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Subject: Press Conference: Flood Recovery/Relief
Location: 1st Floor Lobby, Statehouse
When: 6/30/2016 11:00:00 AM - 11:30:00 AM

Flood Recovery Press Conference
July 20, 2016 – 11:00 AM
South Carolina Statehouse – First Floor Lobby

Attendees

Governor Nikki R. Haley
Catherine Heigel – Confirmed
Christy Hall – Confirmed
Kevin Shwedo – Confirmed
Joanne Turnquist - Confirmed
J.R. Sanderson – Confirmed
Duane Parrish - Confirmed
Kim Stenson - Confirmed

Goals/Message:

- Closing-out the short-term response and recovery and beginning long-term housing recovery
- Announcing public comment period for CDBG-DR and Hearts and Hands case managers
- Respectful and public transition from Shwedo to J.R.

Run of Show

- Background on flood event
- Discussion of 3 specific issues: roads, dams, beaches
- Housing recovery
 - Public-private partnership of OneSC
 - Hearts and Hands case management
 - CDBG-DR
- Transition announcement – Shwedo to J.R.
- Announce Town Halls
- Closing

Background and talking points

Flood Event and Response

- Over the weekend of October 3, 2015, South Carolina received unprecedented rainfall, with some areas of the state receiving almost 24 inches in 48 hours. This was a “1000-year flood” that devastated homes and businesses from the Midlands to the Coast.
- The effects of this flood were significant
 - 19 Storm-related fatalities
 - Over 20,000 displaced citizens
 - 941 citizens sheltered

- 2.7 million emergency meals served
- 40,000 citizens without water at peak
- 3,521 vehicle collisions during the storm
- 36 dam failures
- Over 1,500 water rescues
- 541 road closures
- South Carolina responded in-kind with resources from law enforcement, the National Guard, emergency managers, and volunteers:
 - 8,407 highway patrol calls
 - Over 900 requests for logistics support
 - 42 Emergency Management Assistance Compact (EMAC) requests from 10 states
 - 4,100 National Guard personnel activated and deployed into communities
- The two priorities at this point have been moving as fast as possible to help people recover and make sure that the public is aware of what we're doing at every turn.
- You will see that every time we have seen a challenge we didn't wait – when we saw housing we created OneSC, when there was confusion about FEMA, we created county days and all of our agencies went to the citizens, now that we're in the middle of the housing recovery, we're having town halls. We have moved fast though response and we're going to move fast during housing recovery.
- The accountant in me always wants to know the numbers – what is the damage, what is it going to cost to fix, and how long is it going to take.

Costs and Available Resources

Damage estimates

- Horne, LLC – the state's consultant has taken a variety of data sources to analyze the total loss associated with this storm. Along with other sources, the impact includes:
 - \$741 million in housing losses
 - \$76 million in losses for insured crops (Based on USDA data)
 - Thousands of businesses were damaged or closed entirely as a result of the flood. Nearly 3,000 insurance claims on commercial property and 181 business interruption insurance claims were filed. We also know over 1,300 businesses applied for SBA loans
 - \$137 million in damage to state-owned roads
 - Over \$200 million in damage to other public assets
 - We estimate losses of as much as \$35 million to tourism as the direct result of the storm (SCPRT)
 - What this means is the direct cost of this storm is over \$1 billion, with additional economic impact if left unrecovered.

Available resources

• FEMA Individual Assistance:	\$ 88,801,103
• FEMA PA	\$240,074,213 (75%/25% match)
• SBA Home Loans:	\$125,429,800
• SBA Business Loans:	\$ 32,923,600
• National Flood insurance program	\$134,177,354
• South Carolina Farm Aid Fund	\$ 40,000,000
• State Beach Renourishment	\$ 30,000,000
• Hazard Mitigation Grant Program	\$ 36,000,000 (est)
• USDA emergency loans	
• HUD CDBG-DR	\$156,664,000
• Private Insurance:	\$193,224,098

- We heard estimates the first week of the flood at as much as \$10 billion – which we knew wasn't true – but there wasn't better information out there. That's why at every step of this process, we're

- going to keep you updated and make sure you have the best facts.
- What we have done is gone out into communities, used all of our available partners – public and private – state, local and federal – to understand the damage and understand the recovery.
- Roads:
 - At our peak, we saw 531 roads closed, 90% were open by Thanksgiving and 33 more have opened since.
 - I'm happy to report today that only 36 roads are closed, 12 require bridge replacements that are underway, one needs a significant repair, and the remaining 23 sites are closed due to the instability of nearby privately owned dams.
- Dams:
 - After the failure of 36 dams statewide, DHEC examined all 652 potentially high-hazard dams and issued 76 emergency orders.
 - DHEC has issued for the repair of 25% of these dams and only three have been identified as sufficiently high-hazard and with a landowner unwilling to unable to address the issues. These three dams will likely require state action.
- Beaches:
 - Beaches all along the coast received damage as a result of the rain and surf erosion as Joaquin progressed north and inland.
 - Hunting Island state park alone lost 30 feet of beach.
 - Our commitment to coastal tourism is strong – I recommended \$40 million for beach renourishment to match local and Army Corps of Engineering funds and the General Assembly funded \$30 million of that.
 - Beaches are currently being permitted and we will see full renourishment projects up and down the coast starting late this year and carrying through 2017 and 2018.
 - According to Director Parrish, 2016 is looking like South Carolina's fourth consecutive year of tourism growth and already hotel revenue is up 7.8% over last year.

Housing and OneSC

- Right away, we knew that housing was going to be one of the biggest parts of recovery. I've said over and over that the unprecedented rain we received in that 24 hour period traveled through our rivers, so raining and dams in Richland and Lexington meant flooding in Williamsburg for a week and a half.
- Combined with dam breaches, water went where we never thought it would and over 27,000 ultimately had FEMA verified losses and there were over 100,000 applicants overall.
- Although FEMA was a valuable partner in the first few weeks of the storm, the maximum assistance for a totally destroyed home is \$33,000 – and only about 138 of those – and we're seeing an average of just over \$3,000 per recipient.
- Where we saw mold remediation, our citizens were given a bottle of bleach and a tarp. We knew quickly that what was available to our citizens wasn't going to be enough.
- OneSC. To take this housing recovery into our own hands, we started the OneSC fund through the Central Carolina Community Foundation and they're represented here by Joanne Turnquist.

- I also appointed Kevin Shwedo as the State Disaster Recovery Coordinator so we would have eyes and ears in every community in this state to help identify needs.
- The news on OnseSC is good – we have provided over \$1.6 million in grants to organizations and that has been combined with over \$12 million in donated skilled labor to touch over 1,100 homes for repairs, cleaning, and mold remediation.
- We cannot stop the private efforts and South Carolina should not forget their neighbors so there's still a need to give to OneSC:
 - Visit www.onescfund.org
 - Call the Central Carolina Community foundation at 803-254-5601
 - Mail a check to the Central Carolina Community foundation
2711 Middleburg Drive
Suite 213
Columbia, South Carolina 29204
- All of you should have a handout explaining the ways to give and I would ask you to get the word out.

HUD Housing Assistance Timeline

- What's next is a transition into the next phase of recovery – the long-term portion that will make our communities stronger and help those in South Carolina who just haven't been able to bounce-back from the flood stay strong and stable.
- In **October**, Director Shwedo assembled a team from across state agencies and has been partnering with voluntary agencies to find individuals and help them.
- In **December**, we requested \$140 million for housing needs and Congress set aside \$300 million to address needs in Texas and South Carolina.
- In **February**, Hearts and Hands Disaster Recovery came into South Carolina as the state's flood case managers. They started in New Jersey after Hurricane Sandy and they have partnered here with the United Way 211 to identify citizens who still have unmet needs.
- If this applies to you – not just housing needs, but unmet needs from the flood from mental health assistance, you lost your job because you were displaced, or a host of other issues call 211 and ask for Hearts and Hands Disaster Recovery as your case manager and you will be referred to someone who can start helping you.
- This is a partnership that we believe will be valuable in finding folks who needs housing assistance and will be the starting point for many of our citizens in this process.
- In **February**, HUD announced that South Carolina was going to receive \$157 million from the Community Development Block Grant – Disaster Relief (CDBG-DR) program - \$96.8 million for the state and the remainder to Richland and Lexington Counties and the City of Columbia to run their own programs.
- We immediately engaged an expert to help us write the action plan while we were waiting for the official Federal Register Notice. In **June** – 8 months after the storm – we received that notice, the draft action plan is online, and we're ready to start working.

Where we're going with Housing Recovery

- Our plan is simple – we are going to focus all of the resources we have on housing – fixing existing structures, replacing extremely damaged mobile homes and in some rare cases replacing houses with new modular homes or buying our homeowners entirely.

- We are prioritizing the lowest-income and most vulnerable households in the state – those with young children, senior citizens, and those with members that are disabled.
- As we transition to this phase, however, there are additional transitions that are going to occur. I told Director Shwedo that we were going to give him this challenge only as long as we needed him.
- With the focus on housing and the start of our public outreach for the CDBG-DR program, you're going to see a new face of disaster recovery – J.R. Sanderson. He has many of the same qualities that drew us to Director Shwedo – a retired Army Colonel, a veteran with the discipline and focus that we need to get this work done right and the commitment to service that South Carolinians need to make sure that their interests are protected throughout this recovery.
- We said that we were going to work to serve everyone we can – J.R. is my guy out-in-front to do this work. He has been with the Disaster Recovery Office since the beginning of this effort and is the natural choice to step-in as Director Shwedo steps back from this additional responsibility
- We have some town halls scheduled in the next few weeks and we're going to rely heavily on our friends in the media to notice them and drive people out. The schedule is:
 - July 5 - Charleston
 - July 6 - Florence
 - July 7 - Kingstree
 - July 11 - Sumter
 - July 12 - Georgetown
- We are going to inform the public, take their comments, and get the plan to HUD no later than the end of July. It is my goal to have the implementation contractor hired this year once HUD approved the plan and have hammers swinging in later winter or early spring.
- You will see that every time we have seen a challenge we didn't wait – when we saw housing we created OneSC, when there was confusion about FEMA, we created county days and all of our agencies went to the citizens, now that we're in the middle of the housing recovery, we're having town halls. We move fast here and that's why we're

DSNAP

- The following comes from DSS regarding DSNAP – I abbreviated the content in the interest of brevity, but this is what has been released publicly on this issue:
- As background, in the Fall of 2015, the South Carolina Department of Social Services (DSS) operated a Disaster Supplemental Nutrition Assistance Program (DSNAP) in all 24 counties declared eligible for individual assistance in the October 2015 Presidential Disaster Declaration.
- The United States Department of Agriculture's Food and Nutrition Service (FNS) funds 100% of the benefits issued in a DSNAP program. As background, DSNAP is a one-time payment established by FNS and is equal to the maximum allotment for the household size provided under regular SNAP.
- To be eligible for a DSNAP benefit, an applicant household must meet three criteria:
 - 1) Reside in a disaster area;
 - 2) Purchase or plan to purchase food during the disaster period; and
 - 3) Experience an adverse effect due to the disaster, including, unreimbursed disaster-related expenses, unreimbursed loss of income and inaccessible liquid resources.
- DSS received 209,927 DSNAP applications and the state-wide approval rate of the applications was 85%. This approval rate is consistent with DSNAP approval rates for other flood-related disasters over the last several years. For example, the DSNAP approval rate in flooding events in

- Maryland and Colorado in 2013 was 85% and the DSNAP approval rate for a flooding event in Illinois in 2013 was 90%.
- **FNS requires states to complete a post-implementation Quality Control Review of DSNAP to include a random sample of no more than 500 cases.**
- **FNS does not require states to review or audit the program for recipient fraud, but DSS electively reviewed about 5% of all approved cases for fraud independently.**
- **DSS determined in its review that 297 of the 9,029 applications reviewed (3.3%) were Intentional Program Violations (IPV) or fraud.**
- **The Department established claims on all IPV claims and will follow normal procedures and practices to recoup amounts paid. In particular, DSS Benefits Integrity staff will contact the recipient to arrange for a payment agreement. If the client does not pay in full or make arrangements for monthly repayment, it will be sent to the Treasurer Offset Program where the debt will be paid through tax intercept. If recovery is unsuccessful, the Department will evaluate other options including, but not limited to, prosecution in magistrate's court.**