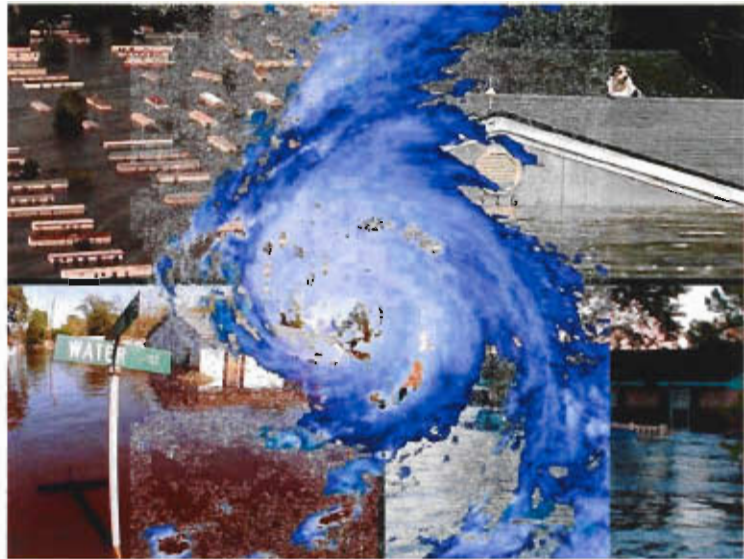


Conference

Record

Housing and Disaster Recovery



Summary of presentations, abstracts, and recommendations from a conference presented by East Carolina University and the Eastern North Carolina Area Health Education Center, May 16-17, 2002, at East Carolina University, Greenville, North Carolina.



Conference Record

Housing and Disaster Recovery in North Carolina

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Sponsors and Contributors

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Preface

Hurricane winds and flood-waters ravaged much of eastern North Carolina in September of 1999. East Carolina University responded to that challenge in a number of ways including direct and indirect assistance. In May of 2000, the University hosted a major conference entitled “In the Aftermath of Hurricane Floyd: Recovery in the Coastal Plain.” The essential goal of that first conference was to document the disaster, its causes and its immediate impacts. Scientists, citizens, emergency managers and disaster response practitioners, along with other public officials worked side-by-side to inventory the causes and consequences of North Carolina’s most devastating disaster. They convened to recommend actions that might mitigate against some of the worst effects of future extreme events. Their findings and recommendations were reported in a book, *Facing our Future- Hurricane Floyd and Recovery in the Coastal Plain (2001)*.

Although the causes and the consequences of the Floyd disaster were carefully articulated during that conference and in that published volume, it was recognized at the time that full recovery, especially for an impoverished region like eastern North Carolina, would take much longer. In fact, understanding and recovery are both long-term processes. Thus a second conference was convened in May of 2001. Here the focus shifted from documentation of the causes, the consequences, and the response issues associated with the singular Floyd event, to longer-term recovery issues and to a better understanding of natural processes that could bring additional extreme events. Once again, public officials, scientists, and citizens grappled with key longer-term issues like global warming and sea level rise, demographic change within the region, social impacts of disasters, public health consequences of disasters, and disasters and mental health. That second conference resulted in the production of a conference record entitled *Of People, Place, and Progress: Extended Recovery on the Coastal Plain (2002)* and in a special issue of the refereed journal *Natural Hazards Review* entitled *Social Science Aspects of Hurricane Impacts and Mitigation (2002)*. One of the most important recommendations to emerge from the second conference was the need to place clearer focus on perhaps the most vexing of recovery issues, namely housing. A poor housing situation had been

made substantially worse in the region as a longer-term result of the 1999 disaster. In particular, faith-based groups had struggled to fill the housing requirements of some of the region's neediest folks. For a number of reasons, many people, who had suffered substantial property losses during the Floyd event, did not benefit from public assistance in the wake of the disaster.

So, ECU teamed with social scientists, federal, state and local public agencies, the non-profit housing sector, and a variety of faith-based groups to convene a third hazards conference in May of 2002. The purpose was to inventory and analyze the quite varied effectiveness of individual communities in providing housing solutions after Floyd. Individual groups discussed recent regulatory changes at federal and state levels that would affect how future response and recovery programs should be modeled. Others discussed the role of non-profits and faith-based communities in long-term disaster recovery. With publication of this Conference Record entitled *Housing and Disaster Recovery in North Carolina*, I am very pleased to provide a summary of research and programs presented at the 2002 conference. My hope remains that increased knowledge of this horrible disaster and its longer-term consequences, especially the housing issue, will reduce future risks to life and property and mitigate against the sorts of disruptions to normal life that too many of our citizens coped with. Ultimately, improved public policy, resulting from informed analysis like that experienced in our conference series, will buffer our neighbors from the worst effects of future extreme events. Valuable lessons are recorded and devoted to that very purpose.

Thomas Feldbush
Vice-Chancellor for Research, Economic Development and Community Engagement
East Carolina University
February 2003

Introduction

Hurricanes and Floods devastated much of eastern North Carolina in September of 1999. Eight months later, scientists, citizens, and public officials gathered at East Carolina University to document the disaster and its immediate aftermath. Findings and recommendations were reported in the book, *Facing our Future- Hurricane Floyd and Recovery in the Coastal Plain*. In order to grapple with important longer-term issues, East Carolina University teamed with others to host a second hazards conference entitled, *Of People, Place, and Progress: Extended Recovery on the Coastal Plain*”, held in May 2001. That group of scientists, citizens, and public officials dealt head-on with prospects of global warming, sea-level rise, and the disruptive impacts of disasters upon social processes, demographics, public health, and mental health. They recognized that planners must be aware of the broader context of environmental change, especially climate change, that could result in higher frequency of extreme weather. They came to understand that recovery is likely to be a prolonged process, unlike immediate disaster response, and that recovery efforts appear to be less well organized than response efforts. They were reminded that the Floyd experience presented substantial difficulties in the areas of public and mental health. Many of these findings were made public in a special issue of *Natural Hazards Review*, entitled, *Social Science Aspects of Hurricane Impacts and Mitigation*. They recorded the many valuable lessons that Floyd taught the region and they provided recommendations that were designed to result in better decisions and stronger, more resilient, communities.

It was felt at the conclusion of the second conference that Hurricane Floyd and its flood waters were fast becoming a memory for the majority of citizens, corporations, and agencies. Simultaneously, there remained recognition that all the lessons from Floyd had not been taught. Recovery remained incomplete. A small group of individuals banded together to plan a third conference, one dealing more precisely with the continuing needs of victims/survivors, particularly in the context of housing and related issues. The emphasis of conference number three, held at ECU in May 2002, was on housing. This is a particularly appropriate topic not only because thousands of housing units, homes, were

destroyed during the event but because there already existed a significant housing issue in the region before the event. Additionally, new regulatory devices at the state level (Senate Bill 300) and at the federal level (DMA2K) became effective in May 2002 and these will substantially affect the manner in which disasters are dealt with from a recovery and mitigation perspective. This new regulatory environment and its effect on the housing issue were important agenda items for the third conference. This *Conference Record* presents participants' key findings and recommendations regarding the housing issue that is associated with long-term disaster recovery. We hope that the lessons learned from Floyd that are revealed here will assist Eastern Carolina and other regions to gain a clearer perspective on this important issue. Our intent is to provide a concise and convenient summary of research findings and recommendations. Perhaps this formal memory will yield more resilient communities in the future.

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Executive Summary

Eastern North Carolina had a housing issue prior to the devastation brought by Floyd's flood waters. Affordable housing in lower income rural regions has been a persistent problem throughout much of the United States during the post WW II era. That condition significantly worsened as a result of Floyd. Floyd's flood waters reached nearly 100,000 housing units, resulted in significant damage to about 67,000 units and destroyed about 8,000 of those. The recovery of the housing stock, especially for uninsured and under-insured low income home owners and renters has been painfully slow.

The over-arching theme for the 2002 hazards conference was housing and disaster recovery. Significant variation in recovery effort and results is found to exist between communities of the eastern North Carolina Region. Additionally, recent legislation passed at federal (Disaster Mitigation Act of 2000, DMA2K) and state (Senate Bill 300) levels will have substantial effect on the direction and process of both disaster recovery and response in the future. Finally, a new vision for a more cooperative environment of disaster response and recovery involving private, public, and faith-based groups is articulated. These three themes, with a clear focus upon the housing issue, formed the basic framework for conference activities.

Local Variations in Recovery

Commensurate with the conference theme, the Local Variations in Recovery sessions are intended to focus on the variety of housing recovery methods put into practice throughout eastern North Carolina following Hurricane Floyd. Representatives from Columbus, Duplin and Edgecombe counties will present their unique perspectives on the challenges and solutions faced by communities responsible for housing recovery following disasters. The devastation of a flood means that survivors require safe, sanitary and secure housing. Community leaders, non-profit agencies and the private sector all have a role to play in the housing recovery process and the keynote speakers and panelists will provide a broad perspective in the collective recovery process.

Recent Federal and State Regulatory Effects

Commensurate with the conference theme, the “Recent Federal and State Developments in Disaster Recovery” sessions are intended to focus on the implementation of new and amended State and Federal programs for disaster victims. The session participants involved in this conference “breakout session” are from the Federal Emergency Management Agency (FEMA) and the North Carolina Division of Emergency Management (NCDEM) and other state agencies that respond after a disaster. The panel participants will share new program developments that will affect communities and citizens the next time disaster strikes North Carolina. This field of experts will bring to the discussion their knowledge of previous programs and share their ideas of future changes designed to improve services to victims of disaster. It is anticipated that the results of the session will provide a better understanding of the programs available after a disaster as well as how federal, state and voluntary organizations partner to assist the citizens of North Carolina in their return to a level of normalcy after disaster strikes.

Improving Long-term Recovery

Commensurate with the conference theme, the “Visions for Improving Long-term Recovery” sessions are intended to develop strategies for improving long-term recovery in eastern North Carolina with a focus on housing recovery. The session participants will share present and past experiences in housing and long-term recovery efforts and issues. It is expected that participants will present their visions for improving long-term recovery in the area of housing and will provide practical proposals and strategies for the continuation of present recovery to include ideas for changes necessary to improve and facilitate housing recovery in present and future disasters. Ideally, the result of the sessions could be a plan of action with strategies for improving housing recovery in eastern North Carolina. Resulting ideas and strategies could then be used for future action by participating groups working in continuing partnership with one another and the state.

Housing, the Unfinished Agenda

Mr. Nicholas Retsinas, Director, Joint Centers for Housing Studies, Kennedy School for Public Policy, Harvard University

It is important to place the housing issues of eastern North Carolina into a larger state and national context. Over the past decade, a period of dramatic and sustained economic growth, it has been quite difficult to convince most Americans that there are substantial equity issues that persist. It is a very good thing for universities to be involved in their local communities and East Carolina University is to be applauded for its concern for this region, the issue of housing, and its organization of this conference. One of the missions of the Joint Center for Housing Studies at Harvard is to monitor trends and to try and better understand what is happening in the housing markets. Let's examine some of the more important of these trends together.

The 1990s contained the longest period of economic expansion in peacetime, in the history of the United States. In fact, the 1990s contained the longest period of expansion since any records have been taken. Between 1970 and 2000, manufacturing output doubled in the U.S. but we did it with far fewer manufacturing workers. This is a tremendous testimony to productivity growth. The economy has been changing before our very eyes. About 15 years ago, within the Dow Jones list of the top 30 companies, the largest included Union Carbide, Chevron, and Goodyear. More recently these have been replaced by companies such as Walt Disney, Microsoft, and Home Depot. There is more of this transformation to come. The dramatic loss of textile jobs in North Carolina is a part of this transformation. Despite the recent stock market volatility, this transformation continues.

Housing starts were strong throughout the period of sustained expansion and continue to be strong in the early part of the new millennium. Housing starts in the late 1990s and early 2000s are about one trillion dollars per year. The 1990s brought a record in home ownership rates within our country. It peaked and has remained at about two thirds. In fact 67.7 percent of all units are home owned. In North Carolina, a record of 72,000 home sales took place in 2001. Additionally, these new homes are much larger than in

days past. By 2001, the median new home had 2300 square feet and was valued at over \$130,000. In 1970 about 30 percent of new homes were less than 1200 square feet. Today, only 6 percent are this size. In 2001, 80 percent of new homes had a two car garage. These new homes are “McMansions”! So, at first glance the housing situation would seem to be quite rosy. Please, think again.

There are several other trends that are of importance in the context of housing issues. First, the 1990s brought 9 million documented immigrants into the U.S. Obviously, this is a significant source of demand for new housing. Many of the new home owners belong to minority groups. In 2000, nearly one third, 30 percent, of first-time home buyers were minorities. Another major demographic trend within our country that affects the housing market is the aging of our population. We are in the era of the baby boomers. Someone turns 50 every eight seconds in our country. The fastest growing cohort, in relative terms, is people over age 85. This all influences the housing agenda. It certainly has in North Carolina. In fact, empty nesters and second home purchases by the 55 to 64 age cohort are the two fastest growing markets.

It is ironic that amidst all of this prosperity and growth, inequality is also growing rapidly. By some measures, North Carolina experienced the eighth fastest growth in inequality among the 50 United States during the 1990s. In 1990 the richest 20 percent of households earned seven times as much as the poorest 20 percent within North Carolina. By 2000 that ratio was 10 times. About 20 percent of rural households live below poverty, about 37 percent of African-American households live below poverty, and about 35 percent of female headed households. Permit me to remind you that eastern North Carolina has disproportionate shares of rural, African-American, and female headed households. It is also disproportionately impoverished.

Thirty or 40 years ago, the fundamental social contract in the United States was “get a decent job and you will also get a good house to live in.” In turn, all empirical evidence suggests that if a family lives in a decent house, then the children do better in school, adults are more likely to get a good job, and the family is more likely to be healthy. With

the growing gap in poverty, we are seeing an equivalent disparity in housing conditions. Unfortunately, the government's willingness to assist in securing decent housing has diminished greatly. For example, in 1976 the federal government issued over 500,000 housing vouchers in support of low income families. In 2000 the number of vouchers had been reduced to about 80,000. Need has increased. Support has decreased. Without access to decent housing, the likelihood of securing a job decreases, the likelihood of children dropping out of school increases, and the likelihood of illness increases. A cycle of poverty is almost assured.

Public policy must be inventive in meeting two priorities. First, the nation needs an affirmative action rental program. The rental market needs to be stabilized so that growth in demand, especially amongst lower income segments, can be met. Second, the current rate of home ownership, at a historic peak in our country, must be sustained if not enhanced. Financial access to decent housing, whether owned or rented should remain a top government policy at both state and federal levels. However, two geographic trends provide additional challenges in providing access to decent housing. First, urban sprawl is alive and well in the United States. Highway construction grows unabated. Another round of even more peripheral outer belts are being constructed and developers respond to the desire of many Americans to escape the city, even if temporarily. The commercial sector follows closely on their heels. Low income households, with lower auto ownership rates, are put at an immediate disadvantage within these geographic settings. Second, there are strong anti-development attitudes in the country. In many cases, this simply excludes higher density multi-family developments from areas with job growth. "Affordable housing" is a very negative phrase in many parts of this country. Growth restrictions also result in generally higher housing prices, both in ownership and rental markets. Not all smart growth policies look nearly so smart to lower income folks. Employers are frequently complaining that they can't get employees. Perhaps they should become more engaged in the provision of affordable housing in good locations.

Your region is disproportionately rural, it is disproportionately African-American, and it is disproportionately populated with female headed households. As a result, your region

is disproportionately low income and it has, as a direct result, a substantial housing issue. The region had a housing issue prior to September 1999 and that situation only worsened as a result of the losses. Recovery has been and will continue to be most difficult for lower income households. They need your help.

Variation in Recovery in Eastern North Carolina

Mr. David Kelly, Director, NC Redevelopment Center
Recovery in Eastern North Carolina

North Carolina has been unfortunate with quite a high frequency of natural disasters and losses associated with them. Events like the French Broad River flood, Hurricane Fran, and Hurricane Floyd remind us quite well that building and then rebuilding in floodplains is not only commonplace but actually preferred by too many of our citizens. Floyd's floodwaters damaged about 60,000 structures and destroyed about 8,000 homes. However, one of the most important lessons learned from the Floyd experience in particular is that North Carolina is confronted with issues well beyond the 100 year floodplain. We found out the hard way that we might be pretty organized at disaster response but we are poorly equipped to address longer term recovery. The North Carolina Redevelopment Center was established in March of 2001 in order to coordinate and communicate with one coherent voice. The Center represents the Governors Office as well as recovery efforts that originate out of the Department of Commerce and other NC offices. The word "VICTIM" is the single word that keeps the Center focused. We exist to champion the cause of North Carolina's victims of Floyd. In those instances where we've been unable to assist folks, I wish to acknowledge the valuable contributions of organizations such as Habitat for Humanity and the Interfaith Council. Perhaps the most important service provided by the Center has been administration of the Crisis Assistance Fund. To date (4/2002), nearly \$232 million has been expended to assist property owners to repair or replace the damage. Please note that roughly 80 percent of this assistance has gone to households below North Carolina's median income. Many were denied the SBA loan and were ineligible for a local HMGP buy-out. Since Floyd, the Center has approved assistance for 3757 units. To date, 1512 are completed,

about 40 percent, and the remainder are under way or under contract to be started. So, it has been slow going. Redevelopment is something that has been learned as we go. The state has been learning, county and municipal offices have been learning, and victims have been learning. It is true that significant differences in the rate of recovery do exist between communities. There is substantial variation in the capacity for lenders and managers to innovate, to administer, and to trust.

Panelists: Randall Tyndall, Community Planner, Duplin County; Yolanda Abram, NC Redevelopment Center; Gerald Holleman, Special Projects Coordinator, NC Redevelopment Center and Columbus County; Lorenzo Carmon, County Manager, Edgecombe County.

Commensurate with the conference theme, the Local Variations in Recovery this session was intended to focus on the variety of housing recovery methods put into practice throughout eastern North Carolina following Hurricane Floyd. Representatives from Columbus, Duplin and Edgecombe counties presented their unique perspectives on the challenges and solutions faced by communities responsible for housing recovery following disasters. The devastation of a flood means that survivors require safe, sanitary and secure housing. Community leaders, non-profit agencies and the private sector all have a role to play in the housing recovery process and the panelists provide a broad perspective in the collective recovery process. Panelists indicated need for appropriate educational experience for all citizens. A large proportion of North Carolina's citizens are simply ill-equipped to deal with more sophisticated issues of money management, including credit and loans. Panelists indicated that temporal variation in eligibility rules and in staff at the state level served to complicate already difficult recovery processes. Some communities are better equipped to cope with such complexity than others are. The capacity to assist individuals with forms, legal work, title searches, etc. was overwhelmed. Non-governmental organizations, including faith based groups played a crucial role in quickly expanding this important capacity. In some communities, a poor system of communication led to uncooperative behaviors and mistrust. Some communities have better infrastructure for communications. Informal rumors and distortions replace clear and effective communications during these very difficult times. Successful communities in the recovery "game" seemed to have a champion at the local

level with sufficient commitment and capacity to handle the complexity and the volume. These individuals knew how to take advantage of government and private non-profit services. Hazard mitigation planning, which was required to participate in the buy-out program, forced successful communities to organize their relationship with the floodplain and to start thinking about vulnerabilities that were not as evident prior to Floyd. All communities need to improve connectedness between government and nongovernmental agencies and to improve communications within the community. At a time when information and data for victims is interrupted, agencies must be more flexible in defining eligibility. For example, tax and income documents for many victims had been destroyed. Significant obstacles to effectiveness do remain. For example, NC leadership in hazards work has been depleted. Gavin Smith and Eric Tolbert no longer work for NCDDEM. Moreover, there has been a 90 percent turnover within the Disaster Recovery Operations Center since 1997. Within the mitigation planning branch of DEM, four out of five staff have left since Floyd.

Mike Patterson, Director of Emergency Services, Salvation Army, NC and SC

Rebuilding Affordable Rental Housing

Mr. Steve Culnon, Director of Rental Investments, North Carolina Housing Finance Agency (NCHFA)

In response to the devastating loss of housing units within the eastern region NCHFA had provided low interest multifamily rental development awards to approximately 30 projects in Beaufort, Bladen, Columbus, Craven, Duplin, Edgecombe, Hyde, Lenoir, Nash, Onslow, Pitt, Wayne, and Wilson counties. Nearly \$41.8 million resulted in the construction or rehabilitation of 1,031 rental units. Almost 95 percent of this housing stock was new construction. The typical project is between and 20 and 30 units. NCHFA emphasizes a very planned approach to real estate investments which recognizes a variety of market niches, cooperation with local developers, appropriate location analysis and suitability of parcels, high quality construction that is sensitive to local

architectural features. Above all, NCHFA views assistance in light of making wise long-term real estate investment decisions.

Recent Federal and State Regulatory Effects

Summary of the Disaster Mitigation Act of 2000 (DMA2K)

Congress passed the Disaster Relief Act to provide Federal assistance to the State and local governments whose resources are overwhelmed by disasters. These programs are administered by the Federal Emergency Management Agency (FEMA). One of the main objectives of the Disaster Relief Act was to establish guidelines for applying for Federal resources. Section 408 of the Act created the Federal Assistance to Individuals and Households Act. Under the new revisions The Disaster Relief Act will be renamed Disaster Mitigation Act of 2000 (DMA2K).

Implementation of the DMA2K provides the Human Services Division, FEMA, with an extraordinary opportunity to reengineer the way it conducts business. Given the uniqueness of this opportunity, the Division has solicited participation from the broadest range of Human Services professionals. The group includes representatives from FEMA Regional Human Services offices, the National Processing and Services Centers (NPSC), Information and Technology Directorate (M, and the Program Guidance and Implementation Branch (HS-PG) of the Division. By receiving input from different parts of the HS community and IT, the Division ensures the widest ranges of views are considered and the implementation of the DMA2K changes is efficient.

The Division's strategy for implementation of DMA2K established a two-tier decision/analysis Steering Committee, with the upper tier as the decision-making level (Steering Committee), and the lower as the analysis level. The lower tier is primarily composed of appointed Response and Recovery-Human Services personnel. This lower tier group, the Core Work Group, is responsible for designing and implementing DMA2K changes.

The Individual Assistance programs, implemented through the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), describe the Individual Assistance programs, which become effective with a Presidentially declared disaster. The Individual Assistance programs currently in place for individuals and families are included in the following:

The Individual and Family Grant Program is a grant authorized by the President after the request is made by the Governor for a Presidentially declared disaster. These grants are to be used for the sole purpose of assisting individuals and families that have been adversely affected by a major disaster for meeting disaster-related necessary expenses or serious needs and which no other assistance is available. This program is administered by the State. The State processes all the applications under this program. It is funded in the following manner: 75% federal and 25% state. In addition the State maintains a hotline for applicants to call for additional information or assistance. The grants will assist individuals and families in the following categories: Real property, Personal property, Medical/Dental, Transportation, Funeral, Moving/Storage, and Other.

The Disaster Housing Program is a 100% federally funded grant program. This program is divided into several categories.

Rental Assistance to rent a place to live due to damage during disaster,

Minimum Home Repair to restore the home to a livable condition,

Transient Accommodations Reimbursement for short-term lodging,

Mortgage and Rental Assistance to assist with rental or mortgage assistance resulting from financial hardship such as a loss of employment or business income.

Under the new revision, the Housing Assistance is divided into two separate subsections: Housing and Other Needs. The new revisions allow an individual or household to receive assistance of more than one type. The housing program is 100% federally funded. The Other Needs programs provide a cost share between FEMA and the State, 75% and 25% respectively. FEMA will give the State two options when considering the delivery of these services. The following are items that the State or FEMA can process under the Assistance to Individual and Families Act : Medical, Dental, Funeral, Personal Property, Transportation, and Other Expenses.

State and FEMA will have a Memorandum of Understanding that will allow FEMA and the State to determine annually their partnership roles and responsibilities. The two options are:

Option 1 - FEMA processing via National Emergency Management Information System

Option 2 - State processing via National Emergency Management Information System

Responsibilities shift depending on the State's option choice. The following items will be partnered under either option:

Cost-sharing (75% federal and 25% state), FEMA will issue check, monitoring and reporting by State and FEMA, new 5% administrative cost formula, joint quality control efforts, and performance evaluation plan.

According to the guidance provided, the DMA2K will combine the Individual and Family Grant and Disaster Housing programs in order to address the individuals and household housing needs first; and it will then address their personal property needs. Under this guidance, individuals and families are eligible for up to \$25,000.00 in grant funds. According to the guidance provided, these Individual Assistance the following programs will remain unchanged under DMA2K.

The Crisis Counseling Assistance and Training program provides professional counseling services, including financial, to state or local agencies or private mental health organizations to provide such services or training to disaster workers and to victims of major disasters in order to relieve mental health problems caused or aggravated by a major disaster or its aftermath.

The Disaster Unemployment Assistance program is authorized to provide financial assistance to any individual unemployed as a result of a major disaster. The individual is eligible for up to 26 weeks of benefit assistance.

The Disaster Legal Services program provides legal services to individuals and families unable to secure assistance to meet their needs as a consequence of a major disaster.

The Cora Brown Fund of Kansas City, Missouri, left part of her estate to the Federal Government intending that the funds be used to aid disaster victims.

In conclusion, there are several points to be mindful of. FEMA program administrators are encouraged under the new revisions to be more effective and accountable for deadlines and timely services. FEMA is geared to enter a disaster community, complete the job, and depart. This method can be harmful to our citizens if the state human services are not involved at least in an oversight capacity. Follow-ups to individuals and families and second inspections will possibly not be done in a timely fashion, if at all. It is very possible that the state will not have a role, or at least a dramatically reduced role, in disaster response under DMA2K regulation. During the response to Hurricane Floyd, the State had many opportunities to encounter citizens who did not feel that they were given

due process and in some cases the citizens were correct. If the State agrees for FEMA to handle the processing of DMA2K, whom have we truly helped? In the event NC suffers a disaster during this season, the Individual Assistance programs will be implemented in the same manner as they have been in the past. The implementation of DMA2K will take place May 1, 2002.

Summary of NC Senate Bill 300 (Session Law 2001-214)

Senate Bill 300 is an act that was passed on June 15, 2001 and explicitly designed to amend North Carolina laws regarding emergency management as recommended by the Legislative Disaster Response and Recovery Commission. Key provisions include the following.

State of Disaster.

(a)The existence of a state of disaster may be proclaimed by the Governor, or by a resolution of the General Assembly if either of these finds that a disaster threatens or exists. If a state of disaster is proclaimed, the Secretary shall provide the Governor and the General Assembly with a preliminary damage assessment as soon as the assessment is available. Upon receipt of the preliminary damage assessment, the Governor shall issue a proclamation defining the area subject to the state of disaster and proclaiming the disaster as a Type I, Type II, or Type III disaster. In determining whether the disaster shall be proclaimed as a Type I, Type II, or Type III disaster, the Governor shall follow the standards set forth below.

A Type I disaster may be declared if all of the following criteria are met:

- a. A local state of emergency has been declared, and a written copy of the declaration has been forwarded to the Governor;
- b. The preliminary damage assessment meets or exceeds the criteria established for the Small Business Administration Disaster Loan Program or exceeds the State infrastructure criteria; and
- c. A major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared. A Type I disaster declaration may be made by the Governor prior to, and independently of any federal agency. A Type I disaster declaration shall expire 30 days after its issuance unless renewed by the Governor or the General Assembly.

A Type II disaster may be declared if the President of the United States has issued a major disaster declaration. The Governor may request federal disaster assistance under the Stafford Act without making a Type II disaster declaration. A Type II disaster declaration shall expire six months after its issuance unless renewed by the Governor or the General Assembly.

A Type III disaster may be declared if the President of the United States has issued a major disaster declaration under the Stafford Act and:

- a. The preliminary damage assessment indicates that the extent of damage is reasonably expected to meet the threshold established for an increased federal share of disaster; or
- b. The preliminary damage assessment prompts the Governor to call a special session of the General Assembly to establish programs to meet the unmet needs of individuals or political subdivisions affected by the disaster. A Type III disaster declaration shall expire 12 months after its issuance unless renewed by the General Assembly.

State disaster assistance funds and programs.

In the event that a Type I disaster is proclaimed, the Governor may make State funds available for disaster assistance in the disaster area in the form of individual assistance and public assistance as provided in this subsection.

Individual assistance. – State disaster assistance in the form of grants to individuals and families may be made available when damage meets or exceeds the criteria set out in the Small Business Administration Disaster Loan Program. Individual assistance grants shall include benefits comparable to those provided by the Stafford Act and may be provided for the following: a. Provision of temporary housing and rental assistance. b. Repair or replacement of dwellings. Grants for repair or replacement of housing may include amounts necessary to locate the individual or family in safe, decent, and sanitary housing. c. Replacement of personal property (including clothing, tools, and equipment). d. Repair or replacement of privately owned vehicles. e. Medical or dental expenses. f. Funeral or burial expenses resulting from the disaster. g. Funding for the cost of the first year's flood insurance premium to meet the requirements of the National Flood Insurance Act.

Public Assistance. – State disaster assistance in the form of public assistance grants may be made available to eligible entities located within the disaster area on the following terms and conditions: a. Eligible entities shall meet the following qualifications: 1. The eligible entity suffers a minimum of ten thousand dollars (\$10,000) in uninsurable losses; 2. The eligible entity suffers uninsurable losses in an amount equal to or exceeding one-half percent (0.5%) of the annual operating budget; 3. For a state of disaster proclaimed after August 1, 2002, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and, 4. For a state of disaster proclaimed after August 1, 2002, the eligible entity shall be participating in the National Flood Insurance Program in order to receive public assistance for flooding damage. b. Eligible entities shall be required to provide non-State matching funds equal to twenty-five percent (25%) of the eligible costs of the public assistance grant. c. An eligible entity that receives a public assistance grant pursuant to this subsection may use the grant for the following purposes only: 1. Debris clearance. 2. Emergency protective measures. 3. Roads and bridges. 4. Crisis counseling. 5. Assistance with public transportation needs.

If a Type II disaster is proclaimed, the Governor may make State funds available for disaster assistance in the disaster area in the form of the following types of

grants: (1) State Acquisition and Relocation Funds. (2) Supplemental repair and replacement housing grants available to the individuals or families in an amount necessary to locate the individual or family in safe, decent, and sanitary housing not to exceed twenty-five thousand dollars (\$25,000) per family.

If a Type III disaster is proclaimed, the Governor may make State funds available for disaster assistance in the disaster area in the form of the following types of grants: (1) State Acquisition and Relocation Funds. (2) Supplemental repair and replacement housing grants available to the individuals or families in an amount necessary to locate the individual or family in safe, decent, and sanitary housing not to exceed twenty-five thousand dollars (\$25,000) per family. (3) Any programs authorized by the General Assembly.

The Regulatory Environment

Ms. Lula Saders, NC Crime Control and Public Safety, Division of Emergency Management.

Regardless of changes in the regulatory environment at both federal and state levels, which affect disaster recovery and access to decent housing, there will always be significant pressure on local governments and nongovernmental agencies to be effective in the process of recovery. In particular, local governments must be made accountable throughout the recovery process. We heard earlier that variation at the local level in terms of communications, capacity, and commitment are largely responsible for explaining why some communities have been more successful than others in recovering from Floyd's devastation. Local governments should be the forerunners in uniting necessary partnerships with the faith community, the non-profits, and other groups to address the needs of "victims." One of the key tasks that must be accomplished early after any disaster, regardless of regulations, is to inventory need. This must be a cooperative effort between government and other nongovernmental agencies. Local governments must effectively administer response and recovery programs. State government must support these local efforts in all ways possible. Local governments do face a number of significant obstacles. First and foremost, local governments do not make the response and recovery rules. These originate at the top and diffuse down. One layer comes from the federal government and another comes from the state level. In combination, these can pose a complex regulatory environment. It is also an environment that changes. The rules do change. Because these rules are top-down, the rules often do

not fit with local needs. It does seem that the existing response programs, especially in terms of housing, are much more responsive to home-owners' needs. For example, new construction of rental property does not give flood victims living in temporary housing priority for rental. There is very little effective regulation of rental property ownership and practice. Rental property owners are largely unaccountable to fair housing practices. There appears to be substantial discrimination, across the board, against the poor, whether they are white, black, Hispanic, or the elderly. The word "victim" is inappropriately used. "Affected citizens" should be viewed as participants in the recovery process and not as helpless, powerless individuals. Regardless of the regulations imposed, affected citizens are still citizens with rights and entitlements. Suffering citizens have entitlements. The media has been part of the recovery problem. Flood victims play a prominent role in their approach to coverage. This is positive in the sense that it places the larger poverty issue at center stage. The media, however, seldom portray the success of public programs in getting poor people into better housing. The media must be included directly in pre-disaster planning. They can be proactive in assuring more positive outcomes. Educational institutions must become active in providing instruction at all levels, from elementary to university levels, to make sure that citizens are aware of our risky environment, the costs of disasters, and methods of creating disaster resilient communities. Effective pre-disaster planning save lives and money and it makes more efficient use of scarce response/recovery funds. All local governments must be held accountable to effective pre-disaster planning. New regulation at federal and state levels holds this accountability as a persistent theme.

Panelists: Cheryl Perry, North Carolina Department of Justice; Don Kidd, Federal Emergency Management Agency, Region IV

Commensurate with the conference theme, the "Recent Federal and State Developments in Disaster Recovery" session focused on the implementation of new and amended State and Federal programs for disaster victims. The session participants involved in this conference "breakout session" were from the Federal Emergency Management Agency (FEMA) and the North Carolina Division of Emergency Management (NCDEM) and other state agencies that respond after a disaster. The panel participants shared new

program developments that will affect communities and citizens the next time disaster strikes North Carolina. This field of experts brought their knowledge of previous programs and shared their ideas of future changes designed to improve services to victims of disaster. Results of the session provided a better understanding of the programs available after a disaster as well as how federal, state and voluntary organizations might partner to assist the citizens of North Carolina in their return to a level of normalcy after disaster strikes. Recent federal and state legislation that will affect disaster response and recovery includes the Disaster Mitigation Act of 2000 (DMA2K) at the federal level and Senate Bill 300 at the state level. Panelists emphasized the imperative that communities engage effectively in pre-disaster planning, mitigation planning. North Carolina devotes its response efforts to those communities that have adopted a hazards mitigation plan. Communities without this type of forethought will not be eligible for assistance following a disaster. Most NC communities have made this type of planning a top priority since passage of the legislation. New assistance programs within FEMA now focus on longer-term housing needs (recovery) and not just immediate need (temporary disaster housing). Federal disaster assistance will now be focused on repair assistance for property owners. It is anticipated that the volume of assistance to individual owners might not repair homes to habitability. Funding for repairs will continue to be partial.

Emily Young, Manager, NC Division of Emergency Management

The Role of Volunteer Organizations

Mr. Charles Moeller, North Carolina Voluntary Organizations Active in Disasters (VOAD)

The mission of the North Carolina Voluntary Organizations Active in Disaster (VOAD) is to foster more effective service to people affected by disasters. The core values that under-gird this mission are: cooperation, communication, coordination, and collaboration. Although VOAD does not directly deliver disaster services, it does help to make sure that

scarce resources are efficiently utilized during difficult times when there seems to be too little of the four c's mentioned above. This kind of function is crucially important in light of September 11, 2001. Uncertainty is maximized during such times. Systems are overrun with need. The lack of organization in responding to disasters is unacceptable. How prepared are we to respond to a new type of terrorist attack? Could we evacuate the cities if we needed to? Where would the water and food come from? Without planning, we must assume that response would be disorganized, certainly inefficient and undoubtedly ineffective. The goal of voluntary organizations is to help. There are a large number of such organizations. The mission of VOAD is accomplished with meetings, education, collaboration with state government, and mitigation planning. The benefits of VOAD collaboration is: improved service, less confusion, increased understanding, improved relationships, and reduced duplication of services in terms of function and geography. The inventory of VOAD agencies includes: Adventist Community Services, American Red Cross, Church World Services Disaster Response, Lutheran Disaster Response, Salvation Army, Second Harvest Food Banks, NC Baptist Men, Methodist Disaster Response, NC Division of Emergency Management, and the Office of the Governor. VOAD has strengthened the roles of all voluntary groups through a platform of coordination and collaboration. Relationships between government agencies and voluntary groups are being formalized. Membership within the umbrella group continues to expand. VOAD is now encouraging individual counties to develop local versions to provide even more coordination and greater capacity.

Panelists: Bobby Hopkins, Princeville Town Manager; David Moore, Metropolitan Housing; Barbara Tripp, United Methodist Recovery; Charlotte Webb, Habitat for Humanity.

Commensurate with the conference theme, the "Visions for Improving Long-term Recovery" this panel session was intended to develop strategies for improving long-term recovery in eastern North Carolina with a focus on housing recovery. The session participants shared present and past experiences in housing and long-term recovery efforts and issues. Participants presented their visions for improving long-term recovery in the area of housing and provided practical proposals and strategies for the continuation

of present recovery to include ideas for changes necessary to improve and facilitate housing recovery in present and future disasters. The result of the session is a modest plan of action with strategies for improving housing recovery in eastern North Carolina. Resulting ideas and strategies should be used for future action by participating groups working in continuing partnership with one another and the state. Volunteer organizations have played a critical role in helping households, typically low-income households that were not immediately eligible for public disaster assistance. However, most voluntary organizations were not prepared to deal with the volume of Floyd's devastation, and had to spend considerable time and resources before they could effectively deliver assistance. Voluntary organizations involved in long-term local development issues should commit to training, preparation, and coordination with local governments before a disaster strikes. Because many voluntary organizations do focus on long-range development and housing assistance programs, they should be included early-on in a local government's mitigation and recovery planning process prior to a disaster event.

Carolyn Tyler, Executive Director, NC Interfaith Disaster Response

Conference Summary: Housing and Disaster Recovery in North Carolina

Dr. Philip R. Berke, Professor of Urban and Regional Planning, University of North Carolina, Chapel Hill

Introduction

On May 16-17, 2002, federal, state and local officials, representatives of voluntary organizations, university researchers and citizens gathered at East Carolina University to review the recovery process after Hurricane Floyd of 1999. Key disaster recovery issues were documented, especially those dealing with housing. The effectiveness of public disaster recovery policies, and public and private organizational actions to meet the needs of communities and disaster stricken citizens was discussed. In addition, recommendations for improving disaster recovery policy and organizational capabilities to recovery efforts were proposed.

This report is based on discussions raised by conference participants. Initially, the report reviews the vulnerability, and social and economic conditions of the disaster stricken area. Next, the major recovery and housing issues, and recommendations for future improving recovery efforts are summarized.

Setting Prior to Hurricane Floyd

Pressure to develop in hazardous areas of Eastern North Carolina is growing. The 2000 Census indicates that during the 1990s the 40 counties of the eastern region of North Carolina experienced considerable population growth, with a 15% increase to an estimated 2.22 million people. Because most of the East is characterized by generally flat, low-lying, coastal topographic features, a substantial portion of the region is prone to flooding. As a result of these demographic and physical conditions, there will continue to be significant development pressure in Eastern North Carolina to build in flood hazard areas.

The inequity in incomes, and access to decent and affordable housing in North Carolina, and especially Eastern North Carolina, is growing. Housing economist and planner, Nicholas Restinas of Harvard University, noted that the income ratio between the wealthiest 20% and poorest 20% of Americans was 7:1 in 1990 (the wealthiest had seven dollars compared to every one dollar for the poorest); this ratio expanded to 10:1 by the end of the decade. He further noted that North Carolina experienced the eighth fastest growth in inequity among the 50 states, and that these conditions have led to a growing inaccessibility to decent and affordable housing. This is devastating among the poor in North Carolina, and particularly in the East.

While many areas of Eastern North Carolina are growing, the 2000 Census indicates that about one-third of the municipalities in this region lost population during the 1990s. Unemployment and poverty in these locations are much higher than the rest of the state. The devastating social and economic impacts of Hurricane Floyd exacerbated these conditions and substantially contributed to a worsening of the inaccessible housing problem in the East.

Reducing the vulnerability to future disasters was not given a high priority by most communities in Eastern North Carolina prior to landfall of Hurricane Floyd. Although different parts of the region were recently struck by disasters (Hurricane Fran in 1997 and other less damaging floods during the mid-1990s), the importance given to mitigation of the impacts of future disasters declined. Other pressing issues that were experienced on a day-to-day basis, particularly issues dealing with housing, job creation and economic development, were given higher priority, and thus more time and attention by government and voluntary organizations.

Disaster and Housing Recovery Issues and Recommendations

Issues

After Hurricane Floyd, the State of North Carolina enacted the most advanced hazard mitigation and recovery planning program in the U.S. Key provisions included state mandated local mitigation plans that are to be in compliance with state mitigation and

recovery goals and policies. However, implementation of this program has only achieved limited success for several reasons:

1. The quality of local hazard mitigation plans is somewhat low. The fact base of plans in terms of vulnerability assessments is generally weak, and policy recommendations for mitigation actions tend to be vague and not prioritized.
2. The State allocated considerable funds for floodplain remapping following Hurricane Floyd, but many communities still do not have access to accurate maps three years after this hurricane struck. In fact, the weak fact base in local mitigation plans is largely due to the lack of accurate floodplain maps. This limitation constrains local capability to make accurate assessments of the vulnerability of people and the built environment.
3. The rules and regulations guiding dispersal of funds for housing recovery are viewed by state and local officials as too top-down and rigid. This situation has led to considerable bureaucratic red tape and delay in delivering desperately needed housing to the most impoverished and most vulnerable population groups.

Recommendations

1. Local hazard mitigation and recovery plans should be the centerpiece for guiding disaster recovery decisions. State agency decisions for housing recovery and infrastructure replacement should be guided by state-approved local hazard mitigation plans. Local governments are in the best position to understand the needs of their citizens and tailor mitigation and recovery policies that fit local conditions.
2. The State should expedite the availability of floodplain maps and require that they be used for any future revisions of local hazard mitigation plans.
3. Make state requirements for housing aid more flexible to enable local governments to adapt state aid to local needs.

Organizational Capability to Carry Out Mitigation and Recovery Actions

Issues

1. Organizational capability of many local governments, especially in small rural communities, to recover from Hurricane Floyd and prepare plans to mitigate future disaster events is weak. There are low levels of capability concerning technical competence, consensus building, understanding of federal and state disaster recovery programs and policies, fiscal resources, and legal authority of local governments to carry out mitigation and recovery activities.

2. Salience and commitment toward mitigation of future disasters by local governments is waning as Hurricane Floyd recedes from memory. There is a danger that local government planning and development staff, and elected officials will increasingly focus their attention on pressing day-to-day issues and place long-range mitigation and recovery issues low on their agendas for action.
3. State agency capability to deliver effective mitigation and recovery assistance to local government is weak. Weak state agency capability also translates to weak state capability in efforts to support and build capacity in local governments. Given the fiscal shortfalls of state government during the past several years, state agency staff are underpaid and receive limited benefits. This situation has caused rapid turnover of personnel in many agencies directly involved with disaster recovery. This situation leads to a dramatic loss of institutional memory and capability for response to future disasters.

Recommendations

1. More emphasis must be placed on outreach and education by universities in North Carolina in training local government planners and development staff. The focus of such training should be on how to create high quality mitigation and recovery plans, how to establish effective citizen participation and disaster awareness programs, and how to work with the media (television, radio, newspapers) to encourage ongoing media attention to mitigation long after a disaster event.
2. The State should provide more financial support to local governments to prepare and implement mitigation plans. Investment in mitigation is cost-effective given the growing vulnerability of public and private development in hazardous locations throughout the Eastern Carolina region.
3. The State must invest in building state agency capability, especially in improving salary and benefits to minimize the massive turnover rates of personnel. An increase in state agency capability will also create opportunities to increase local capability building efforts. The Division of Emergency Management has recently produced high quality workbooks and planning manuals for guiding local officials in preparing mitigation plans. However, more must be done regarding technical training, provision of data, and collaborative planning between state and local entities.

Involvement of Private Voluntary Organizations

Issues

1. Many voluntary organizations that are involved in long-range housing assistance and development activities in the Eastern Carolina region were thrown off guard by the devastating impacts of Hurricane Floyd. These organizations played a critical role in helping households, typically low-income households that were not immediately

eligible for public disaster assistance. However, most voluntary organizations were not prepared to deal with the devastation, and had to spend considerable time and resources before they could effectively deliver assistance.

Recommendations

1. Voluntary organizations involved in long-term local development issues should commit to training, preparation, and coordination with local governments before a disaster strikes. They should participate in NVOAD (National Voluntary Organization Active in Disasters) prior to a disaster to create partnerships that can effectively respond to an event.
2. Voluntary organizations that focus on long-range development and housing assistance programs should be included early-on in a local government's mitigation and recovery planning process prior to a disaster event.

Special Needs of Low Income Residents

Issues

1. Many low-income disaster survivors lacked the ability to fill out long and complex public disaster assistance forms, and did not have skills that were needed to manage financial aid for housing recovery.
2. State agencies and voluntary organizations often treat disaster survivors as "victims." The word "victim" is associated with powerlessness, helplessness, and an inability to take action to improve one's situation. Consequently, those involved in disaster assistance programs may act "for" rather than "with" disaster survivors. The former approach can increase dependency rather than empower disaster survivors.

Recommendations

1. View disaster survivors as "participants" in the recovery process, rather than "victims." Whenever possible find ways to include vulnerable low-income populations in disaster mitigation and recovery planning process. They are best able to define their own needs and should be involved in public planning decisions that affect them.

