

**TESTIMONY – CHUCK WEMPLE, HOUSTON-GALVESTON AREA COUNCIL
HEARING OF THE HOUSE SELECT COMMITTEE ON THE CLIMATE CRISIS
“CREATING A CLIMATE RESILIENT AMERICA:
SMART FINANCE FOR STRONG COMMUNITIES”
WEDNESDAY DECEMBER 11, 2019**

Chair Castor, Ranking Member Graves, and members of the Committee, thank you for the opportunity to speak with you today about the important roles smart finance and economic resiliency play in creating strong communities. I’m thrilled to be here today to talk about the importance of economic resiliency and financial strength. This important topic rarely gets the attention and consideration it merits and is often overshadowed by infrastructure and housing needs after natural disasters.

My name is Chuck Wemple and I am the Executive Director of the Houston-Galveston Area Council, a regional planning commission comprised of 13 counties and 110 cities along the upper Texas Coast. Our region is home to nearly 7 million people, covers over 12,000 square miles, and prone to natural disasters – primarily flooding and hurricanes. Understanding our economic resilience is very important as we look to a future of intense weather, rapid growth, and changing economies.

Our agency works with local communities to solve regional problems and improve quality of life for our residents – from workforce development to public safety, homeland security, transportation, economic development, services for the elderly, hazard mitigation and more. The Houston-Galveston Area Council has conducted some of the earliest work in our region on the effects of environment trends on our quality of life and economy, the intersection of transportation, economy, housing, and the environment in creating healthy communities, and a comprehensive economic development strategy which includes resiliency as a primary goal. I’ve included links to the reports of these efforts at the end of this document. We’ve also played a key role in the recovery of our communities after natural disasters; most notably Hurricanes Rita, Ike, and Harvey.

I come to you today with the perspective of over 14-years of experience working with large cities, small towns, suburban neighborhoods, and rural counties, to help them understand their vulnerabilities to natural disasters and economic shocks and how to be better prepared and bounce back when knocked off their feet.

After assisting over 500 households repair and rebuild their homes, working with scores of small businesses to re-establish their enterprises, allocating over \$2 billion in federal disaster recovery funds, and crafting locally-driven hazard mitigation plans which list the needs of our communities in the hundreds of projects, I can tell you without reservation that understanding

our vulnerabilities, facing our risks head on, and investing in resilient communities is critical to our future.

So how can we all work together to make our communities stronger and more resilient? One – Be strategic with future funding for resilient and strong communities. Two - Lean in to hard conversations and face our risks head on. Three - Consider all sources of funding – federal, state, local, and private - as an investment portfolio to strengthen our communities.

I want to be clear that the solution is not as simple as increasing funding. By planning in advance of the next disaster and better understanding the variety of funding available from federal, state, and local sources, we can spend the money already available better and more efficiently. Any future increases should be linked to up-front planning, focused on planning and projects that strengthen communities in advance of major setbacks, and in the case of federal funding, programmed through streamlined processes that quickly move money from the federal government into the communities in need of help.

A critical part of strengthening our communities is to lean in to hard conversations about what could make our communities more resilient and turn challenges into opportunities. These hard conversations tend to be centered on impacts to local economies. I'll give three examples of where the Houston-Galveston Area Council is working with our local governments to start some of these conversations.

We are coordinating a multijurisdictional project along Cedar Bayou a major waterbody in our region which affects three counties, multiple cities, rural areas, maritime shipping and the petrochemical industry. Cedar Bayou received some of the highest amounts of rainfall during Hurricane Harvey and produced massive flooding that impacted transportation networks, freight and goods movement, homes, and businesses. The first phase of our work used local knowledge to prioritize projects and guide future investment of federal, state, and local funding. The second phase includes forming a multijurisdictional alliance to pursue federal and state funding and a special district to produce local revenue. The most challenging discussions and most innovative thinking have centered on potential limits on economic development and raising local funding. What could have been a roadblock has become an opportunity by exploring new ideas for fees and incentives rather than an increased tax on land owners. One example is the possibility of a flood-mitigation bank which could be used to compensate a local government that may experience reduced tax revenue due to converting land to detention rather than pursuing traditional economic development opportunities. It is important to know that this example of upfront planning and collaboration is funded by local dollars and intended to provide a mechanism for strategic investment of future federal and state funds.

In the coming year, the Houston-Galveston Area Council will use a similar approach to gauge local interest in a regional voluntary-conservation plan which could provide a triple bottom line win of protecting natural resources and communities, reducing reliance on federal disaster

recovery funds, and diversify our regional economy by increasing recreational opportunities for our residents. This project is locally funded. Results of this work may also be transferrable to help local communities offset the cost associated with a reduced tax base resulting from home buy out programs and other land use restrictions.

Quality housing is directly linked to a community's economic resiliency. One of the small cities along our coast moved quickly to get city services restored after Hurricane Ike. The city also benefited from a strong group of local businesses who rapidly reopened their restaurants, shops, and storefronts. While everything seemed set for a speedy recovery, one important piece was missing. The workers. Many of the employees had been displaced and the city did not have adequate workforce housing nearby. The city suffered a worker shortage which slowed recovery. As a region we work to build off these experiences to better understand our vulnerabilities and seek solutions.

Based on our experience working on economic development initiatives, job and population forecasts, and disaster recovery housing experience, the Houston-Galveston Area Council recently conducted the region's first housing assessment to identify local challenges to addressing unmet housing needs. One of the key findings of the work included identifying opportunities for local governments to work with the private sector and community nonprofits to increase access to workforce housing. Housing discussions can be challenging in many cities and towns but providing economic context and conducting the work at a regional level result in positive outcomes and strengthen our communities. As with the two previous studies, this work was locally funded.

One of the first steps in considering the suite of funds available to increase community resilience as a portfolio is to develop a framework that either coordinates or consolidates the various funding streams.

When communities are hit by a disaster, they are highly focused on immediate critical needs like clearing roads, restoring water and sewer service and removing debris and they simply don't have the time to figure out where to find resources offered by many federal agencies. Immediately after a disaster strikes, the Houston-Galveston Area Council launches a webpage providing access to the various agencies offering funding. This list is dynamic and grows and shrinks as programs start and end and can easily top a dozen federal and state agencies offering multiple programs. This effort focuses on recovery and as a result is reactionary rather than anticipatory.

Our regional resiliency efforts are beginning to bring together opportunities from federal, state, and local funds and we will begin providing a funding toolbox to our members. The State of Texas took action during the most recent legislative session to open opportunities to use our reserve fund and create other loan and grant opportunities to help communities become more

resilient and prepared. One particular area of private funding that holds promise for helping create more resilient residents is our new work with banks and lenders to leverage community reinvestment act funds in some of our most needy communities. These efforts will increase the fiscal strength of individuals by teaching financial literacy, improving creditworthiness, and providing access to financing. And we are exploring the viability of other mechanisms which could induce more private sector investment in mitigation and resiliency, including the possibility of franchise/concession funding for maintenance and operation of infrastructure and mitigation banks.

Regional planning commissions and federal agencies both have roles in coordinating resilience funding. The regional US Department of Commerce Economic Development Administration (EDA) office which covers Texas and the four surrounding states has taken the lead and partnered with us to host integration meetings which bring our communities and a host of other federal agencies together to make connections and help our communities see federal opportunities as a portfolio rather than as single agencies.

Other federal models also exist and could be modified FEMA's ESF-14 and the current National Framework could be good starting points but could use stronger economic resiliency components.

We have observed that programs with relatively small allocations of funds that are also closely connected to local communities and have strong partnerships with local leaders and regional planning commissions are able to react nimbly and quickly deliver funds which brings hope to communities and speeds recovery. Two great examples include the US Department of Commerce Economic Development Administration (EDA) and the US Department of Agriculture. Both have strong district/regional presence, know local conditions and needs, and are empowered by their headquarters outside of Washington. Both programs exhibit accountability and flexibility to address local needs and priorities. One program of particular note from USDA is the Community Facilities Program which offers a mix of direct loans, grants and loan guarantees to assist rural communities in expanding, constructing, or improving community assets like fire and rescue stations, hospitals and clinics, public buildings and transportation infrastructure. This program increases economic competitiveness and resiliency.

To summarize, the conventional approach of mitigation and recovery takes too long and has substantial impediments that limit our ability to create truly resilient communities. We can create stronger more resilient communities by focusing in three primary tasks. One - working before the next disaster strikes to understand our vulnerabilities. Two - facing our risks head on and identifying projects that mitigate these risks. Three, developing a smart finance framework that coordinates all sources of funding – federal, state, local, and private - as an investment portfolio to strengthen our communities. Look to regional planning commissions and local

governments for exciting examples that can help illustrate how this is currently working and can be expanded. Nimble federal programs that rapidly provide funding to support the implementation of resiliency projects will be critical for our efforts to be successful.

Together we can take a holistic approach to addressing our current challenges and making our communities better prepared to adapt to any changes that might come their way. The Houston-Galveston Area Council stands ready to serve. This concludes my testimony and I look forward to answering any questions you may have.

Links to reports referenced on page 1 of this testimony.

Regional Economic Resilience Plan

<http://www.h-gac.com/gulf-coast-economic-development-district/documents/Regional%20Economic%20Resilience%20Plan.pdf>

Comprehensive Economic Development Strategy

<http://www.h-gac.com/gulf-coast-economic-development-district/documents/Draft-2018-2022-GCEDD-CEDS-to-EDA.pdf>

Our Great Region 2040 Sustainable Communities Plan

<http://www.ourregion.org/download.html>

Foresight Panel on Environmental Effects

http://www.h-gac.com/foresight-panel-on-environmental-effects/documents/foresight_panel_on_environmental_effects_report.pdf