



S.O.S Pascagoula

Everyone knows about Hurricane Katrina, but what most people don't know is FEMA rules have devastated much of the Mississippi Gulf Coast and Pascagoula particularly. Nearly 20 years after the storm, housing in Pascagoula is drying up due to policy decisions out of Washington, D.C.

The Problem

- After Hurricane Katrina, FEMA re-mapped the Mississippi Gulf Coast based on the impact of Katrina, which greatly expanded flood zones in Pascagoula and other coastal communities.
- In the 17 years since Katrina (and that includes several high activity hurricane seasons and most recently a Category 3 hurricane that brought 7-11 feet of surge into Jackson County) very little flooding damage has been recorded in Pascagoula.
- The 2009 federal re-mapping action was based on an extreme and incredibly rare weather event rather than typical events seen in a 100-year period, which is out of keeping with sound actuarial practices.
- Federal action has created a situation where many commercial and residential property values are falling due to high costs of flood insurance, excessive Base Flood Elevation and other restrictive federal regulations.
- Prior to Katrina, approximately 15-20 percent of Pascagoula was in a flood zone, but after FEMA redrew the flood maps 90 percent of Pascagoula is now in a flood zone and much of that has only flooded one time in over a hundred years. Jackson County studies revealed about 90 percent of the private commercial and residential parcels in Pascagoula have declined in value or remaining static despite enormous local capital investment and job growth in high wage industries.
- The overwhelming majority of homes affected by these federal regulations are in working class neighborhoods and not expensive vacation homes. Shipyard and refinery workers, along with teachers, law enforcement, firefighters and others have raised their families in these neighborhoods dating back to the 1940s, but the federal regulations have dramatically and artificially increased the cost of living and handcuffed property owners from maintaining and repairing their homes.
- The tax base of an otherwise booming economic center (more than 5,000 new jobs announced in the past 24 months) has been steadily eroding as property values drop and vacancy rates rise.
- That downward spiral of declining private property values has resulted in blight and ultimately properties being abandoned and coming out of the NFIP.
- Congress wants to expand flood mapping to the entire nation, which will lead to more communities facing a similar situation as Pascagoula of being aggressively mapped into a floodplain for the first time and dealing with the negative consequences.

The Substantial Improvement Rule

Tucked into FEMA's flood insurance program is the 50 percent rule (or substantial improvement rule). It is slowly killing Pascagoula's working class neighborhoods. Unless property owners elevate their property to meet FEMA regs, they are not allowed to spend more than 50 percent of the structure's value to maintain and improve their homes. Many of these homes are valued at less than \$100,000, which means a homeowner could only spend ½ of their value for electrical, roofing, kitchen, plumbing, etc. in a 10-year period. It's absurd and predictably it's creating blight at an alarming pace.

Negative Effects

Jackson County has been negatively impacted by overly aggressive flood maps that treated an extremely rare storm like a normal occurrence. As a result, federal policies like the substantial improvement threshold further hurt the community and restrict economic growth. Since Pascagoula was re-mapped into a flood zone in 2008, 90 percent of the private commercial and residential parcels have declined in value or remain static despite other coastal communities experiencing strong property value appreciation and Jackson County enjoying enormous job growth and capital investment.

The 50 percent rule makes it practically impossible to improve local neighborhoods or attract homebuyers rather than renters. The combination of bad federal policy, rising material and labor costs, and declining property values take people's freedom to take care of their homes. Homes and entire neighborhoods are dilapidating, causing blight and decreasing property values.

Statewide & National Impact

This is not just a Jackson County or Coast issue. This affects all of Mississippi. Data shows that residents from all 82 Mississippi counties work in Pascagoula. The state is losing an estimated \$250 million a year in revenue from the 5,000 high wage-earners who work in Jackson County, but live out-of-state.

What Can Be Done?

Pascagoula and Jackson County are working hand-in-hand with the Mississippi Congressional delegation to address these misguided federal policies. We are working to bring improvements to the people in Pascagoula and elsewhere affected by FEMA's 50 percent rule by giving them more freedom and flexibility to maintain their homes like anyone else in the country.

In addition to the SOS Pascagoula effort targeting these FEMA regulations, Pascagoulans have come together to revitalize the city's downtown with encouraging results. Pascagoula Redevelopment Authority, with corporate support from Chevron, Mississippi Power, Halter Marine, and Ingalls have made substantial investments to downtown. The Mississippi legislature, through the Gulf Coast Restoration Fund, has provided millions of dollars for these efforts.

In addition, FEMA is working to redraw Mississippi's flood maps, and we are pushing those areas that have only flooded one time in over a hundred years will no longer be in a flood zone.

For these efforts to be successful, we need strong participation from the community to help persuade Congress this is an issue that needs addressing. Please visit www.sospascagoula.com for more information on how to participate.