

To: Fraser Valley Regional District Board
From: Jennifer Kinneman, Chief Administrative Officer
Graham Daneluz, Director of Planning & Development

Date: 2022-01-27
File No:

Subject: Request to the Province of BC to Increase Disaster Financial Assistance Cap

RECOMMENDATION

THAT the Fraser Valley Regional District Board authorize the Board Chair to sign and send a letter to the Province of British Columbia requesting an immediate increase to the Disaster Financial Assistance Cap for applications associated with the November 2021 atmospheric river event;

AND THAT this staff circulate this letter with a request for support to FVRD member municipalities and adjacent regional districts.

BACKGROUND

When large-scale natural disasters occur, the Government of Canada provides financial assistance to provinces through Disaster Financial Assistance Arrangements (DFAA). This funding model, which has been in force since 1970, subsidizes provincial governments when response and recovery costs would reasonably exceed provincial capacity. Each province is responsible for submitting claims to the **federal program and they are reimbursed if costs exceed established thresholds.** (British Columbia's threshold for 2021 was \$16,826,933).

British Columbia's Disaster Financial Assistance (DFA) program is administered through Emergency Management British Columbia (EMBC). DFA is available for otherwise uninsurable losses and can be accessed by homeowners, residential tenants, small businesses, farm operators and not-for-profit organizations. DFA will compensate affected individuals for 80% of eligible claims, after the first \$1000 to a maximum claim of \$300,000. DFA is available for essential items only, to reinstate the necessities of life, including repair and restoration of damaged homes and businesses.

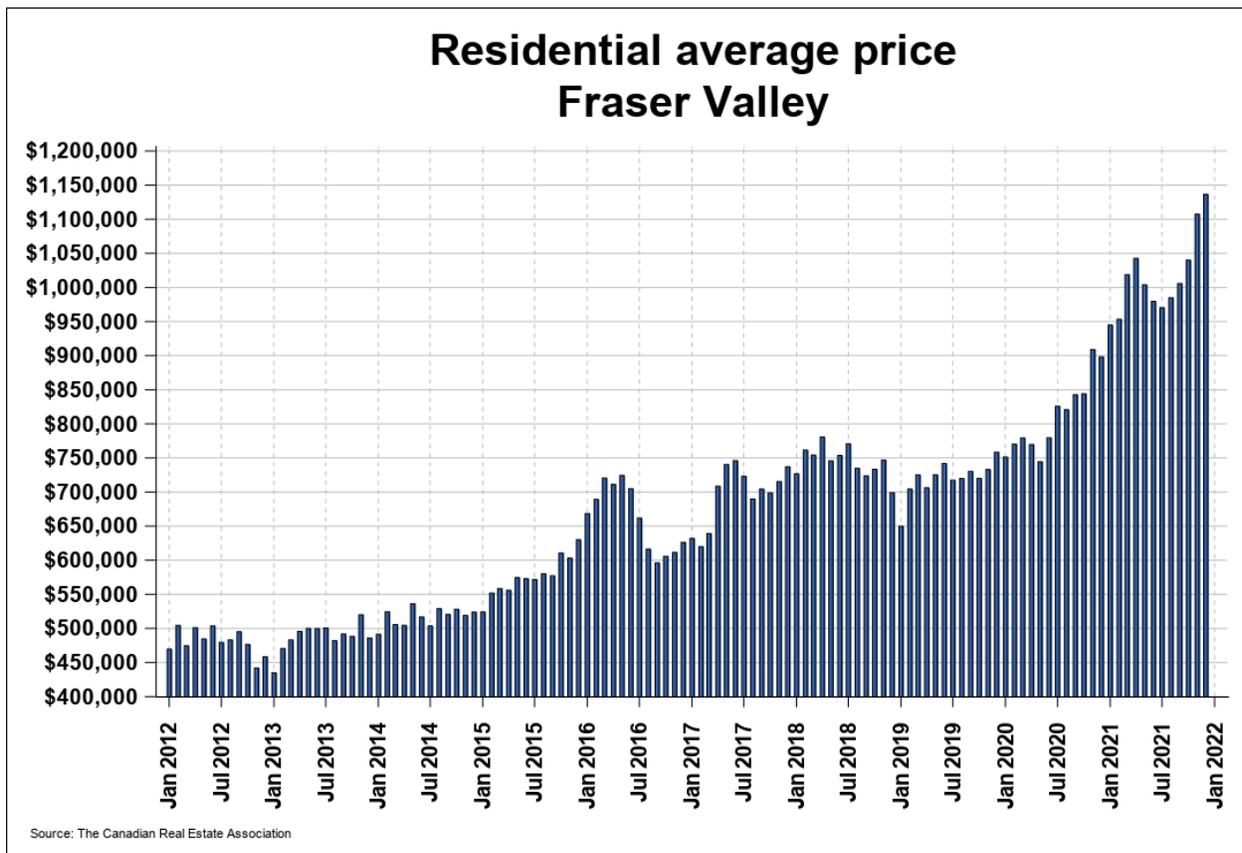
DISCUSSION

The atmospheric river event in November 2021 caused catastrophic damage in British Columbia, particularly in the Fraser Valley. **The FVRD's electoral areas recorded 60 distinct incidents in its Emergency Operations Centre that caused widespread disruption, including floods, landslides, road**

closures, and power outages. The FVRD issued 27 evacuation alerts and orders, impacting over 2,000 properties and an estimated 5,600 people. The FVRD's certified electoral area population is 13,098 (42% of the EA population was impacted by evacuation alerts and orders).

Rules and guidelines for DFA administration vary by province. Provincial governments have the ability to set caps on the total amount of DFA that can be received. Most provinces have caps and cost-sharing arrangements established. In Alberta, cost-sharing is set at 90:10 and there is a \$500,000 funding cap per homeowner application. In Saskatchewan, cost-sharing is 95:5 with a \$240,000 funding cap.

BC's cap for DFA has been set at \$300,000 since 1996. Meanwhile, the cost and value of property in the Lower Mainland has significantly increased over that same time period. The table below from the Canadian Real Estate Association shows the average price rising from approximately \$500,000 in 2012 to approximately \$1M in 2022. In 1996, the average single detached sale price of homes in Chilliwack was about \$150,000.



According to the Bank of Canada inflation calculator, which uses the Consumer Price Index (CPI) to measure inflation, a fixed "basket" of goods that cost \$300,000 to purchase in 1996 would cost \$481,605 to purchase in 2021.

Ten homes in the FVRD's electoral areas were either completely destroyed or have been deemed unsafe to return. With a cap of \$300,000 for DFA, it is unlikely many of these homeowners will come

close to addressing the catastrophic losses sustained from the 2021 atmospheric river event. Since the \$300,000 cap has not changed in many decades, the Board may wish to consider recommending that the Province increase this cap for eligible DFA applications.

COST

There are no costs associated with this report.

CONCLUSION

The Province of BC administers the Disaster Financial Assistance program through Emergency Management British Columbia. Among the many eligibility requirements is a cost-sharing formula of 80:20 and a maximum of \$300,000 per homeowner application. Since this \$300,000 cap has not been adjusted in several decades and does not reflect the change in market values since that time, the FVRD Board may wish to recommend that the Province immediately increase this cap for the 2021 atmospheric river event to better assist affected property owners.