

State of North Carolina
Supplemental Request for Federal Assistance
Hurricane Matthew Recovery



Governor Roy Cooper
State of North Carolina

April 5, 2017



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

Roy Cooper
Governor

Dear North Carolina Congressional Delegation:

On behalf of the State of North Carolina, I transmit the state's request for federal disaster relief funding as part of our ongoing work to recover from the devastation of Hurricane Matthew.

As you are well aware, the State was substantially harmed by the storm as entire communities were flooded by rain and rising rivers, some of which rose to near 1,000-year flood levels. The storms' devastation damaged more than 98,000 homes, over 19,000 businesses, hundreds of roads and dozens of dams, sensitive ecosystems, and thousands of acres of crops and other agricultural resources. Matthew's devastation followed drenching rains from Tropical Storms Julia and Hermine which added to the widespread damage and destruction in 2016.

The work to bring North Carolina back from these weeks of devastation is moving forward, with State and local communities working on a daily basis to manage the rebuilding and recovery efforts.

However, our state has many unmet needs, and the importance of our economic and community recovery is of national importance. As of April 2017, we estimate an overall funding requirement of \$2.8 billion to support the recovery from Hurricane Matthew in addition to the estimated \$2.0 billion in economic losses to business and industry.

With your leadership the State secured \$332,003,600 in the first Congressional unmet needs request of \$1,028,932,144 in November 2016. In addition, the state has secured \$751,938,424 from Stafford Act recovery programs.

In December, your advocacy provided the State with a down payment toward recovery based on early damage reports. Now with a fuller understanding of the storm's

impact, including current damage assessments and unmet need analyses, we are requesting **\$929,403,686** in supplemental funding.

Even if fully funded, this second supplemental request will not return North Carolina to its pre-storm levels, but it will enable us to restore primary infrastructure and to protect our state's residents, with a priority on housing for those most vulnerable in our communities who have no way to repair or replace homes or businesses even with the help of neighbors and the generosity of charities.

As we respond to these most urgent needs to rebuild and recover, my office, NC Emergency Management and all our State agencies will work with you to document this urgent supplemental funding request. Our local government counterparts have cooperated during the collection of data for this supplemental funding request, and together with us at the state level pledge to coordinate information that crosses community boundaries to present the full picture.

Below are details on the full scope of North Carolina's request, including unmet needs identified by federal agencies with properties and service within our borders, state agencies and the thousands of cities, counties, communities and people affected by Matthew.

On behalf of the residents and business owners of North Carolina, I want to thank you in advance for your support as we work together to close the funding gap on the identified unmet needs. If you have any questions or concerns, please do not hesitate to contact Jordan Whichard, Director of Intergovernmental Affairs, at (919) 814-2036.

Thank you for your leadership in helping the people of North Carolina recover from Hurricane Matthew.

Sincerely,

A handwritten signature in black ink that reads "Roy Cooper". The signature is written in a cursive, flowing style.

Roy Cooper

cc: North Carolina Congressional Delegation
The Hon. Phil Berger, NC Senate President Pro Tempore
The Hon. Tim Moore, Speaker of the NC House of Representatives
The Hon. Dan Blue, Senate Democratic Leader
The Hon. Darren Jackson, House Democratic Leader

Summary of 2nd Unmet Needs Request

The Governor of North Carolina, Roy Cooper, requests an additional **\$929,403,686** for high-priority unmet needs to ensure North Carolina recovers and rebuilds after the devastation of Hurricane Matthew. The purpose of this request is to provide the communities that were damaged by the hurricane crucial funding and resources for rebuilding.

This updated unmet needs request is based on full damage assessments, which used refined methodologies that were conducted after the initial unmet needs request was submitted in November 2016. The following table summarizes the additional unmet needs identified as crucial to reviving the State's economy, infrastructure, housing, environment, and public services.

Summary of Additional Unmet Funding Needs by Agency / Recovery Program

| Agency/Recovery Program | Purpose | Unmet Funding Needs |
|--------------------------|---|----------------------|
| HUD CDBG-DR | 7,145 low- to moderate-income owner-occupied housing repair projects | \$166,588,482 |
| HUD CDBG-DR | 3,448 low-income rental housing repair projects | \$63,732,192 |
| HUD CDBG-DR | 3,962 housing elevation, acquisition, and mitigation reconstruction projects | \$434,010,000 |
| HUD CDBG-DR | Public housing repairs | \$15,200,000 |
| HUD CDBG-DR | Repair of community service facilities | \$43,370,264 |
| HUD CDBG-DR | Non-USDA Covered Agricultural Losses | \$92,658,006 |
| USDA | USDA- Rural Development (Infrastructure) | \$14,336,993 |
| DHHS-SSBG | Health Services (including mental health services, emergency foods, support for children) | \$37,025,460 |
| EDA | Business Repair and Recovery / Economic Development | \$39,029,586 |
| NOAA | Coastal Bathymetry for Navigational Routing | \$8,250,000 |
| Coast Guard | Repair to U.S. Coast Guard Facilities and Infrastructure in North Carolina | \$13,084,700 |
| National Guard | Repair to National Guard Facilities and Equipment | \$550,500 |
| USFWS | Repair and replacement of damaged National Wildlife Refuge facilities | \$1,567,503 |
| Total Unmet Needs | | \$929,403,686 |

HUD = U.S. Department of Housing and Urban Development
 CDBG-DR = Community Development Block Grant – Disaster Recovery
 USDA = U.S. Department of Agriculture
 DHHS = U.S. Department of Health and Human Services
 SSBG = Social Services Block Grant
 EDA = Economic Development Administration
 NOAA = National Oceanic and Atmospheric Administration
 USFWS = U.S. Fish and Wildlife Services

Hurricane Matthew Impacts

Hurricane Matthew hit North Carolina on October 8, 2016 as a Category 1 storm. The devastation was primarily due to extensive rainfall as the slowly moving storm passed over the state. During a 36-hour period, impacted areas in central and eastern North Carolina experienced torrential rainfall ranging from 4 to 18 inches. The precipitation set new records for rainfall in a single day in 17 counties. At least 25 people lost their lives, and over 100,000 homes, businesses, and government buildings sustained damage estimated at \$1.5 billion.

At the storm's peak, 3,744 individuals fled to 109 shelters across the region. More than 800,000 households lost power and 635 roads were closed, including the major east-west and north-south corridors: Interstate 40 in Johnston County, closed for seven days and sections of Interstate 95 in Robeson and Cumberland Counties, closed for 10 days.

North Carolina maintains a robust risk management framework that includes sophisticated datasets, tools, and an advanced flood warning system. Based on modeled and observed data collected during and after the event, a synopsis of damage and impacts from the hurricane in North Carolina is presented below:

- Over 98,000 homes were damaged with a total loss exceeding \$800 million. Of these, more than 4,000 homes were completely destroyed. This damage represents an extraordinary economic loss, as over 63 percent of the damage, or approximately \$505 million, is not expected to be covered by insurance or Federal Emergency Management Agency (FEMA) assistance.
- More than 19,000 businesses suffered physical or economic damage. More than 400,000 employees were affected.
- More than 10,000 businesses of the 19,000 damaged have requested assistance as a result of physical or economic losses.
- Nearly 33,000 agricultural workers and nearly 5,000 agricultural-support workers in the counties hit by the storm account for more than half of the state's agriculture and agriculture-support workforce. The loss of millions of farm animals to flooding will indirectly affect more than two-thirds of the state's 32,000 poultry and meat-processing workers. The Farm Service Agency reported more than \$400 million in crop losses related to Hurricane Matthew.
- The severity of the flooding caused by Hurricane Matthew impacted homes and businesses far beyond the boundaries of Special Flood Hazard Areas (SFHAs), with some areas experiencing 1,000-year flood events. As an example, Cumberland County had a 10-inch rainfall before Hurricane Matthew and then got another 10 to 12 inches from the hurricane. This led to significant flooding outside the SFHAs in the county.

As of February 2017, 50 counties received Presidential disaster declarations: 45 counties are eligible for both Individual Assistance (IA) and Public Assistance (PA); and 5 counties are eligible for PA only. Of the survivors, 81,873 registered for IA and 28,800 residents are

approved for IA. Over 300 cities, towns, townships, and villages in the 45 counties are approved for IA or PA.

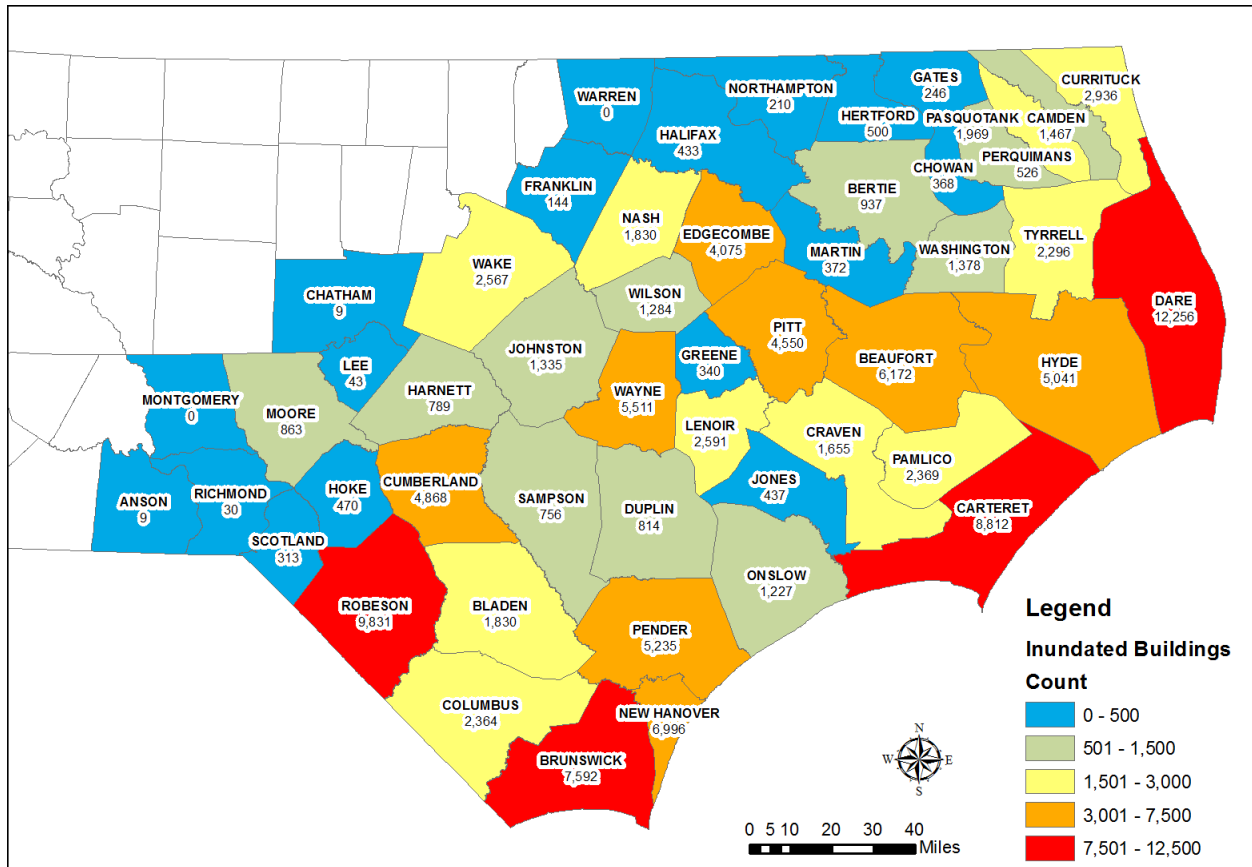


Figure 1. Estimated Number of Flood Inundated Buildings

State of North Carolina Response

In responding to this unprecedented disaster, the North Carolina General Assembly passed Session Law 2016-124, the Disaster Recovery Act of 2016. The North Carolina General Assembly approved more than \$200 million to support the Hurricane Matthew recovery activities, including housing recovery, short-term housing, long-term economic recovery, emergency response and relief activities, rural development and agriculture, and environmental restoration and match for federal appropriations. The North Carolina Resilient Redevelopment Planning program was initiated as part of the Disaster Recovery Act. This program empowers communities to prepare locally driven recovery plans to identify redevelopment strategies, innovative reconstruction projects, and other necessary actions needed to allow each community not only to survive but thrive in an era when natural hazards are increasing in severity and frequency.

Unmet Housing Needs

Low-to Moderate-Income Owner-Occupied Housing Repair (\$166,588,482)

This request is for supplemental funding to support damage repair on the remaining 7,145 low-to-moderate income owner occupied housing. As of January 17, 2017, the total number of FEMA Individual Assistance (IA) registrants total 34,284. Of this total, 19,811 are low-to-moderate owner occupied housing requiring damage repair. Through the first federal disaster assistance congressional appropriation, repair has been secured for 12,666 owner occupied homes. The unmet need estimate excludes any other assistances from insurance or federal program, but includes approximately 10% for hazard mitigation costs.

Low-to Moderate-Income Rental Housing Repair (\$63,732,192)

This request is for supplemental funding to support damage repair on the remaining 3,448 low-to-moderate income rental housing. The State has identified a total of 25,233 low-to-moderate income owner and rental housing that requires damage repair. Through the first federal disaster assistance congressional appropriation, repair has been secured for 1,971 rental housing. The unmet need estimate excludes any other assistances from insurance or federal program, but includes approximately 10% for hazard mitigation costs.

Housing Elevation, Acquisition, and Mitigation Reconstruction Projects (\$434,010,000)

This request is for supplemental funding to support the buyout, elevation, or reconstruction of 4,800 properties located throughout the Hurricane Matthew impact zone, for long-term structural enhancement projects. The current HMGP funding will only support 838 of the 4,800 requested projects. This request is for a supplemental CDBG-DR appropriation of \$416M to: (1) enable the mitigation of an additional 3,962 homes; and (2) increase the affordable housing and rental stock in the disaster impact zone. An additional \$18M has been incorporated into this request to support subsidies for development of low-income housing and subdivisions. The subsidy will be used to build residential infrastructure that will guide future residential and economic development outside flood hazard areas within the impacted counties.

Public Housing Repairs (\$15,200,000)

This request is for supplemental funding to repair public housing complexes in Princeville and Lumberton, North Carolina. The request supports repair on six (6) total public housing complexes which contain 316 damaged units. The total estimated damage to these units is \$23.2 million. It is expected that the FEMA Public Assistance Program will reimburse the state for \$3.0 million. Through the first federal disaster assistance congressional appropriation, \$5.0 million has been secured to support this damage repair. This request is to support the unmet need of \$15.2 million.

Restoration of Infrastructure and Public Services - Unmet Needs

Repair of Community Service Facilities (\$43,370,264)

This request is for supplemental funding to support the repair of public facilities located outside the floodplain that were damaged and need to be retrofitted to prevent future damage.

Retrofitting projects include enhancing and expanding the carrying capacity of culverts, curbs, storm water drains, and pipes, and relocating utility poles and underwater sewer lines. Debris removal in open channels and public lands is also necessary.

Ensure Health Services to Storm Survivors (\$37,025,460)

This supplemental funding request supports social and health services for individuals, and for repair, renovation or construction of health care facilities, mental health facilities, child care centers, and other social services facilities affected by flooding. This funding request is based on an estimated service population of 12,300 (15%) of the total FEMA IA registrants in North Carolina (82,000). The cost per service was based on the average allocation per capita (\$3,010.20) utilized for New York, New Jersey and Connecticut social services block grants following Hurricane Sandy. This request will require a state match of 25% (not shown in this figure).

Repair to U.S. Coast Guard Facilities and Infrastructure in North Carolina (\$13,084,700)

This supplemental funding request supports the repair of Coast Guard facilities and infrastructure located in North Carolina and impacted by Hurricane Matthew.

Repair to National Guard facilities and equipment (\$550,500)

This supplemental funding request supports the repair and restoration of damaged NC National Guard facilities, including Benson Readiness Center, Mount Olive Readiness Center, Goldsboro Readiness Center, and Goldsboro Field Maintenance Shop. This request will require a state match of 25% (not shown in this figure).

Economic Development - Unmet Needs

Small Business Gap Funding (\$39,029,586)

This supplemental request provides gap funding for 691 small businesses that were not approved for Small Business Administration loans. The Small Business Administration has received 1,039 disaster loan requests following Hurricane Matthew. Of that total, 348 loans have been approved at an average loan value of \$67,241. Of the total loan requests, 691 applications were not approved. The request is based on the total number of applications denied times the average loan amount of \$67,241. The NC Department of Commerce is currently gathering further data on the impact to small businesses. Based on this further collection, there may need to be additional funding to support the need. If appropriated, this request will require a 20% non-federal match.

Ecosystem and Environmental Restoration Unmet Needs

Coastal Bathymetry for Navigational Routing (\$8,250,000)

This supplemental funding request supports the acquisition of bathymetric data for the sounds and intercostal areas of North Carolina. The sounds and intercostal waterway are a vital part of North Carolina's transportation and shipping system. Many parts of the sound have been impacted by sediment movement caused by Hurricane Matthew. This movement is: impeding

the efficient movement of ships, such as the state's ferry system (some of which transport students to school); shipping; emergency response on a State and Federal level; and commercial fishing. If appropriated, this request will require a 25% non-federal match.

Repair and replacement of damaged National Wildlife Refuge facilities (\$1,567,503)

The supplemental funding request supports the repair and replacement of damaged National Wildlife Refuge facilities at Pocosin Lakes, Mackay Island/Currituck, Roanoke River, Alligator River, and Mattamuskeet Complex.

Agriculture Recovery Unmet Needs

Repair and Replacement of Rural Development Infrastructure (\$14,336,993)

This supplemental funding request supports small rural community repair and replacement of: (1) small pump stations vulnerable to storm surge, seasonal inflow, and infiltration; (2) approximately 32,500 linear feet of gravity sanitary sewer to address significant inflow and infiltration; and, (3) prevention of SSOs into coastal marsh and recreational areas during storm events. This request is seeking funding through the USDA – Rural Development Program.

Non-USDA Covered Agricultural Losses (\$92,658,006)

This request is for funding to support unmet needs from the financial loss and property damage that are not covered by USDA, such as livestock, farm equipment, roads, livestock feed, crop loss and others.

Total Supplemental Disaster Funding Request To Congress \$929,403,686