

# News Release

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File photo, Fraser River in flood. Credit: Flickr.com, DRU!

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## Province Strengthens Disaster Financial Assistance

*Ministry of Public Safety & Solicitor General & Emergency BC*

**VICTORIA** - Following the flooding in November 2021, the Province is making significant changes to ensure more people, communities and businesses can access and receive increased benefits from British Columbia's Disaster Financial Assistance program.

The slate of immediate regulatory changes will allow the Province to provide up-front contributions toward community recovery projects, increase the Province's contribution toward recovery projects, and expand eligibility to cover more people and small businesses, among other improved supports.

"The catastrophic flooding in November 2021 highlighted the limitations of our Disaster Financial Assistance program, and given the scale of the disaster, we need to make changes quickly," said Mike Farnworth, Minister of Public Safety and Solicitor General. "These changes will help ensure people, First Nations and local governments impacted by severe flooding aren't facing insurmountable costs, and will improve the program so we can respond faster next time and provide more support to those impacted."

Disaster Financial Assistance exists to help communities recover from catastrophic emergencies. It is also available to private sector applicants (homeowners, residential tenants, business owners, farm owners and charitable organizations) that were unable to obtain insurance to cover disaster-related losses. It provides

compensation for essential uninsurable losses for eligible disasters.

The regulation changes will make more farm operators, rental unit owners and small businesses eligible for Disaster Financial Assistance by adjusting the qualification criteria. Starting Thursday, April 28, 2022, the Province will also re-open applications to the program until July 27, 2022, to give businesses the opportunity to apply for assistance under the new eligibility requirements.

The changes to the Disaster Financial Assistance program include:

### **Increasing provincial contributions to local infrastructure recovery**

To alleviate financial pressures of rebuilding critical infrastructure on public-sector applicants, including local governments, Emergency Management BC is modifying the cost-sharing formula so the provincial contribution increases as the cost of the project goes up. The local authority's contribution will be a minimum of 5% to a maximum of 10% of the total project cost, based on a per-capita cost-share model.

Currently, local authorities are required to fund 20% of eligible project costs and the Province pays the remaining 80%. This is a significant affordability challenge for many communities and can prevent them from investing in timely and critical recovery.

### **Up-front cash flow to communities from the Province**

To help communities begin critical infrastructure recovery projects faster, Emergency Management BC will now provide a portion of a project's estimated costs up-front. Currently, local authorities must complete their project before submitting to the Province for reimbursement, which has created challenges with necessary cash flow. The change will help to accelerate local recovery planning.

### **Expanding eligibility based on minimum income**

To further expand eligibility, the new regulations include a new requirement that a small business must have at least \$10,000 per year in revenue to qualify. This aligns with the thresholds of six other provinces' Disaster Financial Assistance Programs.

Currently, the income from a small business must be the owner's major source of income, which has been interpreted as at least 50% of their income. Many rental unit owners are not eligible for Disaster Financial Assistance because their rental income does not meet this threshold.

### **Increasing maximum annual revenue for small businesses**

Raising the maximum annual revenue threshold for all small businesses from \$1 million to \$2 million. This will allow more businesses to qualify for Disaster Financial Assistance.

## Eligibility for corporation-owned properties

For homes owned by corporations, the new changes will allow people to apply for Disaster Financial Assistance if they have a defined connection to the corporation and use the home as a primary residence, which is not uncommon in the farming sector. This will address a gap in the current regulation, which does not allow people to apply for DFA when their home is held in the name of a corporation.

Currently, Disaster Financial Assistance only applies to an applicant's primary residence. In situations where a corporation owns a home, such as through a farm or other small business, the corporation is not able to claim a homeowner grant and is therefore ineligible for Disaster Financial Assistance.

Further changes to Disaster Financial Assistance are expected as part of the modernization of the Emergency Program Act.

Preliminary response and recovery costs associated with the atmospheric river event are estimated at more than \$4 billion. This estimate will continue to be refined as local government recovery plans are received and provincial recovery initiatives, such as Highway Reinstatement Program and debris removal work continues. The Province anticipates significant federal support for these costs through Disaster Financial Assistance Arrangements (DFAA) and has put in an advance payment request based on estimated costs to date. British Columbia has five years from the federal order in council, which confirmed eligibility of the event for DFAA, to submit a final claim that will confirm the actual of federal cost sharing received based on a review of costs submitted.

### Quick Facts:

- Emergency Management BC has received more than 2,200 applications for Disaster Financial Assistance from individuals, small businesses, farms, charitable organizations and local governments affected by the November 2021 flooding.
- More than \$5.3 million has been paid to applicants to date.

### Learn More:

Disaster Financial Assistance: <https://www2.gov.bc.ca/gov/content/safety/emergency-management/preparedbc/evacuation-recovery/disaster-financial-assistance>

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