

Subject: Impact of Disaster Recovery Program Policy Changes on Flood Recovery and Resilience**APPROVALS:****Jamie Doyle**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the Impact of Disaster Recovery Program Policy Changes on Flood Recovery and Resilience Report be accepted as information.

Summary:

The intent of this report is to provide an overview of community-specific flood recovery resolutions to-date and the impact of the new Disaster Recovery Program (DRP) policy changes.

Background:

Following the flood in April 2020, the *Improving Community Resilience: 2020 Overland Flood Considerations* report (Attachment 1) was provided to evaluate options for each affected community. The potential shift in DRP funding was noted within the report (pages 9 and 14); it was considered during the options development and evaluation process. The following recommendations were provided at that time:

Ptarmigan Court: the proposed approach is a full buyout of all properties in the area.

Draper: the proposed approach is a full buyout of all properties in the area.

Waterways: the proposed approach is a buyout of all properties below 250 metres and enhanced flood provisions in the Land Use Bylaw for development above 250 metres.

Longboat Landing: the proposed approach is to continue with the Municipality's approved structural flood mitigation project, limit development below 250 metres, and introduce enhanced flood provisions in the Land Use Bylaw for development above 250 metres.

Downtown: the proposed approach is to continue with the Municipality's structural flood mitigation project, in addition to limiting development below 250 metres, while at the same time introducing enhanced flood provisions in the Land Use Bylaw for development above 250 metres.

TaigaNova: the proposed approach is to construct new flood mitigation and enhance existing berms, in addition to limiting development below 250 metres, while at the same time introducing enhanced flood provisions in the Land Use Bylaw for development above 250 metres.

Subsequent public meetings prioritizing flood recovery and community resilience resulted in the following resolutions:

Ptarmigan Court: On December 15, 2020, Council directed Administration to proceed with offering a voluntary buyout until May 31, 2021, to all property owners in Ptarmigan Court at the 2020 assessed value and also that the option to raise homes to 250.9 metres be offered until May 31, 2021.

Draper: On December 15, 2020 Council directed that Administration determine the feasibility of a grant program for lot-by-lot individual flood mitigation solutions for properties in Draper where the underside of the main floor joists is below 250.9 metres as the flood risk treatment for Draper and report back to Council; and limit development below 250.9 metres and introduce enhanced flood provisions in the Land Use Bylaw for development above 250.9 metres.

Waterways: On December 15, 2020, Council directed that Administration continue with building a structural mitigation solution as previously directed; and limit development below 250.9 metres and introduce enhanced flood provisions in the Land Use Bylaw for development above 250.9 metres.

Longboat Landing: On September 15, 2020, Council directed that Administration complete the structural flood mitigation project for Longboat Landing to a level of 1:200 (250.9 metres) by October 15, 2021, limit development below 250 metres, and introduce enhanced flood provisions in Land Use Bylaw for development above 250 metres.

Downtown: On September 15, 2020, Council directed that Administration complete the structural flood mitigation project for Downtown to a level of 1:200 (250.9 metres) by October 15, 2022, limit development below 250 metres, and introduce enhanced flood provisions in Land Use Bylaw for development above 250 metres.

TaigaNova: On September 15, 2020, Council directed that Administration complete flood mitigation for TaigaNova Eco-Industrial Park to a 1:200 flood level elevation (250.9 metres), limit development below 250 metres, and introduce enhanced flood provisions with a target completion date of October 15, 2021

During the Government of Alberta's *Budget 2021, Fiscal Plan - Protecting Lives and Livelihoods (2021-24)* presentation, forward-looking amendments to the Disaster Recovery Program and the Alberta Disaster Assistance Guidelines were noted in a statement on page 121:

"Municipal Affairs will introduce new cost-sharing policies and funding limits for the Disaster Recovery Program, along with changes to Emergency Evacuation Payments under the responsibility of Community and Social Services, which will reduce provincial costs and encourage improved risk management behaviours at both individual and community levels. These changes will be effective for 2021 disaster events and will bring Alberta's programs in line with those offered in other provinces."

The Municipality was notified of the changes on March 1, 2021, by the Alberta Emergency Management Agency along with the *Disaster Recovery Program Changes* (Attachment 2). The Municipality was advised the changes to the Government of Alberta's DRP had come into effect for DRPs that occur in 2021 and onward, and are outlined in the new 2021 Disaster Assistance Guidelines: *Alberta Private Sector Disaster Assistance Guidelines* (Attachment 3) and *Alberta Public Sector Disaster Assistance Guidelines* (Attachment 4).

The Government of Alberta noted the changes are intended to share the responsibility of disasters with all those who are impacted and to make the program more sustainable for future events. While conditions for eligibility remain the same for qualifying applicants, the following cost-sharing arrangements and funding limits have been added to the program:

Local Authority and Private Sector Applicants (Including Homeowners)

- A 90:10 cost sharing arrangement is being implemented.
- DRP assistance is limited to 90 per cent of eligible disaster expenses, instead of 100 per cent.
- The remaining 10 per cent of eligible assistance will be subtracted from the amount payable to the applicant. No payment to the program will be required.

Homeowners Only

- A funding limit of up to \$500,000 per homeowner application and a limit on assistance to one-time per property is being implemented.
- For disaster events that occur in 2021 onward, qualifying homeowner applicants will only be able to access DRP assistance once per property address. Financial assistance from the program will not be provided to future applicants who own property at the same physical location.

- The one-time funding limit is not cumulative. For example, if an applicant has received \$100,000 worth of assistance under the new policy, they would not qualify for any funding in the future.
- This change will not be applied retroactively. If a homeowner has received assistance before 2021, this does not count as meeting the one-time assistance limit.
- Homeowner addresses that receive DRP assistance will be posted online to the Government of Alberta website to provide transparency about DRP funding limits and up-to-date information for prospective homeowners, developers, and real estate professionals. The funding received stays with the property; therefore, a new homeowner would not be able to access disaster recovery funding for that same property in the future.

The Municipality has implemented mitigation measures and voluntary buyouts to promote community resiliency and reduce the impact of potential flooding in future. The Municipality has also sought reconsideration of the policy changes in a letter to Premier Kenney dated March 18, 2021 (Attachment 5). The letter asks for a provincial strategy aimed at enhancing community resilience through continued collaboration with the federal government, insurance industry and other stakeholders, and increased, stable funding for disaster mitigation projects and initiatives.

Budget/Financial Implications:

For future natural disasters, the Municipality would be responsible for 10 per cent of the costs covered by DRP. Based on prior flooding events this could equate to approximately \$2.5 million per event and based on the 2016 fire event 10 per cent would equal approximately \$23 million. The funds would have to be drawn from the Emerging Issues Reserve as no budget would have been set for the event.

Consideration must also be given to the impact of this change on business owners, homeowners and residents. Individual situations vary and there are varying fiscal situations, insurance policies, and personal property assets. Further, this change will impact those that have utilized the one-time funding limit as they will not qualify for any additional assistance for a second or third claim under the new policy. Residents of the region may incur significant financial difficulties in the future following natural disasters.

DRP private sector applications and payment amounts for flood recovery as of March 26, 2021 are described below in Figure 1:

Figure 1: DRP Private Sector Applications and Payments

Application Type	Application Count	Payment amount (\$)
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Agriculture	1	0
Condo Association	10	176,353
Homeowner	499	10,901,078
Institutions	7	459,287
Landlords	95	2,653,934
Small Business	123	2,637,038
Tenant	341	1,625,421
Total	1076	18,453,111

Strategic Priorities:

Responsible Government

Attachments:

- 1. Improving Community Resilience: 2020 Overland Flood Considerations in the RMWB, July 2020**
- 2. Disaster Recovery Program Changes, February 2021**
- 3. Alberta Private Sector Disaster Assistance Guidelines, February 2021**
- 4. Alberta Public Sector Disaster Assistance Guidelines, February 2021**
- 5. Letter to Premier Kenney regarding Disaster Recovery Program Policy Changes, March 2021**