

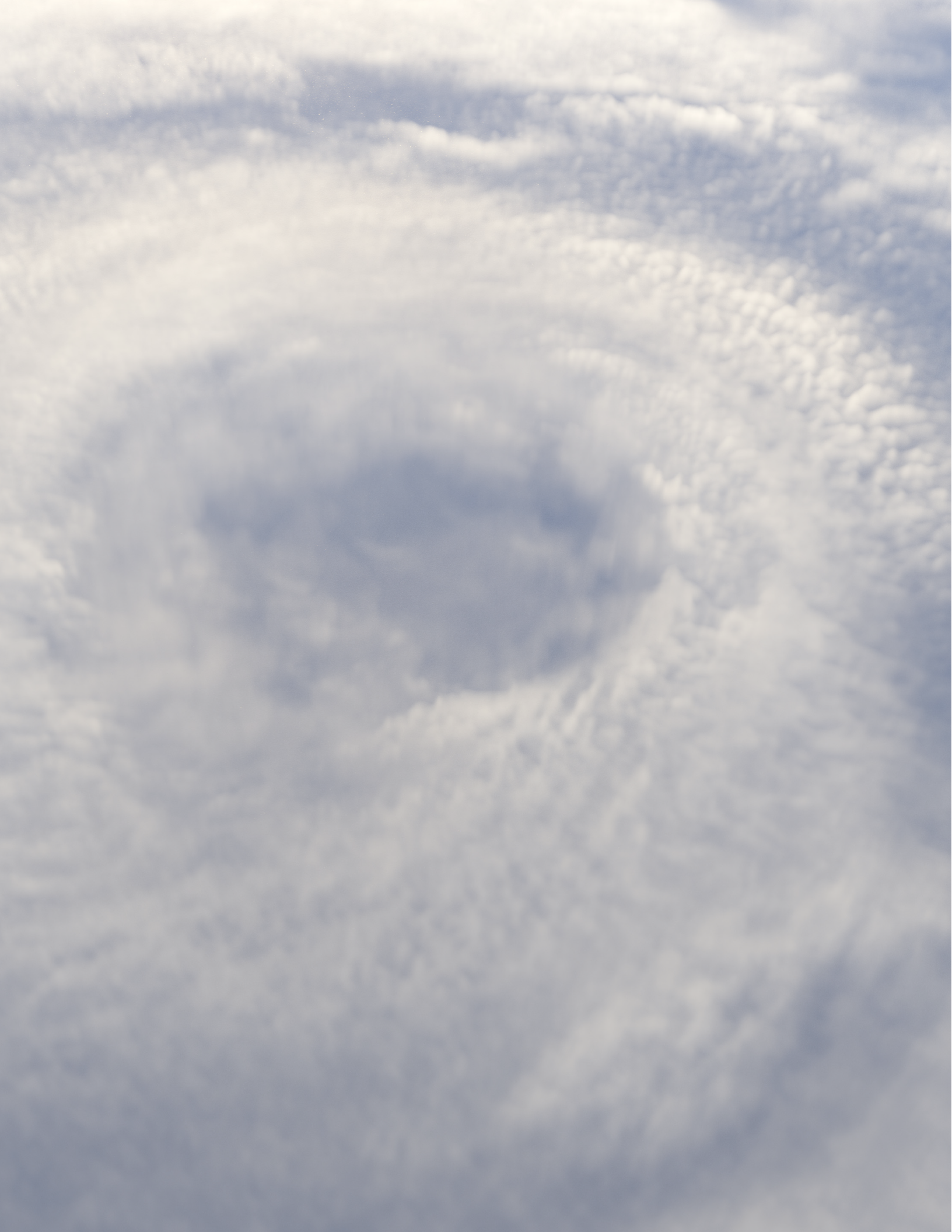
KENAN INSTITUTE CONFERENCE PROCEEDINGS



April 27, 2017

ROUNDTABLE ON STRATEGIES FOR ECONOMIC RECOVERY FOLLOWING HURRICANE MATTHEW

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In its role as an interface between the university and the broader community, the Frank Hawkins Kenan Institute of Private Enterprise holds periodic roundtable discussions. These roundtables allow key stakeholders – including private-sector professionals, academics and policymakers – to exchange ideas on issues of concern to the region, the state and beyond.

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On April 27, a *Roundtable on Strategies for Economic Recovery Following Hurricane Matthew* was convened to allow the institute to gain a better understanding of the ongoing role it can play in the aftermath of Hurricane Matthew. Hundreds of UNC students and faculty have gone out to lend assistance – some to the communities they're from, others to regions they'd never before visited – but the next step is to define a strategic role for the institute in the long-term recovery of eastern North Carolina.

This gathering of some 75 people, most of them representing hurricane-damaged communities, offered an opportunity to learn more, first-hand, of the region's most pressing needs.

Primary takeaways from the event included:

- Efforts must be made to explore “economic-transformation” opportunities – to rebuild in a more resilient and sustainable manner and to create jobs in the process.
- Public/private partnerships must be more fully explored, most particularly with tech companies that can offer practical resources and expertise.
- Ongoing communication with residents of hard-hit communities is critical. People want to be given “some idea of a framework for moving forward.”
- Substantial federal assistance is critical.
- More-specific, centralized, accessible data is required to gain a better sense of needs and available resources and to then design “a holistic solution for moving forward.”

OVERVIEW OF HURRICANE MATTHEW AND ITS AFTERMATH

The roundtable began with a presentation on the damage inflicted by the hurricane:

Hurricane Matthew left destruction in its wake from Fair Bluff in Columbus County, on the South Carolina line, up to Bertie County along the Albemarle Sound. A very large geographic area was significantly damaged.

Some 82,000 homeowners requested FEMA assistance. Of 34,000 who requested assistance from the agency's repair program, 25,000 are low- and moderate-income residents.

Some 19,000 businesses sustained damage, with 7,700 being referred to the U.S. Small Business Administration, of which 405 were approved.

Four counties – Cumberland, Edgecombe, Robeson and Wayne – sustained two-thirds of the damage. Next most badly damaged were Columbus and Lenoir counties.

The overall impact has been estimated at \$4.8 million, \$2.8 million of which is described as direct: housing, infrastructure and cleanup.

FEMA's National Flood Insurance Program has distributed, to date, about \$190 million. Small Business Administration home loans have been allocated. The North Carolina General Assembly provided \$200 million in December. An initial request to Congress brought \$332 in January. A further request for \$929 million more was submitted. [Editor's note: In May, Congress announced that it would allocate only \$6.1 million, less than 1 percent of the request.]

About 4,000 houses were severely damaged, and may not be salvageable. With the presently available funding, fewer than 1,000 of those can be addressed.

Gov. Roy Cooper has said that restoring housing in these devastated communities is the top priority. The governor's office has stressed the critical need for federal funding to meet this need.

The state has deployed an interdepartmental recovery team, with the Department of Public Safety's Emergency Management Division at the lead. The state is exploring public/private partnerships to enhance the effort to restore housing.



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CHALLENGES AND RECOMMENDATIONS: BIG PICTURE

As the floor was opened for discussion, it was stressed that openness was of the essence, and that no comments would be attributed to a particular person.



To help launch the discussion, a question was posed: Where did Hurricane Floyd recovery efforts fall short, and what can we learn from that?

One observation was that post-Floyd “we just fixed things.” This time, we should explore “economic-transformation” opportunities. “Is there some way we can turn this terrible tragedy into something positive that can be about economic development? Can we rebuild in a more resilient and sustainable way?”

Is there some way we can turn this terrible tragedy into something positive that can be about economic development? Can we rebuild in a more resilient and sustainable way?

The region hit by Hurricane Matthew is the most economically distressed area of our state. “Hopefully,” this participant offered, “we can rebuild in a way that creates better opportunities for these people.”

A concern was expressed regarding a “lack of recognition that something has dramatically changed” in the extremes of weather, with “100-year storms” occurring with alarming frequency. This “new reality” must be further explored, and explained to community members. How can we better prepare?

It was suggested that a comprehensive database of past storms would be invaluable.

A change in demographics in North Carolina since Hurricane Floyd was also noted: fewer people in positions of influence with roots in rural North Carolina. One participant ventured that more than half of all adults now in the state aren’t originally from North Carolina. Lost, he said, is a sense of shared investment.

At the time of Floyd, there was a “critical mass of nonprofits receiving state support,” one participant observed, and communities were able to “marshal their forces to reach those in need.” There are many fewer such nonprofits in the state today, she said, and those still out there are underfunded and understaffed. This is going to make a difference in our ability to recover.

“What about our use of advancing technology?” one audience member asked. Are we adequately leveraging our state’s frontline tech companies? Are we thoroughly exploring partnerships with the private sector?

Some encouraging news was offered on the technology front: The legislature has provided funding for the North Carolina Policy Collaboratory. This program is a “center without walls,” designed “to utilize and disseminate the environmental research expertise of the University of North Carolina for practical use by state and local government.”

Among the initiatives is a project to create real-time flooding maps: street-level views of areas where there’s high potential for flooding.

A participant spoke of the recent increase in logging in the state. We need more education, he said, on how that can be done in a more environmentally sound manner. “We didn’t get into this hole overnight,” he said. “We need to think both short-term and long-term.”

INFRASTRUCTURE

A number of concerns and suggestions were expressed regarding infrastructure.

We can and should do a much better job with upstream stormwater management, one official attested. Counties are now working in this regard with the state and the Army Corps of Engineers.

“We need to anticipate when we’re going to have monster rains, and let that water out earlier,” he said. “When we’re flooded already, and then we open the dikes to let the water levels down, we just compound the problem.”

Concern was expressed regarding restrictions on the placement of FEMA trailers. Rapid response must be the first priority.

Elevating highways and bridges has proven effective in some areas – the difference this made from Floyd to Matthew was noted. This needs to be more actively encouraged in areas prone to flooding.

In 2016, the Corps of Engineers completed a study of what to do about the compromised levee in Princeville. They’ve made recommendations, and the cost will be \$22 million. But there is as yet no appropriation for that.

A shortage of housing stock is a primary concern. When renters are displaced, and have no assets to tap into, they’re sent to hotels. A strategy to build homes that incorporates workforce-development is required. Local people should be hired and trained.

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PEOPLE

Several participants stressed the urgency of getting people out of those hotels. People need to feel some sense of progress. Some semblance of the restoration of “normalcy” – such as it may be – must be established.

“People are afraid right now,” one local-government official said. “We don’t know what to expect.... We have citizens who are still with family members and some who aren’t accounted for.”

People urgently need mental health assistance. Many feel as if they’ve become refugees; they’re under unceasing stress – displacement, living in a hotel or accommodated in cramped quarters with family members is highly stressful.

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Improved communications with communities, several participants emphasized, is urgently required. “They don’t expect to know all the details,” one person said. “But they would like to have some idea of a framework for moving forward, to give them a sense of the future” – ongoing dialogue with, most particularly, those who’ve been hardest hit.

People also need practical assistance in how to move their families forward. “Don’t send anymore money without some direction on how to use it,” one person asserted.

Small businesses need help rebuilding. One recommendation was to pair individuals with a particular expertise with small-business owners – help with sorting things out, restoring their credit, designing a contingency plan.

In sum: “Help us understand what’s going on. We need to be able to tell our citizens something that will give them some sense of normalcy, some hope that something will happen ... because we are citizens of the United States. We need to be made whole.”

LEGISLATIVE/ADMINISTRATIVE

The General Assembly has limited the ability of local governments to raise sales taxes, and, one participant attested, this is significantly hurting the most affected communities. They must rely on property taxes, and property values are lower as a result of the flooding. Money to pay to rebuild is scarce.

Funds are needed for a study of a potential hydrology project, but requests are being denied. Some “special dispensation,” one local-government official said, is needed – a recognition that in dire times, rules and/or policies need to be flexible.

“Folks,” he said, “we need some help.”

It was noted that Gov. Cooper is in a “full-court press” to secure critical federal funding, and that he has strong support from the North Carolina delegation in Washington, D.C.

MOVING FORWARD

As the proceedings came to a close, one participant suggested that what’s needed across the board is more, better and more accessible data.

“We say the biggest need is housing,” he said, “but that’s just one of many needs.”

What’s required, he said, is “specific data on the people we’re trying to help.” Every region should have a centralized data-intake process. Examine that data, and then determine who the collaborators are – who can assist with housing, who does workforce development, who offers mental health. “Then we have a holistic solution for moving forward.”



We can’t know the answers till we have the necessary information, he said.

The roundtable concluded with an underscoring of the Kenan Institute’s commitment to keeping this conversation alive. Participants were urged to reach out to institute staff.

One final story was shared:

Princeville Elementary School was flooded, leaving some 150 kids school-less. The county school system owns an old school building that it was using for administrative purposes, and quickly made preparations to return it to its previous use.

Administrators moved the students across the river into this repurposed school. They then set up a transportation system that made sure every child got to school each morning, including those who had been moved to temporary housing in other towns and cities.

The story was told to emphasize resilience. When infrastructure crumbles, communities unite.

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The Kenan Institute fosters mutual understanding between members of the private sector, the academic community, and their government, and to encourage cooperative efforts among these groups.

The Kenan Institute serves as a national center for scholarly research, joint exploration of issues, and course development with the principal theme of preservation, encouragement, and understanding of private enterprise.

