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Senate of Pennsylvania

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STATE EMPLOYEES RETIREMENT SYSTEMS BOARD

TO: All Senators

FROM: Senator Vincent J. Hughes 

DATE: January 17, 2012

SUBJECT: Co-Sponsorship Memorandum – Homeowner and Small Business Flood Control and Prevention Loan Program

SB1401

In the near future, I will be introducing legislation to create a Homeowner and Small Business Flood Control and Prevention Loan Program. This revolving loan program will be administered by the Commonwealth Financing Authority (CFA) and provide low interest loans to homeowners and small businesses (i.e., 50 employees or less) to cover costs associated with the purchase and installation of products that will mitigate or alleviate the impacts of future flooding on their properties. Loans will be capped at \$10,000, with an interest rate not to exceed three percent. The CFA also will be authorized to award up to \$1 million of the available funds in grants for low-income applicants. Funding for the program will come from a \$10 million transfer from the current funds available for flood control projects under the H2O PA Act. Currently, the CFA has approximately \$71 million in unused funds available for flood control projects, but those funds are not available to homeowners and small businesses.

As we all know, numerous areas of the Commonwealth were devastated by flooding in 2011 due to Hurricane Irene and Tropical Storm Lee. Property damage from those storms measured in the hundreds of millions of dollars. Yet not included in this calculation is the additional property damage that many of our homeowners and business owners see as a result of flash flooding that occurs during violent rainstorms. These flooding events are often just as disastrous as a major weather event, yet occur more often. By encouraging property owners to be proactive and assisting them in taking steps to “flood-proof” their homes and businesses, we can potentially mitigate damage from future flooding events and provide our residents with peace of mind that their homes and businesses are adequately protected.

If you would like to co-sponsor this legislation, please contact Jackie Hopp at 7-7112 or jhopp@pasenate.com by January 31, 2012.