



OFFICE of the GOVERNOR

JOHN BEL EDWARDS

## CONGRESSIONAL FLOOD BRIEFING

### *Executive Summary.*

I am calling on Congress to support a supplemental appropriation of \$2.6 billion of Community Development Block Grant (CDBG) funds to allow for additional public investments in housing, economic development, and resilient infrastructure. Louisiana's housing need is projected to exceed \$1.2 billion alone. With an outlook of \$3 billion in economic loss, and preliminary estimates of \$8.7 billion in damages, not including public infrastructure, a \$2.6 billion request in CDBG funds is a necessary first step to rebuilding Louisiana. Without an appropriation of CDBG funds, many neighborhoods and communities will not be able to recover.

### *Flooding Events.*

Louisiana experienced severe storms and flooding events in both March and August 2016, resulting in 56 of our state's 64 parishes receiving a federal disaster declaration. The August flooding event dropped an unprecedented 7 trillion gallons of rainwater in South Louisiana and has been designated by the National Weather Service as a "1,000-year" rainfall event. It resulted in the flooding of more than 100,000 homes and claimed 13 lives. Roughly 30,000 search and rescues were performed, with 11,000 citizens sheltered at the peak of the flood. In March, more than 29,000 homes were damaged or destroyed.

### *Economic Impact.*

Louisiana Economic Development (LED) partnered with Louisiana State University (LSU) to conduct an assessment of economic damages resulting from the August 2016 Louisiana flooding event, with primary economic damages consisting of a loss of economic activity, property damages to residences, businesses, and damage to governmental infrastructure.

Key details are:

- At the peak, 19,900 Louisiana businesses or roughly 20% of all Louisiana businesses were disrupted by the flooding event.
- A disruption of 278,500 workers or 14% of the Louisiana workforce occurred at the peak of the flooding event.
- An economic loss is estimated at roughly \$300 million in labor productivity and \$836 million in terms of value added during the period immediately surrounding the flood.
- Approximately 6,000 businesses experienced flooding.
- Over 109,000 housing units flooded in Louisiana. Of these units, just over 77,000 were owner occupied homes, 22,000 were renter occupied units, and roughly 10,000 were vacant units.
- Residential property damage to structures is estimated to be between \$3.5 and \$7.4 billion.
- The LSU Ag Center estimates Louisiana agricultural losses of over \$110 million.

**Please support Louisiana's request for \$2.6 billion in CDBG funds.**

***Preliminary Plans.***

<b>Program Area</b>	<b>Estimated Allocation</b>
Homeowner and Rental Housing	\$ 1.2 Billion
Economic Revitalization (Ag and Business)	\$250 Million
Infrastructure	\$550 Million
Resilient Infrastructure	\$600 Million

Available data and information related to housing damages and unmet needs are already fairly robust, allowing us to have a more accurate picture of the housing needs as a result of the floods. It is clear that at least \$1.2 billion will be needed to ensure people can return to their communities.

For homeowners, many of whom face foreclosure without additional assistance, several program options exist, each of which has been used for disaster recovery in the past. Building on lessons learned and best practices developed over the course of recovery programs from Katrina to Sandy, the following types of assistance to homeowners are currently under consideration:

- Reimbursement for homeowners who have already rehabilitated their homes using their own funds, but who can ill afford to do so and risk losing their homes due to debt overburden.
- Rehabilitation of homes using resources already available to the homeowner, supplemented with CDBG funds to fill the gap. This is a critical component of the plan to assist those who flooded but do not have flood insurance, rendering them unable to complete their repairs.
- Buy-outs can be used for homes that are in floodplains, are not elevated above the floodplain, and would not be feasible/economical to elevate. This solution is for addressing the most at-risk homes to reduce damages from future floods and get people to safer locations.
- Elevations can be used for homes that are currently below the base flood elevation, but that would be economical to raise and make safe.
- Compensation grants may be appropriate for verified losses of smaller amounts of unmet need. This approach is more economical and presents less risk when applied to smaller grants

Rental housing represents about 20% of the housing losses in the floods, and there was a shortage of affordable rental housing prior to the floods. Approaches to replacing rental housing include Piggyback projects, which combine CDBG funds with Low Income Housing Tax Credits to create mixed-income and low-income rental housing in the impacted areas. Providing funds to repair smaller rental properties through a rehabilitation program is also a useful tool. Which approach best fits the disaster can only be determined after gathering information from the impacted population.

Because of the massive damages suffered by farms and businesses in the impacted areas, investments in revitalizing the economy is critical. To address the business and agricultural losses, \$250 million could be used in grants and loans to farms and businesses to assist them in

surviving through the coming years and recovering from the damages. This approach has worked successfully in the past.

Information about damage to public infrastructure is very limited at this point due to the time proximity of the event. FEMA public assistance inspections are ongoing, but we know the damage is substantial. We also know that older infrastructure rebuilt with FEMA PA to pre-storm design and condition will not be resilient infrastructure in the face of future disasters. Using \$550 million of CDBG funds in conjunction with FEMA PA to upgrade and modernize damaged infrastructure will improve capacities to accommodate future needs, make that infrastructure better able to withstand future upsets, and create a more resilient future for the impacted communities.

The addition of \$600 million for resilient infrastructure provides an opportunity for the state and federal governments to create numerous models for how to build a more resilient future for disaster-impacted communities. Studying the impacted watersheds and developing and implementing basin-wide solutions for reducing flood levels in those watersheds will reduce the damages in future events, make communities safer and better able to quickly recovery from future events, and reduce future costs associated with disasters. Because nearly ten different watersheds in various different landscapes were impacted by the March and August flooding, models can be developed for several different situations. Examples of the types of projects that may come out of this approach include water retention and detention strategies on small and large scales, diversions and channeling of floodwaters away from populated areas and infrastructure during floods, reducing peak hydrographs through green infrastructure improvements like permeable pavement, risk-based land use planning to minimize development in and near floodplains, and retrofitting of existing infrastructure to reduce future risks, among others.