

April 17, 2007

Declaring a disaster

■ What does it take to get federal flood funds?

By **Joe Morris**

Staff writer

Few government decisions can have a bigger financial impact on people and businesses than disaster declarations. Parts of Southern West Virginia may look undeniably devastated, but millions of dollars may hinge on whether they officially become "federal disaster areas."

It takes a presidential disaster declaration to free up federal grant money, covering everything from housing and unemployment aid to counseling for victims of disasters like last weekend's flooding.

And once that happens, there's really no cap on how much the federal government will make available, said Josie Pritchard, a spokeswoman for the Federal Emergency Management Agency's Region 3 in Philadelphia.

"There's no dollar limit," she said. "It just depends on how many people are affected."

Each grant decision is made on a case-by-case basis, and the government will spend what it takes to get stranded people back into safe housing, she said, going as far as building mobile-home parks, as happened in three recent West Virginia floods.

But what does it take to get the designation?

The process began Monday. Four workers from the state Division of Homeland Security and one from FEMA arrived in two teams in the worst-hit areas of Logan, Boone and Mingo counties to survey the damage. Their job: determine how many houses suffered damage that makes them unlivable.

"They're looking mainly at housing needs," says Al Lisko, Homeland Security's director of mitigation and recovery. "That's the most critical factor as to whether a presidential decision is warranted."

Houses may suffer a fortune in damage, say from flooding in their basements, but the Homeland Security teams generally want to know only if the damage forces residents to leave, Lisko said.

Typically, homes have suffered enough damage to warrant federal assistance if electrical outlets became submerged in water, Lisko said.

Indeed, it doesn't take much to rack up thousands in flood damage. According to estimates by the National Flood Insurance Program, the federal program that administers flood insurance policies, merely an inch of flooding in a hypothetical 900-square-foot home could result in about \$7,800 worth of damage.

But this early after a flood, dollar figures aren't foremost in Homeland Security's mind, Lisko said. "The key thing ... is how many families are facing substantial problems in meeting their housing needs," he said.

The Homeland Security teams tally up the number of homes deemed uninhabitable and then submit their report to the governor, who decides whether the damage is too extensive for the state to handle on its own.

If the damage seems bad enough, the governor would then ask FEMA to do its own assessment. FEMA officials would then retour the areas with state officials and report their findings to FEMA's top levels and the president.

"Ultimately, the decision is the president's," Lisko said.

There are no stated hard and fast criteria for getting the designation, but past experience suggests that a given disaster area needs to have at least 100 homes made uninhabitable in order to qualify, Lisko said.

"We've had requests in the past where there were fewer than 100 and were denied, and when there were more than 100 we were approved," he said.

Each site survey generally takes about one day, while the final decision on disaster designation could take anywhere from several hours to a week or more, Lisko said.

Businesses affected by the floods are also eligible for federal help, but it comes only in the form of loans granted by the U.S. Small Business Administration. If the FEMA inspectors determine that at least 25 homes or businesses in a flooded area suffered uninsured losses equal to at least 40 percent of their fair-market value, then they're likely to be eligible for the low-interest loans.

There's no grant money available for flood-damaged businesses. That shows the value of flood insurance, Lisko said. "Obviously, very few businesses like to take out another loan," he said.

Even for homeowners, federal disaster assistance is no match for a good flood-insurance policy, Lisko said. While there's no set limit on the government's total flood-damage expenditures, there is a very low ceiling on grants for covering damage to individual households: just \$28,200.

When houses suffer total destruction, that usually pays for just a fraction of the costs. Senior citizens in particular pay a big price for spurning flood insurance, Lisko said.

"Some people are really and truly hurt by that," he said. "Suddenly they're faced with paying for damage on what may be an old home, and their next option is to get a loan."

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