



CITY OF HOUSTON

Sylvester Turner

Mayor

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The Honorable Greg Abbott
Governor of Texas
1100 San Jacinto Boulevard
Austin, Texas 78701

Dear Governor Abbott:

I request that the State of Texas utilize funds from the Texas Economic Stabilization Fund (ESF) for recovery efforts for Hurricane Harvey (DR-4332-TX) for the Greater Houston region. Use of ESF funds is appropriate for response to a natural disaster such as Harvey that wreaked significant damage and caused local governments to incur unanticipated costs far above and beyond their budgets.

While the total cost of the storm has yet to be ascertained, there are immediate needs with defined costs. Here are a few examples of these costs that the City of Houston faces:

- While the federal government will pay for 90 percent of debris removal costs (Category A), we estimate Houston's share of costs will be at least \$25 million of the \$250 million total.
- With the damages from Harvey exceeding the \$100 million flood insurance limit under the City's policy, Houston is without flood insurance at this point, which is not even halfway through hurricane season. Initial conversations with our insurance broker indicate that a policy to cover up to \$100 million in damages for a future flood event would cost approximately \$10 million. That would cover the City between now and April 1, 2018, the time frame of the previous policy.
- The current insurance policy for the City of Houston for damage to municipal property requires a deductible of \$15 million to recover on damages.

The City of Houston has maintained a lean budget. We immediately accessed the \$20 million reserve the City had budgeted to deal with emergency funding but are facing a scale beyond our savings. The City may be forced to increase its property tax rate to raise sufficient funds to meet these needs if we do not receive assistance from the State.

Many counties and other cities in the region are in similar predicaments. The nickname for the Texas Economic Stabilization Fund is the "Rainy Day Fund." During Hurricane Harvey, approximately 27 trillion gallons of rain fell in Texas. There hardly seems a more appropriate use of the nearly \$10 billion of taxpayer dollars in the fund than on recovery from this storm.

Sincerely,

Sylvester Turner
Mayor