

## FLOOD RELIEF ASSISTANCE - 1997 FLOODING

This memorandum provides information on flood relief assistance provided for flooding events that occurred in North Dakota during 1997. The State Water Commission reported the Red River flooded up to 2,200 square miles in North Dakota and Minnesota--an area approximately twice the size of Rhode Island. The Red River, approximately 220 miles long in North Dakota, averaged between 7 miles to 10 miles in width at its peak. A total of 36,494 North Dakotans registered damages with the Federal Emergency Management Agency (FEMA) national teleregistration center. The number was twice the combined number of South Dakota and Minnesota applicants. A report entitled *North Dakota Response to the 1997 Disasters* ([Appendix A](#)) was prepared by the Department of Emergency Services and provides information on federal and state flood relief assistance relating to the 1997 disasters. The table below highlights the major assistance provided by FEMA, state agencies, and political subdivisions.

<b>FEMA Flood Assistance</b>	
<p><b>Incident</b> Severe storms/flooding</p> <p><b>Declaration date</b> April 7, 1997</p> <p><b>Incident period</b> February 28 to May 24, 1997</p>  <p><b>Individual assistance</b> Individual assistance is available under the individuals and households program which provides money and services to people in presidentially declared disaster areas in two categories--housing assistance and other needs assistance. Currently, FEMA regulations place a \$30,200 cap on individual assistance per household. Housing assistance provides assistance for disaster-related housing needs. Other needs assistance provides assistance for other disaster-related needs, such as furnishings, transportation, and medical. See <a href="#">Appendix B</a> for FEMA's description of individual assistance available.</p>  <p><b>Public assistance</b> Public assistance includes disaster grant assistance available for communities to quickly respond to and recover from major disasters or emergencies declared by the President. See <a href="#">Appendix C</a> for a description of Categories A through G. Categories A and B include work that must be performed to reduce or eliminate an immediate threat to life, protect public health and safety, and to protect improved property that is significantly threatened due to disasters or emergencies declared by the President. Categories C through G include</p>	<p><b>Designated counties</b></p> <ul style="list-style-type: none"> <li>• Adams</li> <li>• Barnes</li> <li>• Benson</li> <li>• Billings</li> <li>• Bottineau</li> <li>• Bowman</li> <li>• Burke</li> <li>• Burleigh</li> <li>• Cass</li> <li>• Cavalier</li> <li>• Dickey</li> <li>• Divide</li> <li>• Dunn</li> <li>• Eddy</li> <li>• Emmons</li> <li>• Foster</li> <li>• Golden Valley</li> <li>• Grand Forks</li> <li>• Grant</li> <li>• Griggs</li> <li>• Hettinger</li> <li>• Kidder</li> <li>• LaMoure</li> <li>• Logan</li> <li>• McHenry</li> <li>• McIntosh</li> <li>• McKenzie</li> <li>• McLean</li> <li>• Mercer</li> <li>• Morton</li> <li>• Mountrail</li> <li>• Nelson</li> <li>• Oliver</li> <li>• Pembina</li> <li>• Pierce</li> <li>• Ramsey</li> <li>• Ransom</li> <li>• Renville</li> <li>• Richland</li> <li>• Rolette</li> <li>• Sargent</li> <li>• Sheridan</li> <li>• Sioux</li> <li>• Slope</li> <li>• Stark</li> <li>• Steele</li> <li>• Stutsman</li> <li>• Towner</li> <li>• Traill</li> <li>• Walsh</li> <li>• Ward</li> <li>• Wells</li> <li>• Williams</li> </ul> <p><b>FEMA's disaster housing assistance</b> for Grand Forks County totaled \$44.8 million for 21,846 applicants. Statewide, FEMA's disaster housing assistance totaled \$54.5 million for 29,756 applicants. In addition, FEMA provided \$9.8 million to supply travel trailers and mobile homes for 787 applicants.</p> <p><b>FEMA's individual and family grants</b> program to eligible individuals for serious disaster-related needs not covered by insurance was provided on a 75 percent federal and 25 percent state cost-share basis, providing \$10 million to the city of Grand Forks and \$14.1 million statewide.</p> <p><b>FEMA's crisis counseling</b> program provided \$3.7 million statewide in counseling services to disaster-impacted individuals through the Department of Human Services.</p> <p><b>FEMA's disaster unemployment assistance</b> program provided \$5 million statewide in unemployment compensation for individuals not otherwise covered by unemployment benefits whose jobs were affected by the disaster.</p> <p>FEMA provided nearly \$211 million statewide under its <b>public assistance</b> program. Approved costs for eligible projects that were paid on a 90 percent federal and 10 percent state cost-share basis.</p>

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work that is required to restore a damaged facility, through repair or restoration, to its predisaster design, function, and capacity in accordance with applicable codes and standards.

#### **Hazard mitigation grant program**

The hazard mitigation grant program provides assistance to state and local governments and certain private nonprofit organizations for actions taken to prevent or reduce long-term risk to life and property from natural hazards.

Approximately \$48 million of federal funds from FEMA's hazard mitigation grant program was provided in statewide assistance between 1997 and 2001 for mitigation projects. Mitigation projects included the acquisition and relocation of properties out of flood zones, protection measures for water treatment plants, installing culverts, and other minor flood control projects. The hazard mitigation grant program administered by the Department of Emergency Services approved projects to acquire structures in flood-prone areas for the cities of Grand Forks, Fargo, Wahpeton, Drayton, Grafton, Bowesmont, Oxbow, Lisbon, Valley City, and Mott, along with Cass, Ransom, Sargent, Traill, Walsh, Emmons, and Ward Counties. The hazard mitigation grant program bought out more than 800 structures statewide, including 22 structures in the city of Bowesmont subjected to repetitive Red River flooding, \$13.7 million for an acquisition project in Grand Forks to acquire 483 substantially damaged homes (289) and buildings, \$5.5 million for an acquisition project in Fargo to acquire 55 at-risk or substantially damaged homes, and \$881,308 for the acquisition of 10 homes and a business in the city of Wahpeton.

#### **Mission assignments**

FEMA issues work orders for mission assignments following large disasters, paying other federal agencies to perform specific tasks associated with disaster response and recovery. Examples include agencies providing mass feeding, medical support, and assistance conducting aerial damage assessments.

FEMA mission assignment work orders relating to 1997 North Dakota flooding totaled \$16.7 million.

#### **National Flood Insurance Program**

In 1968 Congress created the National Flood Insurance Program (NFIP) to provide a means for property owners to financially protect themselves. The NFIP offers flood insurance to homeowners, renters, and business owners if their community participates in the NFIP. Participating communities agree to adopt and enforce ordinances that meet or exceed FEMA requirements to reduce the risk of flooding.

The National Flood Insurance Program paid \$75 million for claims in the city of Grand Forks and \$100 million in claims statewide.

#### **Small Business Administration**

The Small Business Administration is the primary source of federal funds for long-term recovery assistance for disaster victims. The Small Business Administration has low-interest disaster loans for homeowners, renters, and nonfarm businesses to cover disaster damage to real and personal property. The Small Business Administration may not duplicate benefits from an individual's insurance or FEMA.

The Small Business Administration loaned over \$180 million to North Dakota businesses and residents to assist in recovery from the 1997 flood incident.

Currently, homeowners may borrow up to \$200,000 for disaster-related home repairs. Homeowners and renters may borrow up to \$40,000 to replace disaster-damaged personal property, including vehicles. The Small Business Administration has loan officers in the disaster recovery centers to assist disaster victims.

The interest rate charged on a disaster loan is determined by the applicant's ability to obtain credit from nonfederal sources. If it is determined an individual cannot obtain credit, the interest rate charged is half of the interest rate charged to applicants who can obtain credit, not to exceed 4 percent per year. If it is determined an individual can obtain credit, the interest rate is based on the cost of money to the United States government, not to exceed 8 percent per year. Individual Small Business Administration loans have a maximum maturity of 30 years. If it

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is determined a business cannot obtain credit, a maximum interest rate of 4 percent per year and a maximum maturity of 30 years is in effect. If a business can obtain credit elsewhere, the interest rate may not exceed the rate being charged in the private market at the time of the physical disaster or 8 percent, whichever is less, and the loan may not exceed three years.

### HUD Flood Assistance

- The United States Department of Housing and Urban Development (HUD) provided a special allocation of \$201.2 million in community development block grant (CDBG) funds within the state of North Dakota for flood relief efforts distributed as follows:

Grand Forks	\$171,567,708
Devils Lake - Ramsey County	7,003,035
Fargo	5,943,963
Richland County - Wahpeton	3,470,759
Grand Forks County	2,176,049
Cass County	1,400,000
Pembina County	1,000,000
Traill County	1,000,000
Walsh County	504,504
Mercer County	500,000
State of North Dakota	6,697,105
Total	\$201,263,123

- The Office of Intergovernmental Assistance (now known as the Division of Community Services, Department of Commerce) facilitated disaster housing and associated needs through CDBGs totaling \$9,987,901 as shown in [Appendix D](#). The agency utilized a portion of CDBG funding appropriated for the biennium (\$3,290,796) in combination with the additional award amount authorized by HUD (\$6,697,105).
- Within HUD and CDBG guidelines, each CDBG funding recipient developed distribution statements to distribute grant awards. See [Appendix E](#) for the Department of Commerce distribution statement.

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- The Attorney General's office initiated rapid actions to protect citizens from fraudulent activities that frequently follow natural disasters. The office organized a "one-stop shop" for transient merchants and contractor licensing to streamline the state and city processes for transient merchants and contractors in efforts to provide protection to citizens from unscrupulous businesses through the use of criminal background checks.
- The Bank of North Dakota established lines of credit for:
  - \$15 million to the Division of Emergency Management.
  - \$10 million to the Adjutant General.
  - \$25 million to the city of Grand Forks.
  - \$12 million to the University of North Dakota.
  - \$7 million to raise the dike in Devils Lake.
- The Bank of North Dakota established a disaster relief loan program to assist the Grand Forks area with \$5 million in funding. These funds were matched by other financial institutions making more than \$70 million available to borrow.
- Economic Development and Finance assisted in meeting short-term working capital needs. The Development Fund and Technology Transfer, Inc., boards restructured existing loans and delayed principal/interest payments. The Development Fund also established a \$2 million disaster recovery fund to help businesses recover financially.
- Job Service North Dakota processed 12,162 claims for unemployment insurance as of August 1997 related to flooding events. Staff worked extended hours and weekends to help take and process claims. Staff from other Job Service locations volunteered time to assist in processing. Job Service in Grand Forks served as the headquarters for the "one-stop shop" licensing center for transient merchants and contractors. Job Service in Grand Forks also established a crisis management team within the agency to coordinate the need for help with available staff, facilitate accurate communications, and provide a source for problem-solving throughout the agency.
- Three consumer hotlines were housed and staffed by Job Service North Dakota personnel--the Commuter Express Hotline to assess the transportation needs of the area, the Workforce Hotline marketed statewide to individuals seeking work in Grand Forks, and the Contractor Hotline for home/apartment owners to connect with contractors.
- Job Service Rapid Response services provided disaster assistance in the form of over \$7 million in a national disaster assistance program grant and the Grand Forks youth disaster marshall plan. These programs put over 800 workers and youth to work in cleanup and restoration activities.
- The Aeronautics Commission provided air transportation for state agency personnel.

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- The Department of Agriculture activated the Agriculture Snow Emergency Task Force and took action to coordinate agricultural assistance efforts. Some of the programs that were utilized include the animal carcass disposal program, the Help Your Farm Neighbor Relief Fund, the Cattlemen Coping with Winter mailing, the livestock indemnity program documentation, the North Dakota Agricultural Mediation Service, the Rural Survival Task Force, the disaster assistance web page, the Adopt-A-Farm Family program, and the establishment of the Agriculture Disaster Response Center.
- The Department of Corrections and Rehabilitation referred court-ordered community service clients and parole/probation offenders to help in sandbagging efforts. In total, 55 persons completed approximately 4,443 hours of community service. Inmates of the Grand Forks Correctional Center (51) were relocated to other correctional facilities and the Grand Forks adult parole/probation office rerouted calls to the Bismarck central office.
- The State Department of Health responded to immediate public health needs, such as maintaining sanitary living conditions, relocating nursing home residents, and restoring the city's drinking water system. The State Health Officer assisted with evacuation of the medical park complex, provided onsite support to community and public health officials, and worked with community, state, and federal agencies to coordinate emergency and primary health care services.
- Many divisions of the State Department of Health were active in preparation, response, and recovery efforts before the flooding occurred, including:
  - The Division of Microbiology requested funding to purchase larvicide in anticipation of increased mosquito counts due to flooding.
  - Employees in the department's Division of Disease Control worked with local public health departments to encourage tetanus immunizations among potential flood victims.
  - The Preventative Health Section declared that dead cattle in waterways constituted a public health threat, and FEMA funding was made available for cattle removal. Thereafter, the Division of Water Quality assisted in the removal and farmsite burial of 954 cattle that had frozen to death in the state's streams, rivers, and lakes. This division also assisted in the burial of an additional 13,768 cattle to avoid potential health hazards.
- After the flooding, the State Department of Health worked with FEMA and the Grand Forks Public Health Department to prepare 25,000 cleanup kits that would supplement supplies donated through the American Red Cross and the Salvation Army. The Division of Waste Management worked with the United States Army Corps of Engineers to develop a plan for debris removal in Grand Forks and assisted the Environmental Protection Agency (EPA) in establishing a household hazardous waste collection and disposal program. The Division of Environmental Engineering was active in coordinating with the Occupational Safety and Health Administration (OSHA) to advise contractors about proper respiratory precautions during cleanup activities, providing oversight inspections of contractors to ensure worker safety, and inspecting asbestos removal worksites to ensure worker safety and compliance with asbestos regulations.
- The Department of Human Services coordinated with the American Red Cross, the State Department of Health, and the Long Term Care Association to relocate vulnerable children and adults who had been receiving care from nursing homes, basic care facilities, and home and community-based programs. Additionally, the Department of Human Services applied for and received a federal waiver which simplified the process for Medicaid recipients to access medical services. The Department of Human Services also provided technical infrastructure and technical assistance to the Grand Forks County social services office so it could offer displaced Grand Forks County residents food stamps, aid to families with dependent children, Medicaid, and other necessities.
- The Department of Public Instruction coordinated placement of flood-displaced children as resident students for the balance of the 1996-97 school term in North Dakota, Minnesota, and South Dakota school districts. The department's food distribution office arranged delivery and allocation of commodity foods donated by the United States Department of Agriculture to the American Red Cross and Salvation Army providing more than 1.3 million meals. The department received a waiver from the United States Department of Agriculture on the application process for children applying for free meal benefits which provided all flood-displaced children with free breakfasts and lunches at host schools for the duration of the 1996-97 school year.
- The Game and Fish Department assisted in the evacuation and security in and around Grand Forks. For five days immediately after the Red River overflowed its banks, 11 field wardens and one supervisor conducted several missions using department boats and aircraft in the Grand Forks area. These missions included assisting the evacuation of governmental offices, assisting individual citizens with evacuation, conducting night surveillance in flooded areas using department boats, escorting VIPs into the flooded areas by boat, and performing aerial surveillance to prevent looting.
- In coordination with the Department of Transportation, the Highway Patrol assisted in road closures, detour routes, traffic control, and escorts in the flood-affected areas. In an effort to help its own personnel, the Highway Patrol established the "Cops Helping Cops" program, which allowed police officers from throughout the country to donate funds to assist officers who had suffered losses from the flood.
- The Housing Finance Agency assisted flood evacuees in locating temporary housing by obtaining waivers from HUD and the Internal Revenue Service (IRS) to permit vacant units in HUD Section 8 and Low Income Housing Tax Credit projects to be utilized by evacuees without regard to the normal tenancy restrictions. The agency created an interest rate reduction program--the disaster recovery buydown program--which is available to households which have experienced a flood-related involuntary relocation and those which have sustained more than 50 percent damage to their principal residence.
- The Insurance Department added a 24-hour voice mail messaging system to the department's toll-free telephone number, revised internal staff functions to add staffing to the hotlines, created a resource file for staff to use in assisting consumers, issued a bulletin to all insurance companies with insureds in the Red River Valley requesting that they institute a policy

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deferring premium payments for consumers for a period of 60 days, and issued a press release regarding the use of public adjusters in the state. The Insurance Department, in conjunction with the Institute for Property Loss Reduction and FEMA, cosponsored a "flood insurance summit," which sought ways to enhance the flood insurance program and sales of flood insurance. The department instituted annual early spring news releases that are issued reminding consumers to review homeowners' policies and to give special attention to the risk of flood and the 30-day waiting period for coverage to take effect.

- The National Guard performed numerous missions and tasks, including providing equipment and personnel to support aerial ice dusting, sandbagging, power generation, transportation of materials, dike patrols, traffic control, area security, ground and aerial evacuation, dike construction and repair, temporary shelter, temporary feeding, aerial fire suppression, water purification and distribution, aerial reconnaissance, recovery of livestock carcasses from waterways, and the burial of the carcasses. The National Guard constructed a sandbag machine to support flood operations. The machine was transported to the requesting agency and supported with a forklift and operators.
- The Fiscal Management Division, Office of Management and Budget, established special revenue and expenditure codes on the Statewide Accounting Management Information System so all expenditures related to the flood could be tracked and all revenues accounted for. In addition, Fiscal Management produced a revenue forecast to assess the impact on sales and income tax, agriculture, real estate, construction, employment, and income for the remainder of the 1995-97 biennium and for the 1997-99 biennium.
- The Secretary of State along with the Attorney General established a "one-stop shop" licensing center at the regional Job Service center in Grand Forks. The Secretary of State issued a total of 2,450 identification cards to 544 different contractors and their employees. In addition, a total of 448 contractor licenses were issued from the Secretary of State's office, of which 165 were issued in the Grand Forks "one-stop shop" licensing center.
- The Division of State Radio, Department of Emergency Services, handled all 911 calls for Grand Forks County after the Grand Forks public service answering point for 911 was forced to evacuate. State Radio conducted criminal background checks on merchants and contractors requesting licensing through the "one-stop shop," resulting in more than 20 arrests and the identification of approximately 24 illegal aliens.
- The State Water Commission supported the State Emergency Operations Center on a 24-hour basis. Working with the center, the State Water Commission monitored river stages and flows, provided flood updates at daily briefings, and arranged for flood-fighting equipment and supplies to areas of need. Further, the State Water Commission coordinated with county water resource districts and county commissions on a daily basis throughout the state to provide technical information and flood stage forecasts to areas not included in the National Weather Service forecasts. State Water Commission staff completed a dam-breaching operation when the pipe spillway for the Iverson Dam near Leeds, North Dakota, failed and two large pumps were used to lower the reservoir's water level. Other flood response efforts the State Water Commission engaged in were developing maps of areas inundated, modifying HEC-2 hydraulic models to identify potential inundation areas, assisting in the location and construction of the Washington Street emergency dike in Grand Forks, assisting the city of Grand Forks and the National Guard with developing an emergency water supply, and assisting the United States Geological Survey with stream gauging.
- The Tax Department eased tax return filing and compliance requirements. The Tax Commissioner granted extensions for filing individual tax returns and extensions for tax withholding and sales tax returns for businesses located in Cass, Pembina, and Richland Counties and for the cities of Grand Forks and East Grand Forks. During the extension periods, all penalties and interest were waived. Furthermore, the department identified property tax statutes that could be suspended by executive order allowing adjustments to property valuations by an assessor. The assessor could then review and adjust the valuations of flood-damaged property without requiring the property owner to file an application for abatement.
- The Department of Emergency Services had updated administrative plans for hazard mitigation, public assistance, and the individual and family grant program. These plans enabled the agency to proceed in a timely manner in administering these disaster recovery programs with only minor revisions to satisfy FEMA requirements for current administrative plans.

### Political Subdivision Flood Assistance

- The Association of Counties developed two programs to directly help the counties affected by flooding--Counties Helping Counties program was a method for counties in need of goods or services to contact other counties to provide services and the county employee relief fund allowed county employees to make tax deductible monetary donations directly to flood-affected county employees.
- The League of Cities assumed the leadership role in managing donations of goods and services for flood relief. The league secured a state reception center to warehouse the donated goods for distribution to all cities included in the presidential disaster declaration. The donated labor that was offered was inventoried and the information was then provided to the local agencies coordinating volunteer crews. A computer registry system was developed to inventory all offers of donated goods that were called into the Donations Hotline nationwide. A special site was established on the League of Cities home page to view flood photos, send e-mail, or register an offer of donated goods or services.