



# Louisville Metro Government

## Legislation Text

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File #: R-175-15, Version: 1

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**RESOLUTION NO. \_\_\_\_\_, SERIES 2016**  
**A RESOLUTION RELATING TO THE METROPOLITAN SEWER DISTRICT**  
**FLOODPLAIN BUYOUT PROGRAM.**

**Sponsored By:**

**WHEREAS**, Louisville Metro has been faced with a series of weather events that have left significant damage to both public and private properties throughout Louisville Metro; and

**WHEREAS**, the mission of the Louisville-Jefferson County Metropolitan Sewer District (“MSD”) is to “build, maintain and operate quality wastewater, flood protection and storm water facilities for the people of our community”; and

**WHEREAS**, on April 3, 2015 Louisville Metro experienced a substantial rainstorm that left six to eight inches of rain in a twelve-hour period, prompting 185 water rescues, stranding over 82 motorists, canceling school, mandating an evacuation of many homes and businesses including the Guardian Court Apartments and the closure of many streets and access ways throughout the Metro including Ridge Road between Shady Lane and Glenbrook Road, National Turnpike between the Gene Snyder and Outer Loop, and the collapse of a portion Kentucky Highway 22; and

**WHEREAS**, Louisville Metro currently has over 12,500 structures located within flood-prone areas, of which, only slightly over 5,000 have insurance policies through the Federal Emergency Management Agency (FEMA); and

**WHEREAS**, in 2006, the Louisville Metro Council implemented strict rules in an effort to keep flood insurance premiums low, including prohibiting homeowners from making repairs to their house totaling more than 50% of the home’s value over a 10-year period, which helped to improve Louisville Metro’s scoring in FEMA’s Community Rating System (CRS); and

**WHEREAS**, prior to the passage of the 2012 the Flood Insurance Reform Act, the federal government subsidized large portions of homeowner's mandatory flood insurance costs, however now rates will truly be based on the risk of future flooding, doubling the flood insurance rates with the potential for even higher rates, potentially making the property unsellable due to the extreme flood insurance premiums; and

**WHEREAS**, in response to the April 3, 2015 rain event, a Flood Mitigation Work Group was created by Mayor Greg Fischer consisting of officials from MSD, Louisville Metro Council, and the Mayor's Office, which was tasked with finding immediate and long-term solutions to homes flooded repeatedly and resolving how to relocate the 12,500 homes out of the floodplain; and

**WHEREAS**, Kentucky Governor Steve Beshear requested federal assistance after the flood events in April, prompting President Barack Obama to declare parts of Kentucky, including Louisville and Jefferson County, major disaster areas; and

**WHEREAS**, on May 28, 2015, the Louisville Metro Council temporarily amended the 2006 Floodplain Management Ordinance with a six-month suspension of the provision that restricted rebuilding of a flood-damaged home or business located within the FEMA floodplain, when the cumulative rebuilding costs exceed 50% of the value of the structure within a rolling 10 year period; and

**WHEREAS**, to date, more than 22 homes have exceeded the 50% limit for costs over a ten year period following the April 3, 2015 rain event, and approximately 16 homes currently listed as Priority A or Priority B are being considered for a quick buyout program developed by the Flood Mitigation Workgroup and implemented by MSD, with a portion of the buyout program funded with One Million Dollars from MSD; and

**WHEREAS**, Louisville Metro has experienced four major rain/flooding events in the past six years in which an excess of six inches of rain fell, and Louisville Metro is expecting continued high

levels of rain in the coming months as the result of a strong El Niño expected within our region, which will only increase the number of homes in need of assistance or buyout over the coming years; and

**WHEREAS**, MSD has passed rate increases of between 5.5% and 6.5% for each of the past five years, with this year's increase of 5.5% being the lowest of recent time; and

**WHEREAS**, the recent announcement of an Interlocal Agreement between the Louisville Water Company and Metropolitan Sewer District via One Water is expected to save between Five and Ten Million Dollars annually; and

**WHEREAS**, the April 27, 2015 MSD Board meeting minutes included a discussion of the existence and guidelines for use of a \$4.5 million contingency reserve as the result of "Heavy Rain and Flood Events" and "Major Infrastructure Failures" for power, overtime, equipment, supplies and claims resulting from such emergencies;

**BE IT RESOLVED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:**

**SECTION I:** The Council requests that MSD prepare a plan to allocate an additional One to Two Million Dollars toward the funding of a multi-year MSD-supported floodplain buyout program for homeowners within Louisville Metro. Additionally, MSD shall present a proposal to the Council no later than sixty (60) days after the passage of this Resolution on how or if the properties purchased in the floodplain will be repurposed, while also giving consideration to residents just outside the floodplain whose properties may be affected by declining property values related to the buyout program. This presentation shall also be incorporated into the annual presentation delivered to the Council when MSD representatives present their budget proposal to the Council. Understanding that each 1% rate increase proposed by the MSD Board represents an additional Two Million Dollars in revenue, and understanding that the recently announced Interlocal Agreement for One Water, a joint agreement between the Louisville Water Company and MSD, is expected to save approximately Five

to Ten Million Dollars annually, it is the expectation of the Council that a full buyout program can be established and prepared to serve the people of Louisville Metro within the year, and remain in effect indefinitely.

**SECTION II:** This Resolution shall take effect upon its passage and approval.

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Stephen Ott Metro Council Clerk

H. \_\_\_\_\_ David  
Yates President of the Council

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Greg Fischer Mayor

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Approval Date

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O'Connell  
Jefferson County Attorney

BY: \_\_\_\_\_