

# Sea Level Rise: Another Disproportionate Impact on Lower-Income Households

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Sea level rise, brought on by global warming, is a disruption that ripples from the floodplain to higher ground. Sea level is predicted to rise about one to three feet by the end of the century as a warmer planet causes thermal expansion of the seas. Sea level rise will make storm surge flooding during hurricanes more devastating.

Even when sea level rise directly impacts high cost, non-affordable coastal areas, that impact leads to disruption in the general housing market. Flooding makes any current problems worse. So substandard housing is worsened, displacement is worsened, housing instability is worsened, and employment and school stability is worsened. Survivors with heir title issues may lose their homes altogether.

**Sea level** rise results in more intensive storms and storm surge. The vulnerabilities manifest in ongoing stress upon systems, punctuated by severe weather events, or shocks.

## Stressors:

- Insurance rates are increasing statewide. Thousands of insured homes must transfer to Florida's insurance of last resort, Citizens, as private companies pull out of the market. Low-income residents must make consequential decisions on budgeting for the increased premiums.
- Low-income homeowners whose homes are ineligible for insurance due to deferred maintenance and modernization will be exposed to storms and flooding. Lacking insurance, survivors will be dependent upon FEMA and SBA loans and possible state or federal disaster recovery funds.
- Lower-income households without a mortgage aren't required to purchase flood insurance and will have a higher vulnerability to sea level rise impacts.
- As demand shifts to real estate on higher ground, displacement will result in areas with a soft real estate market, which is typically low and moderate-income neighborhoods.

## Shocks:

- Flooding from storm surge or inland flooding impacts lower-income households whose older homes were not built to modern codes. Older mobile homes are particularly vulnerable.
- Post-disaster displacement can be devastating to low-income communities when residents cannot afford to repair their homes; FEMA post-disaster housing assistance and home insurance claims often do not cover the full cost of repairs, temporary housing, and loss of employment
- Low-income people are shown to have a precipitous drop in their credit scores and cannot regain access to financing.
- Rebuilding inevitably results in higher cost housing, Rebuilding affordable housing doesn't come close to replacing what was lost.
- CDBG-DR is woefully slow to arrive, to the point that it is almost ineffective. Housing trust funds - either SHIP, Rental Recovery Loan Program, or Hurricane Housing Recovery Program, are a drop in the bucket in meeting unmet needs.

Here are some of the lessons learned from 2018 Hurricane Michael, the strongest storm to ever make landfall in the U.S., three years later.

## Vulnerabilities:

- Low-income residents have inadequate or no funds to prepare or repair.
- Renters cannot make mitigation improvements themselves. If their housing is damaged, they might get some help for temporary housing, but there are still some who cannot make it back to housing stability.
- Low-income residents have inadequate or no funds to evacuate for the duration of the event, while travel and hotel expenses cannot be avoided, nor regular monthly bills that still need to be paid even while survivors are displaced and have not been able to return to work.
- Businesses where service workers work were either closed for a prolonged time or permanently, displacing hundreds of workers.

- Heir title issues, which are almost exclusively found among Black-owned properties, created obstacles for rehabilitation, mitigation, and receipt of disaster recovery funds.
- Low-income neighborhoods that had experienced disinvestment in protective infrastructure and capital improvements before the storm resulted in more severe damage and prolonged recovery.
- In Bay County, most of the public housing properties, apartments financed by low-income housing tax credits, and some USDA properties were significantly damaged or destroyed. Some are just now coming back online.

This graph shows where the rebuilding funds came from post-Michael. The importance of home insurance can be readily seen. Low-income people do not have guidance or

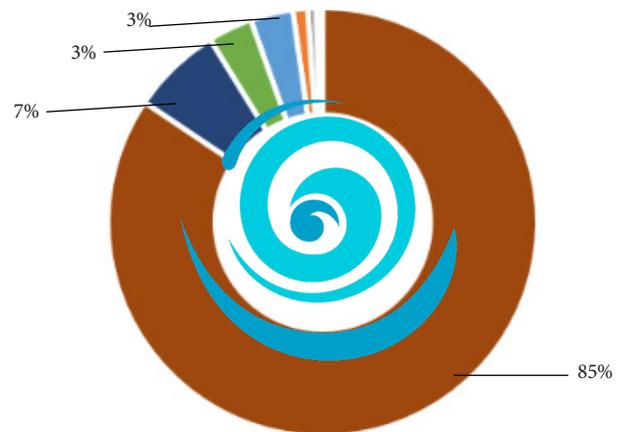
assistance for purchasing the most appropriate insurance for flood, wind, or other hazards. Some may have to choose between food, medicine, or insurance. Many are not aware of their vulnerability to natural hazards, such as home elevation, special flood hazard area, or building condition.

Making insurance available and affordable to low-income households should be a priority, but there is no coordinated effort at the proper levels to advocate for means-based insurance premiums, incentives for home retrofits, or affordable micro-insurance that covers catastrophic events. The Florida Housing Coalition will continue to seek answers to the insurance dilemma along with equitable disaster recovery and mitigation.

**Table Showing Estimate of Housing Recovery Costs for Hurricane Michael Including Emergency Repairs and Rental Assistance**

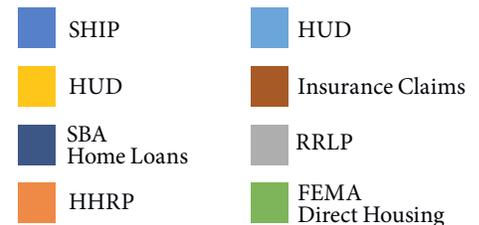
Hurricane Michael Housing Programs		Amount
SHIP	SHIP	5,000,000
HHRP	HHRP	85,000,000
RRLP	RRLP	50,000,000
HOME for Michael	HUD	33,000,000
CDBG-DR for Housing Repair	HUD	246,243,144
FEMA	FEMA Direct Housing	258,000,000
SBA	SBA Home Loans	522,000,000
Private Insurance	Insurance Claims	6,502,391,307
TOTAL		7,701,634,451

## Housing Recovery Sources



### Private Insurance Residential Claims

Category	Count	Amount
Homeowners	73,655	3,482,791,903
Dwelling	16,198	592,713,160
Mobile Home	9,101	234,230,561
Commercial Residential	827	2,192,655,683
<b>TOTAL</b>	<b>99,781</b>	<b>\$6,502,391,307</b>



**Gladys Cook** is the Resilience and Recovery Director for the Florida Housing Coalition. As a planner, Gladys provides research and analysis skills in the formation of disaster recovery strategies for the equitable redevelopment of housing. She produces a weekly disaster recovery webinar for housing professionals and provides training and technical assistance to communities and organizations in the financing of housing development and rehabilitation.