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The Alberta Party  
**Flood Recovery and Prevention Framework**



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## **Flood Prevention Protects Taxpayers, Homeowners and our Economy**

The Alberta Party believes that a comprehensive strategy is required to help homeowners and businesses get back on their feet and ensure that the devastating floods that ravaged southern Alberta are never seen again.

The Alberta government deserves credit for their rapid response in the immediate aftermath of the flood; hundreds of dedicated first responders put themselves at great risk to ensure that Albertans were safe and secure. Tens of thousands of volunteers pitched in to help their neighbours and the hard work by dedicated public servants and regular Albertans continues today.

The debit card program ensured that Albertans received the short-term support they required to cover immediate needs. Unfortunately, the same speed and flexibility has not been applied to Disaster Recovery Program (DRP) payments, and policy inconsistencies in the floodway buyout program puts taxpayers at risk. Improvements are required in forecasting, mapping, and emergency response procedures, and Alberta taxpayers and homeowners are at risk due to the lack of an overland flooding insurance plan.

The following is the Alberta Party's six point plan to recover from and prevent future flooding.

### **1. Recover**

The Alberta government deserves kudos for the initial response to the flood. The efforts of first responders, municipal and provincial officials was nothing short of heroic and much of that work continues in affected communities today. The debit card program that eliminated bureaucratic barriers to people getting the help they needed was excellent.

Unfortunately, the plan to buy out up to 250 homes along the floodway at a cost of up to \$175 million is flawed and will not achieve the policy objective of reducing the impact of future flooding. The stated goal of the buyouts is to 'clear the floodway' but this won't happen if buyouts are voluntary. The province needs to buy all properties in the floodway if they want to truly clear the floodway, but that is an even greater expenditure of taxpayer dollars and is unnecessary if appropriate upstream mitigation measures are in place.

Under the buyout plan, taxpayers are on the hook for tens of millions in buyouts that will likely see half or less of the eligible recipients move out because many of these homes sustained repairable damage no worse than homes in the flood fringe, which are not eligible for buyout. If only some houses are bought out and destroyed the remaining homes will be left in harm's way and will not reduce the impact of future floods. Further, this will create 'Swiss cheese communities' with gaps between houses that impact the integrity of our neighbourhoods. Compared to the relatively low payout most DRP recipients are receiving (often covering 25% or less of the total damage), a buyout at full tax-assessed value, which for some homes will be in the millions of dollars, creates serious inequity between neighbours, where two homes that sustained the same damage are treated differently simply because of an artefact of mapping.

Worse still, provincial money spent on buyouts is not eligible for 90% reimbursement by the federal government, where money spent on flood mitigation or through the DRP program is. Spending up to \$175 million Alberta taxpayer dollars is completely unnecessary and does not reduce the impact of future flooding.

### **The Alberta Party Plan - Recover**

- Eliminate the floodway buyout program, reallocate that money and put it toward the DRP program and upstream flood mitigation.

## **2. Rebuild**

Nearly five months after the flood many homeowners have been unable to start rebuilding because they have not received DRP payouts. The process for many is opaque and many homeowners and businesses are having a difficult time finding the right person to talk with who can answer their questions; this is likely a result of the fact that the processing of DRP applications has been outsourced. In spite of promises to receive help quickly, most homeowners have received only relatively small payouts, if any.

Those who accept DRP payments must comply with homeowner-level flood mitigation requirements or face disbursement from future DRP payouts and a 'black mark' Caveat on their land title, which significantly impacts property values. While the government feels these mitigation measures will prevent future flood damage, very little of the damage sustained in the 2013 flood would have been prevented by these one-size-fits-all measures. This appears to be a symbolic policy that shows the government 'doing something' but has no real impact on preventing future flood damage, while punishing homeowners and potentially disempowering them to future assistance.

Further, not all flood victims are claiming assistance from the DRP program, either by choice because they do not want to risk a black mark on their land title or because their damage was covered by insurance. These homeowners and small business owners are not claiming DRP and are therefore not required to take flood prevention measures.

The Alberta Party recommends the land title Caveat provisions of Bill 27 are removed and replaced by a tax incentive program that applies to all who were impacted by the flood. This would be much more effective in preventing future flood damage and would save taxpayers money in the long run by allowing homeowners and business owners to take measures appropriate to their individual situation.

### *DRP Appeal Process*

For homeowners not satisfied with the DRP process they may appeal to the Director of Disaster Recovery, then to the Managing Director and finally to the Minister of Municipal Affairs. These appeals are conducted behind closed doors and are 'paper appeals', not subject to an in-person review. Given the significant concerns with the DRP program, the Alberta Party recommends that appeals should be conducted transparently by the arms-length Municipal Government Board with an option to appear at an in-person hearing (see here for details of the appeals process:

[http://municipalaffairs.alberta.ca/mgb\\_disaster\\_recovery\\_program\\_referral.cfm](http://municipalaffairs.alberta.ca/mgb_disaster_recovery_program_referral.cfm)

### **The Alberta Party Plan - Recover**

- Apply the same model the used so successfully in the initial recovery; a low-barrier, immediate fixed DRP payout based on level of damage (eg. \$25,000 for basement damage, \$50,000 for main floor damage). This will get homeowners on the path to recovery more quickly. The money is provided on the explicit understanding that it is subject to a full audit and all provisions of DRP still apply. Homeowners must be made aware that some or all of the money may be clawed back

in the future if they are deemed ineligible for any reason. This streamlines administration and gets the money into the hands of the people who need it as quickly as possible.

- Make the DRP appeal process more transparent by routing all appeals through the Municipal Government Board.

### **3. Mitigate**

Upstream flood mitigation is the key to saving Alberta taxpayers money in the long run and preventing the impact of future floods on our communities and businesses.

As noted above, the \$175 million allocated for buyouts would cover 20% of the estimated cost of upstream mitigation. All indications are upstream mitigation will be a focus for the government, and if this is the case they deserve credit. The Alberta Party encourages the government to conduct stakeholder consultations efficiently to get upstream mitigation in place as soon as possible. Although upstream mitigation appears to be moving forward, homeowners and business owners want to know what will be in place by next spring and when they can count on the completion of significant upstream mitigation.

It is important to note that land use and watershed management is also a critical part of flood mitigation over the long term. It is important that flood prevention is considered as part of the South Saskatchewan Regional Plan and all other regional plans where flood risks exist.

#### **Alberta Party Plan – Mitigation**

- Move forward as quickly as possible with permanent upstream mitigation measures
- Allocate the \$175 million earmarked for floodway buyouts to upstream mitigation
- Ensure the flood control aspects of land use and watershed management are considered as part of the South Saskatchewan Regional Plan

### **4. Mapping and Insurance**

Once upstream mitigation has been completed, flood maps should be updated to reflect the new reality, and it is critical that maps are kept up to date going forward. Until new maps are completed it is impossible to make good policy decisions.

Canada is the only G8 country with no overland flood insurance, which places a huge potential burden on taxpayers who may be called upon again and again to provide DRP funding. With new, post-mitigation maps in place the government should approach the insurance industry to see if they will consider providing overland flood insurance, either on their own or in conjunction with the provincial government.

Other jurisdictions like Australia have recently created government-backed overland flood insurance plans. Overland flood insurance administered by the insurance industry will offer much better coverage to homeowners than provincial DRP and will also save taxpayers potentially billions of dollars in future DRP payouts.

### **Alberta Party Plan – Mapping and Insurance**

- Update all flood plain maps once upstream mitigation projects are completed
- Work with the insurance industry to provide overland flood insurance

## **5. Planning and Warning Systems**

We are fortunate that injuries and loss of life from the 2013 flood was not worse. The Alberta government should work closely with municipalities to ensure emergency response plans and lines of communication are clear.

It is also critical that upstream forecasting is improved to provide as much advance warning as possible for future events.

### **Alberta Party Plan – Planning and Warning Systems**

- Ensure the Alberta Emergency Management Agency releases an update to the integrated response plan
- Ensure adequate funding of forecasting systems and work with Environment Canada to ensure Alberta is able to provide as much advance warning of possible future floods

## **6. Alberta Flood Recovery Bonds**

The government of Alberta should offer low-interest Alberta Flood Recovery Bonds to offset the cost of recovery and rebuilding. These bonds would be offered at rates similar to Canada Savings Bonds and are a more cost-effective means of covering flood expenses than going to the debt market. Albertans, and Canadians, are generous people. Alberta Flood Recovery Bonds would likely be popular with people looking for a secure fixed-income investment who also want to help their neighbours recover from the most devastating natural disaster in Canadian history.

### **Alberta Party Plan – Alberta Flood Recovery Bonds**

- Issue bonds with roughly the same interest rate as Canada Savings Bonds to allow Albertans and other Canadians to help offset the cost of flood recovery and mitigation