, *Hurricane Sandy Rebuilding Strategy: Stronger Communities, a Resilient Region*, Washington, DC, August 2013, pp. 18-22, at <http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf>; and at Federal Emergency Management Agency, *Hurricane Sandy FEMA After-Action Report*, Washington, DC, July 1, 2013, p. 7, at <http://www.fema.gov/media-library/assets/documents/33772>.

² As examples among many, see U.S. Congress, Senate Committee on Appropriations, Subcommittee on Department of Homeland Security, *Hurricane Sandy: Response and Recovery*, 112th Cong., 2nd sess., December 5, 2012 (pre-published) and U.S. Congress, House Committee on Transportation and Infrastructure, *A Review of the Preparedness, Response to and Recovery from Hurricane Sandy*, 112th Cong., 2nd sess., December 4, 2012 (pre-published).

³ Though a majority of the funding was specifically made available for Hurricane Sandy, some of the funding was authorized to be used for disasters besides Hurricane Sandy. For example, funding provided to HUD for the Community Development Block Grant (CDBG) program was authorized to be used for Hurricane Sandy and other eligible disaster events occurring during calendar years 2011, 2012, and 2013.

⁴ For a full analysis of the supplemental funding enacted by Congress, and how it compares to the Administration's request submitted on December 7, 2012, please see CRS Report R42869, *FY2013 Supplemental Funding for Disaster Relief*, coordinated by William L. Painter and Jared T. Brown.

⁵ For a detailed review of SRIA, Division B of P.L. 113-2, please see CRS Report R42991, *Analysis of the Sandy Recovery Improvement Act of 2013*, by Jared T. Brown, Francis X. McCarthy, and Edward C. Liu.

significant events in the implementation of recommendations from the HSRS or the disaster recovery process from Hurricane Sandy in general.

E.O. 13632 and the Hurricane Sandy Rebuilding Strategy (HSRS)

In response to the devastation resulting from Hurricane Sandy, President Barack Obama issued Executive Order (E.O.) 13632, *Establishing the Hurricane Sandy Rebuilding Task Force*, on December 7, 2012.⁶ The Task Force was charged with coordinating federal interagency efforts to guide a successful rebuilding process following Hurricane Sandy. Chaired by the Secretary of Housing and Urban Development, Shaun L. S. Donovan, the Task Force included members from 27 different federal executive branch agencies and White House offices.⁷ As Chairperson of the Task Force, Secretary Donovan was tasked with, among other things, working with states, tribes, local governments, Members of Congress, other stakeholders and interested parties, and the public on matters pertaining to rebuilding in the affected region.⁸ The Task Force was supported by an advisory group composed of many state, tribal, and local elected leaders from the most severely impacted cities and towns in the region, with the majority of its members from New York and New Jersey.⁹ The Department of Housing and Urban Development (HUD) also created a Project Management Office (PMO) to help manage the activities of the Task Force.

The primary task of the Hurricane Sandy Rebuilding Task Force, as mandated by Section 5 of E.O. 13632, was the development and issuance of the Hurricane Sandy Rebuilding Strategy. Released in August 2013, the HSRS is a wide-ranging, lengthy policy document that includes 69 different recommendations for a long-term recovery plan across eight major policy areas. As shown in **Table 1**, 52 of the 69 recommendations reported in the HSRS were “adopted” by the time the HSRS was released—generally meaning that they are currently in effect for the Hurricane Sandy recovery process or soon will be applied for Sandy and other future disasters. The remaining 17 recommendations were reported as being “in process” or “underway”—generally meaning that they required significant further action by either executive branch agencies or Congress to be applied to Hurricane Sandy or future disasters.

The HSRS’s recommendations vary from being relatively broad (e.g., “Ensure that Sandy recovery energy investments are resilient”) to relatively specific (e.g., “Increase SBA’s [the Small Business Administration’s] unsecured disaster loan limits and expedite the disbursement of small dollar loans”).¹⁰ There is considerable breadth to the types of issues covered by the recommendations: some recommendations are orientated to improving internal federal government procedures for a better disaster recovery process;¹¹ others relate to how federal

⁶ Executive Order 13632, “Establishing the Hurricane Sandy Rebuilding Task Force,” 77 *Federal Register* 74341, December 14, 2012.

⁷ For membership details, see Hurricane Sandy Rebuilding Task Force, *Hurricane Sandy Rebuilding Strategy: Stronger Communities, a Resilient Region*, Washington, DC, August 2013, pp. 196-198, at <http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf>. Henceforth referred to as the HSRS in footnotes.

⁸ Section 2(b)(i) of E.O. 13632.

⁹ HSRS, pp. 8-9.

¹⁰ Respectively, these are recommendations 12 (p. 62) and 42 (p. 103) of the HSRS.

¹¹ For examples, see especially those relating to federal government data sharing, recommendations 62 to 67, pp. 140 - (continued...)

assistance should be expended;¹² while some others address perceived vulnerabilities in the region's infrastructure;¹³ and other topics. In their totality, the set of 69 recommendations of the HSRS represent the Administration's strategic vision in support of the Hurricane Sandy rebuilding process, including how federal funds should be expended, how federal agencies should synchronize their efforts, and how the region can leverage the recovery process from Hurricane Sandy to prepare for future disaster risks.

The Task Force terminated 60 days after the date of publication of the HSRS as it was required to do so by E.O. 13632 (termination was on October 18, 2013).¹⁴ As mandated by executive order, the Federal Emergency Management Agency (FEMA) assumed the majority of the coordinating role previously played by the Task Force. FEMA is working in cooperation with HUD and other lead agencies for the Recovery Support Functions (RSFs) established by National Disaster Recovery Framework (NDRF).¹⁵

Under the NDRF, there are six RSFs, each of which is coordinated by an interagency body called the Recovery Support Function Leadership Group (RSFLG).¹⁶ The six RSFs are:

- Community Planning and Capacity Building, coordinated by FEMA;
- Economic, coordinated by the Department of Commerce;
- Health and Social Services, coordinated by the Department of Health and Human Services;
- Housing, coordinated by HUD;
- Infrastructure Systems, coordinated by U.S. Army Corps of Engineers; and
- Cultural and Natural Resources, coordinated by Department of the Interior.

Thus, even though the Task Force itself has formally disbanded, considerable interagency coordination remains necessary to implement of the recommendations of the HSRS.

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147 of HSRS, but also the recommendation for the Small Business Administration to build a "Disaster Preparedness and Operations Team to help SBA district offices apply consistent support and access to assistance for disaster survivors (recommendation 35, p. 96 of HSRS).

¹² For examples, see the recommendation to use an allotment of federal public transportation emergency relief funds for "supporting larger, stand-alone resilience projects in the region" (recommendation 18, p. 69 of HSRS) or the recommendation to require grantees of the Community Development Block Grant program to support affordable public housing units (recommendation 28, p. 85 of HSRS).

¹³ For examples, see the recommendation to create and manage an infrastructure resilient design competition to "help provide solutions to problems that are too large or too complex for individual towns to solve themselves" (recommendation 3, p. 44 of HSRS) or the recommendation to encourage increased hazard mitigation activities to reduce future insurance and infrastructure losses (recommendation 54, p. 121 of HSRS).

¹⁴ Section 6(e) of E.O. 13632.

¹⁵ See Department of Homeland Security, *National Disaster Recovery Framework*, Washington, DC, September 2011, at <http://www.fema.gov/pdf/recoveryFramework/ndrf.pdf>.

¹⁶ RSFs are akin to the more commonly known "Emergency Support Functions" of the National Response Framework. Support functions are essentially teams of federal agencies working together to accomplish a set of core capabilities in a particular mission area. For more on the history of the NDRF and these conceptual models, see CRS Report R42073, *Presidential Policy Directive 8 and the National Preparedness System: Background and Issues for Congress*, by Jared T. Brown.

Table 1. Categorization of Hurricane Sandy Rebuilding Strategy Recommendations as of August 2013

Topic Area as Defined by Task Force	Total Number of Recommendations	Number “Adopted”^a	Number “in process,” “underway,” or other	Example Recommendation from Topic Area
Promoting Resilient Rebuilding Through Innovative Ideas and a Thorough Understanding of Current and Future Risk	3	3	0	(2) Develop a minimum flood risk reduction standard for major Federal investment that takes into account data on current and future flood risk.
Ensuring a Regionally Coordinated, Resilient Approach to Infrastructure Investment	22	16	6	(16) Develop a resilient power strategy for wireless and data communications infrastructure and consumer equipment.
Restoring and Strengthening Homes and Providing Families with Safe, Affordable Housing Options	9	4	5	(31) Encourage and promote the Insurance Institute for Business and Home Safety (“IBHS”) FORTIFIED home programs/Resilience STAR development standards.
Supporting Small Businesses and Revitalizing Local Economies	16	12	4	(45) Raise awareness that Treasury’s State Small Business Credit Initiative (“SSBCI”) Program can be used for disaster recovery, including Hurricane Sandy recovery.
Addressing Insurance Challenges, Understanding, and Affordability	6	6	0	(55) Continue to assess actuarial soundness of decreasing premiums based on mitigation activities other than elevation.
Building State and Local Capacity to Plan for and Implement Long-Term Recovery and Rebuilding	5	5	0	(60) Package the variety of existing federal resources and tools related to disaster recovery and create new ones specific to community planning and capacity building in order to establish a coordinated suite of assistance that enhances and streamlines access to the recovery expertise needed by impacted communities.

Topic Area as Defined by Task Force	Total Number of Recommendations	Number “Adopted” ^a	Number “in process,” “underway,” or other	Example Recommendation from Topic Area
Improving Data Sharing Between Federal, State, and Local Officials	6	4	2	(65) FEMA, HUD, and SBA should adopt a common data sharing agreement template so that data requestors do not have to familiarize themselves with three separate forms. Attorneys and privacy officials from these agencies should meet to compare their current data sharing agreement formats and identify common boilerplate language that can serve as the basis for an interagency template. Once drafted, this template should then be distributed by each agency’s data sharing steward to the states.
Data Sharing and Accountability: The Program Management Office (PMO)	2	2	0	(69) Document the functions and processes used by the Task Force recovery in a “Program Management Office toolkit,” which could be quickly deployed in the event of future supplemental funding.
Total	69	52	17	

Source: CRS analysis of the Hurricane Sandy Rebuilding Task Force, *Hurricane Sandy Rebuilding Strategy: Stronger Communities, a Resilient Region*, Washington, DC, August 2013.

Notes:

- a. These numbers reflect the reported status of recommendations in the original publication of the HSRS in August 2013. Since that time, other recommendations may have been deemed by the Administration as being “adopted.” CRS has requested a formal update from HUD regarding the current implementation status of these recommendations but has not received one as of the date of publication of this document.

Overarching Issues for Congress

Each of the 69 recommendations included in the HSRS document may pose a set of unique issues for Congress. It is beyond the scope of this report to discuss the particulars of each recommendation, but several overarching issues for Congress relating to the HSRS and the Task Force are discussed below.¹⁷

Monitoring the Progress of the Rebuilding Strategy

Part of the mandate for the HSRS, as identified in Section 5 of E.O. 13632, was to develop “a plan for monitoring progress.” This objective is accomplished, as noted by the HSRS, through the creation of “implementation plans with major milestones for each recommendation and regular checkpoints for interagency coordination” as well as planned quarterly meetings co-chaired by the Secretaries of DHS and HUD and attended by other federal agency principals.¹⁸

In order to facilitate congressional oversight of the Hurricane Sandy recovery process, Congress may consider requesting from the Administration both regular briefings on these quarterly meetings and any available implementation plans for the individual recommendations. Further, the HSRS identified an entity called the “Sandy Recovery Tracking Team” as being responsible for monitoring the implementation of the rebuilding strategy. This Tracking Team has assumed significant responsibilities of the Project Management Office (PMO) of the Task Force.¹⁹ As with the PMO, the Tracking Team is largely resourced by HUD with the support of detailed staff from FEMA and other federal agencies. As outlined in the E.O. and discussed previously, the NDRF-established RSFs and RSFLG will be supported by the Sandy Recovery Tracking Team as it continues many of the responsibilities of the Task Force to coordinate and monitor recovery progress. It may be of benefit to Congress to evaluate the structure and composition of this Tracking Team to determine if it is sufficiently resourced to monitor the recovery progress.

Congress also included several provisions in the Disaster Relief Appropriations Act, 2013 (P.L. 113-2), to help monitor the progress and expenditure of funds. Specifically, Section 904 of P.L. 113-2²⁰ required federal agencies to submit internal control plans to the Office of Management and Budget, the Government Accountability Office, the agency’s Inspectors General and House and Senate Appropriations Committees for all supplemental funding provided to guard against waste, fraud, and abuse. In addition, the law designated all programs and activities funded through the legislation as “susceptible to significant improper payments” under the provisions of the Improper Payments Information Act of 2002 (IPIA).²¹ This designation requires federal

¹⁷ CRS is available to assist Members and Congressional staff as needed to discuss, analyze, or otherwise address particular recommendations.

¹⁸ See p. 155 of the HSRS. Secretary Donovan has reaffirmed this statement in the HSRS that there are specific implementation plans for each of the recommendations, and that he would be chairing cabinet meetings on quarterly basis to review progress. See primarily U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Housing, Transportation, and Community Development, *Recovering from Superstorm Sandy: Assessing the Progress, Continuing Needs, and Rebuilding Strategy*, 113th Cong., 1st sess., September 18, 2013 (pre-published).

¹⁹ For more on the activities Project Management Office, see pp. 148-154 of the HSRS.

²⁰ 127 Stat. 17

²¹ P.L. 107-300, *Improper Payments Information Act of 2002*, as amended by P.L. 111-204, *Improper Payments* (continued...)

agencies to estimate the annual amount of improper payments made under the program and submit the estimates to Congress annually. Congress also authorized the Recovery and Transparency Board, which was originally established to track funding through the American Recovery and Reinvestment Act of 2009, to develop and use information technology resources and oversight mechanisms to detect and remediate waste, fraud, and abuse in the obligation and expenditure of funds related to Hurricane Sandy.²² However, leadership for the Recovery and Transparency Board has indicated there are existing challenges in obtaining accurate and complete Hurricane Sandy spending data and sufficient sub-recipient data for Sandy-related contracts.²³ Despite these limitations, the Recovery and Transparency Board may help Congress and the Administration monitor and evaluate the Sandy recovery progress in the future.

Applicability of Recommendations to Future Disasters

A majority of recommendations made by the Task Force in the HSRS have been adopted or are in the process of being implemented for Hurricane Sandy. However, for the recommendations to apply to future disasters, many of them would require further action either by the executive branch, Congress, or state and local governments. For example, the Task Force recommended and adopted a single minimum flood risk reduction standard (i.e., a flood elevation standard) for major federal investments for Hurricane Sandy.²⁴ To be applicable for future disasters, the HSRS notes that the White House's National Security Staff will "coordinate a policy effort to update flood risk reduction standards for Federally-funded projects beyond the Sandy-affected region." This policy effort may involve significant revisions of existing rulemakings and internal policy guidance across several federal agencies, including DOT, EPA, FEMA, HHS, and HUD, before an effective minimum flood risk reduction standard is available for future disasters. For instance, HUD published a final rule with regard to this initiative on November 15, 2013.²⁵ This recommendation relating to flood risk reduction is one of many lessons learned by the Task Force that could, in theory, be applied by the executive branch to future disasters.²⁶ Other

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Elimination and Recovery Act of 2010. For more, see CRS Report R42878, *Improper Payments and Recovery Audits: Legislation, Implementation, and Analysis*, by Garrett Hatch.

²² For more on the Recovery and Transparency Board's activities related to Hurricane Sandy oversight, see one of their quarterly reports to Congress, Recovery and Transparency Board, "Quarterly Report to Congress on Activities Related to Hurricane Sandy Funds," April-June 2013, at <http://www.recovery.gov/About/board/Documents/Quarterly%20Report%20to%20Congress%20April%20-June2013.pdf>. For more on the history of the Recovery and Transparency Board, see CRS Report R40572, *General Oversight Provisions in the American Recovery and Reinvestment Act of 2009 (ARRA): Requirements and Related Issues*, by Clinton T. Brass.

²³ See the testimony of Kathleen S. Tighe, Chairperson of the Recovery Accountability and Transparency Board in U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Emergency Management, Intergovernmental Relations and the District of Columbia, *One Year Later: Examining the Ongoing Recovery From Hurricane Sandy*, 113th Cong., 1st sess., November 6, 2013 (pre-published).

²⁴ See recommendation 2 (p. 41) of the HSRS, and Hurricane Sandy Rebuilding Task Force, "Federal Government Sets Uniform Flood Risk Reduction Standard for Sandy Rebuilding Projects," press release, April 4, 2013, <http://portal.hud.gov/hudportal/HUD?src=/sandyrebuilding/FRRS>.

²⁵ Department of Housing and Urban Development, "Floodplain Management and Protection of Wetlands," 78 *Federal Register* 68719, November 15, 2013.

²⁶ Other examples that may require further action by the executive branch to be applied to future disasters include, but are not limited to: recommendations 21 and 22, on financing and valuing of green infrastructure (pp. 74-76); recommendation 28, on the use of CDBG-DR monies to support public housing (pp. 85); recommendation 52, on reducing consumer confusion over their risk and insurance coverage (pp. 116-118), and recommendation 62, on the creation of a central data repository for disaster-related information (pp. 140-141) of the HSRS.

recommendations may require congressional action to be applied to future disasters, especially recommendations relating to small business recovery.²⁷ Still others would require the cooperation of the tribal, state, and local governments in the region affected or impacted by a disaster.²⁸

Implementation of many of the recommendations for future disasters would require maintaining the impetus and political will engendered by Hurricane Sandy. Though each recommendation is subject to unique challenges, in general, effective implementation would require a coordinated regulatory and policy-review process among numerous federal agencies. Given many known and unknown future challenges that may arise in the next few years, Congress may wish to continue its oversight of the Sandy recovery process with an appreciation for the recovery process's impact on the nation's future disaster recovery capacity. Congress may also wish to develop specific legislative proposals, or request them from the Administration, to address statutory challenges raised during the process of implementing the recommendations of the HSRS. For instance, the HSRS recommends that federal agencies work to "Mitigate future impacts to the liquid fuels supply chain like those experienced during the Sandy recovery."²⁹ As the Administration implements this recommendation for future disasters, Congress may determine that new statutory authorities are required to encourage investments by the private sector to protect the liquid fuel supply, or that more grant funding is required to invest in mitigation measures for the supply chain, or that there are existing statutory impediments to the development of mitigation measures, or other legislative requirements.

Future Management of Long-Term Disaster Recovery Efforts for Other Catastrophes

Though the consequences and damages wrought by Hurricane Sandy were relatively unprecedented in the recent history of the impacted Northeast region, they were not without precedent. One of many lessons learned in responding to the Gulf Coast Hurricanes of 2005 (Katrina, Rita, and Wilma), was that the long-term disaster recovery process from a catastrophic disaster could be just as difficult and daunting, if not more so, than the immediate response process. In recognition of these challenges, Congress mandated, and the executive branch ultimately produced, the National Disaster Recovery Framework to serve as a guide to recovery efforts after major disasters and emergencies.³⁰ The Administration saw the need to complement the NDRF with the creation of the Hurricane Sandy Rebuilding Task Force. As stated in the E.O. establishing the Task Force, the Administration felt that a "disaster of Hurricane Sandy's magnitude merits a comprehensive and collaborative approach to the long-term rebuilding plans for this critical region and its infrastructure."³¹ Therefore, the Administration directed the Task Force to collaborate with the leadership of the NDRF to "identify opportunities for achieving rebuilding success, consistent with the NDRF's commitment to support economic vitality,

²⁷ For example, recommendations 38 and 39 of the HSRS call for changes to existing statutory authorities for SBA programs (p. 100).

²⁸ For example, recommendation 25 of the HSRS calls for the on the adoption of the most recent internationally accredited building codes (p. 80).

²⁹ Recommendation 13 of HSRS, p. 64.

³⁰ 6 U.S.C. § 771.

³¹ Executive Order 13632, "Establishing the Hurricane Sandy Rebuilding Task Force," 77 *Federal Register* 74341, December 14, 2012, p. 1.

enhance public health and safety, protect and enhance natural and manmade infrastructure, and ensure appropriate accountability.”³²

With the objective of improving the nation’s preparedness for and recovery from future disasters, Congress may wish to evaluate whether an entity in the nature of the Hurricane Sandy Task Force is necessary to “achieve rebuilding success” from disasters with the magnitude of Hurricane Sandy. This evaluation could begin with a review of the successes and failures of the Hurricane Sandy Task Force. It may also involve an assessment of the sufficiency the organizational structures and policies of the NDRF to manage the rebuilding process without the ad hoc creation of Task Force entity for each catastrophic event. Notably, it was the NDRF’s strategic intention to be “a guide to promote effective recovery, particularly for those incidents that are large-scale or catastrophic.”³³ There is no mention within the NDRF’s guidance of a projected need for such a Task Force. If Congress finds that the Task Force was both necessary and successful, it may encourage future Administrations to establish similar entities for future disasters (or increase the robustness of the NDRF to provide the benefits of a Task Force). In reverse, if the evaluation is less favorable to the Task Force, future Administrations may be less inclined to use the model concept.

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³² Ibid.

³³ Department of Homeland Security, *National Disaster Recovery Framework*, Washington, DC, September 2011, p. 1, at <http://www.fema.gov/pdf/recoveryFramework/ndrf.pdf>.