
Hurricane Floyd Relief: Available Federal and State Aid

For victims of Hurricane Floyd, there are two main sources of aid available—federal and state. Through the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288), states that experience a major disaster beyond their abilities to cope can seek help from the federal government. The Stafford Act outlines the steps involved in obtaining a presidential disaster declaration, determines the scale of aid available, and sets conditions for obtaining the necessary funds.

I. Federal Assistance

Once a presidential declaration is made, the federal disaster assistance available falls under three basic categories: *Individual Assistance* to help individuals, families, or business owners; *Public Assistance* to help public and a few non-profit organizations to repair or replace damaged facilities; and *Hazard Mitigation Assistance* which provides aid designed to reduce future losses to private and public property. In all, the federal government obligated \$2 billion to North Carolina in assistance in Floyd's wake.¹

A. Individual Assistance: One of the major forms of federal assistance is the *Individual Assistance Program*. This initiative provides grants, loans, and/or counseling services to individuals and families. In each case, the applicants seeking assistance must register with the Federal Emergency Management Agency (FEMA) through the different local offices and establish their eligibility. The first step in the application process is a phone interview. After the interview, the applicants receive information and application forms. Once applicants fill out the necessary paperwork, the agency determines each applicant's eligibility on a case-by-case basis. It is important to note, however, that federal disaster aid does not guarantee total recovery from all material and personal losses. Instead, the assistance is limited to returning damaged or lost property not covered by insur-

ance (such as one's home) to its pre-disaster state, or to providing for necessary expenses or needs to help disaster victims back on their feet. The three major services under the Individual Housing Assistance Program include:

1. *Temporary Housing Assistance:* This program assures that people whose homes have been damaged have a proper place to live until repairs can be made. Temporary housing assistance includes funds for home repair, rental assistance, mortgage and rental assistance, lodging reimbursement, and referral to other housing programs.
2. *Individual and Family Grants:* These grants are given to applicants who are not eligible for Small Business Administration loans or those who receive an insufficient amount from their Small Business Administration loans. Individual and Family Grants can cover expenses such as housing, personal property, medical, dental, funeral, transportation, and flood insurance premiums. The state administers this program and pays for 25 percent of the grant amount, while the federal government provides the remaining 75 percent.
3. *Small Business Administration Disaster Loans:* For many victims, this program is the main form of disaster assistance. The SBA makes loans to three groups: (1) homeowners and renters to repair or replace disaster-damaged property, (2) business owners to repair or replace disaster-damaged property, and (3) small businesses and agricultural cooperatives to assist them through the recovery period.

In addition to these three main programs, the federal government also implements other smaller programs under the Individual Housing Assistance Program, such as:

—**Floyd Relief, continued**

4. *Disaster Unemployment Assistance:* This program provides unemployment benefits and re-employment services to those who lose jobs because of the disaster and who do not qualify for regular unemployment insurance programs. Individuals must register with their state's employment services, and benefits extend anywhere from the date of the disaster until 26 weeks after the disaster declaration.
5. *Legal Services:* Once the President of the United States declares a disaster, FEMA and the Young Lawyers Division of the American Bar Association team up to provide free legal assistance to victims, especially low-income individuals who cannot afford a lawyer. The lawyers typically provide assistance with insurance claims, legal counseling, or the replacement of wills and other important legal documents destroyed in the disaster.
6. *Special Tax Considerations:* Taxpayers who suffer losses due to the disaster may deduct the amount on their federal income tax return for the year in which the disaster occurred. The Internal Revenue Service also can expedite refund checks to taxpayers in a federally declared disaster area.
7. *Counseling:* The Crisis Counseling Assistance and Training Program provides supplemental funding to states for short-term counseling for disaster victims. This counseling program provides both immediate services and regular programs that may last for up to nine months.

B. Public Assistance: Aside from Federal aid to individuals and families, the federal government also offers assistance to public institutions and organizations, such as state and local governments and any other political subdivision of the state. Focused on public facilities, this form of federal aid can fund the repair, restoration, reconstruction, or replacement of a public facility or infrastructure that is damaged or ruined by a natural disaster. In normal circumstances, applications for assistance must be filed 30 days after an area is designated a disaster

area. Applicants may complete their own small projects and document their damages on a project worksheet. FEMA will review this documentation and obligate the federal government to pay at least 75 percent of the cost. Once FEMA obligates money to the state, it is the state's responsibility to manage and distribute the funds to local governments and individuals.

C. Preventive Assistance: Finally, the third form of federal aid, the *Hazard Mitigation Grant Program*, involves a series of preventive measures designed to avoid future risks to people and property from natural disasters. Communities can apply for mitigation funds through their state, and the funds help implement *Hazard Mitigation Grant Program* projects such as upgrading facilities to meet current standards, acquiring or relocating properties in high hazard areas, elevating flood-prone buildings, and protecting existing structures.

II. State and Local Government Assistance

In the onerous process of rebuilding after a natural disaster strikes an area, the state and local governments also take an active role in helping victims recover from their ordeal. After Hurricane Floyd, Governor Jim Hunt and the North Carolina General Assembly approved \$836.6 million in state funding to help meet the needs of Eastern North Carolina left unmet by the \$2 billion in federal assistance. Gov. Hunt established the Hurricane Floyd Reserve Fund in the Office of State Budget and Management, and through this fund, the North Carolina General Assembly authorized a series of projects and programs to help the numerous flood victims. North Carolina gave money to small businesses to reduce the interest on their SBA loans or to businesses that did not qualify for SBA loans. The state also gave grants to the farming and fishing industries to cover equipment, crop, and livestock losses, in addition to implementing public health and environmental programs to provide safe drinking water and clean up the damaged areas. In light of all the damage left in Floyd's wake, however, one of the main problems on which the legislature focused was the housing situation. Hurricane Floyd did an esti-

mated \$6 billion in insured and uninsured damage. Ultimately, the storm damaged more than 67,000 homes in some way, and it destroyed 8,000 homes. Therefore, of the \$836.6 million dollars set aside for the relief effort, the state obligated \$493.6 million dollars toward housing programs.

Crisis Housing Assistance Fund: Aid for housing relief falls under this fund, which is administered by the Division of Community Assistance and North Carolina Housing Finance Agency. The primary goal of these two agencies is to help people (especially low-income families) repair or find affordable and adequate housing. They help victims through a variety of initiatives, such as:

1. The State Acquisition and Relocation Fund, which provides a supplemental grant to homeowners participating in FEMA's Hazard Mitigation Grant Program buy-outs to purchase replacement homes. These grants also give relocation assistance to renters whose homes have been bought out.
2. Grants to low-income homeowners to repair or replace their home.
3. State grants to successful SBA loan applicants in order to reduce the amount of debt that they accumulate to repair their homes.
4. Infrastructure grants to local governments to build new housing developments.

some local United Way agencies suffered what could be called Floyd fatigue, as giving for community campaigns dropped. Flood-ravaged Greenville saw a decrease of 13.2 percent in its 1999-2000 United Way campaign, while Goldsboro saw a dip of 9.6 percent. The impact immediately following the flood could be felt as far away as Iredell County in the western Piedmont, where local United Way officials reported trouble reaching their campaign goal due to Floyd-related generosity.

But the rebuilding continued even as non-Floyd-related giving was returning to pre-flood levels. Tyler says the faith groups are only halfway through the rebuilding effort in terms of meeting requests for housing repair. Faith groups are hoping to continue assisting families in need. How-

5. Funds to build affordable rental units for people.

6. Funds for more personnel—such as housing inspectors or housing counselors—and a Housing Recovery Office to oversee the housing effort.

Before victims of Floyd can apply for these state funds, they must also register with FEMA, and, with the exception of Hazard Mitigation Grant Program buy-out homes, have documentation proving that they have already exhausted all attempts to seek federal aid. This is to prevent double dipping and assure that state funds go as far as possible. Thus, applicants must have documentation stating their grant approval or denial from the federal Individual Family Grant program, or be able to show that they did not receive any SBA loans. Families that fail to adhere to these guidelines are not eligible for any aid other than relocation assistance within the buy-out program.

—Long Vo

FOOTNOTE

¹ The federal deadline for registering for disaster aid was Feb. 29, 2001, and the state application deadline was Feb. 16, 2001.

Long Vo was a summer 2001 Center intern.

ever, raising funds to support recovery programs is becoming more difficult as the crisis atmosphere fades and in the wake of Sept. 11, 2001, relief efforts. The state Housing and Business Redevelopment Center, an arm of the N.C. Department of Commerce, initially offered to reimburse faith groups for construction materials used to rebuild homes later found to qualify for government aid. However, the center backed away from that offer in the midst of the spring 2001 state budget crisis. Currently, the North Carolina Redevelopment Center and the United Way are seeking funds to pay for future material costs incurred by faith groups in the Floyd recovery effort.

“The role of nonprofits in picking up projects not covered by state or federal governments has