

SCOMM

90:7

Sponsor Statement HB 421

OVERVIEW

This legislation was introduced at the request of the State of Alaska's Division of Emergency Services. Under current state statute, people that are displaced from their homes during a state declared disaster must have temporary housing arrangements negotiated individually by DMVA. This can be a lengthy, tedious process that takes precious resources away from other disaster assistance. The Federal Emergency Management Agency (FEMA) has streamlined this process during a federally declared disaster by making grants directly to displaced individuals. These individuals then make their own housing arrangements, reducing costs and removing possible liability from the government as a lessor.

WHAT HB 421 DOES

HB 421 adds language to AS 26.23.100 that would allow the Division of Emergency Services the ability to grant funds to displaced people for temporary housing during state declared disasters. Eligibility for these funds would be determined by the criteria set out by DES. This change will result in more efficient response to temporary housing needs during a state declared disaster.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 421

Revision Date: _____ Dept. Affected: Military and Veterans Affairs
Title: Authorizing grants for temporary housing assistance BRU: na
during emergencies and disasters Component: _____
Sponsor: House MVA
Requestor: House MVA COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0					

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0					

Estimate of any current year (FY94) cost: \$ (not applicable)

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact

Prepared by: Jeff Morrison, Director
Division: Administrative Support Services Division
Approved by Commissioner: *Jeff Morrison* for Hugh L. Cox III
Agency: Military and Veterans Affairs

Phone: 465-4730
Date: February 7, 1994
Date: February 7, 1994

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HB 421
Fiscal Note

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
BRIEFING PAPER HB421

Background:

Whenever people are displaced from their homes because of a disaster, part of the disaster assistance provided by the Division of Emergency Services (DES) is the provision of temporary housing. The authority for doing this is addressed in A.S. 26.23.100. The current authority is limited to the state making direct payments for providing temporary housing. The statutes also allow the state to work through local governments to provide temporary housing.

Current statutes do not authorize DMVA to make housing assistance grants to persons displaced from their homes during state-declared disasters. Without this authority, DMVA must negotiate lease/rental terms for every individual or family requiring temporary housing during a disaster. This task is administratively burdensome and increases the administrative costs of a disaster by requiring time to monitor and manage the lease agreements. However, the process for providing temporary housing in a federally-declared disaster is significantly more efficient.

In a federally-declared disaster, Federal Emergency Management Agency (FEMA) staff directly administers the temporary housing program, using 100% federal funds. The federal temporary housing program makes grants directly to individuals for them to arrange their own temporary housing. Granting funds to recipients to arrange their own housing reduces administrative costs, removes liability from the government as a lessor, and reduces government involvement in personal issues.

Impact of proposed legislation:

HB421 will specifically permit DMVA to grant funds to eligible disaster victims who have located temporary housing. The eligibility of disaster victims would be determined by the staff of the Division of Emergency Services (DES) using criteria established in the Temporary Housing Assistance Plan promulgated by DES. This granting authority will greatly expedite the ability of DMVA to respond to providing for temporary housing during a disaster, and would allow each family or individual affected to secure housing which best fits their housing needs.

The addition of this granting authority will add another tool in the ability of DES to respond to temporary housing needs. It will not be the only way these needs are met, and circumstances of a particular event will influence the choice of approaches to temporary housing.

tance. The governor may make a grant to an individual and family under this subsection as follows:

(1) when the President declares a major disaster, the governor may make a grant of an amount whose total of federal and state shares does not exceed the maximum amount authorized by 42 U.S.C. 5178(f) for grants payable to individuals and families;

(2) when the President does not declare a major disaster but the governor declares a disaster emergency, the governor may make a grant of an amount not to exceed \$5,000.

(c) [Repealed, § 18 ch 178 SLA 1990.] (§ 3 ch 104 SLA 1977; am §§ 9, 18 ch 178 SLA 1990)

Effect of amendments. — The 1990 amendment deleted "the total of federal and state shares not to exceed \$5,000" following "financial grants" and "in any single major disaster declared by the president" following "individual or family" and substituted "the disaster" for "a major di-

saster" in the first sentence of subsection (b); added the second sentence of subsection (b); and repealed subsection (c), which penalized fraudulent or wilful misstatements of fact in connection with financial assistance applications.

Sec. 26.23.100. Temporary housing. (a) Whenever the governor has proclaimed a disaster emergency, or the President, at the request of the governor, has declared an emergency or a major disaster to exist in this state, the governor may

(1) purchase, lease, or make other arrangements with any agency of the United States or state for temporary housing units to be occupied by disaster victims and to make those units available to any political subdivision of the state;

(2) assist any political subdivision of this state that is the location of temporary housing for disaster victims to acquire sites necessary for the temporary housing and do all things necessary to prepare the site to receive and use temporary housing units by

(A) advancing or lending funds available to the governor from an appropriation made by the legislature or from any other source;

(B) passing through funds made available by any agency, public or private; or

(C) becoming a copartner with a political subdivision for the execution and performance of any temporary housing for disaster-victim projects and, for those purposes, pledging the credit of the state on terms considered appropriate, having due regard for current debt transactions of the state;

(3) under whatever relevant regulations the governor may adopt, temporarily suspend or modify, for not more than 60 days, any public health, safety, zoning, transportation, or other requirement of law or regulation of the state, when by proclamation, the governor declares a suspension or modification essential to provide temporary housing for disaster victims.

(b) A political subdivision of this state may acquire, temporarily or permanently, by purchase, lease, or otherwise, sites required for installation of temporary housing units for disaster victims, and to enter into whatever arrangements, including purchase of temporary housing units and payment of transportation charges, that are necessary to prepare or equip those sites to receive and use the housing units. (§ 3 ch 104 SLA 1977)

Sec. 26.23.110. Debris and wreckage removal in disaster emergency or major disaster. (a) When the governor has declared a disaster emergency, or the President, at the request of the governor, has declared a major disaster or emergency to exist in this state, the governor may

(1) through the use of state agencies, clear from publicly or privately owned land or water, debris and wreckage that may threaten public health, safety, or property;

(2) apply for and accept funds from the federal government and use those funds to make grants to a political subdivision for the purpose of removing debris or wreckage from publicly or privately owned land or water.

(b) Authority under (a)(1) of this section may not be exercised unless the affected political subdivision, corporation, organization, or individual unconditionally authorizes the removal of the debris or wreckage from public and private property and, in the case of removal of debris or wreckage from private property, first agrees to indemnify the state government against claims arising from the removal. (§ 3 ch 104 SLA 1977; am §§ 10, 11 ch 178 SLA 1990)

Effect of amendments. — The 1990 amendment substituted "a political subdivision" for "any local government" in paragraph (a)(2) and "political subdivision" for "local government" in subsection (b).

Sec. 26.23.120. Interstate Civil Defense and Disaster Compact entered into. The Interstate Civil Defense and Disaster Compact is hereby enacted into law and entered into with all jurisdictions legally joining in it in a form substantially as contained in AS 26.23.130. (§ 3 ch 104 SLA 1977)

Sec. 26.23.130. Compact terms. The terms and provisions of the compact referred to in AS 26.23.120 are as follows:

INTERSTATE CIVIL DEFENSE AND DISASTER COMPACT

The contracting states solemnly agree:

§ 206.65

§ 206.65 Cost sharing.

The Federal share for assistance provided under this title shall not be less than 75 percent of the eligible costs.

§ 206.66 Limitation on expenditures.

Total assistance provided in any given emergency declaration may not exceed \$5,000,000, except when it is determined by the Associate Director that:

(a) Continued emergency assistance is immediately required;

(b) There is a continuing and immediate risk to lives, property, public health and safety; and

(c) Necessary assistance will not otherwise be provided on a timely basis.

§ 206.67 Requirement when limitation is exceeded.

Whenever the limitation described in § 206.66 is exceeded, the Director must report to the Congress on the nature and extent of continuing emergency assistance requirements and shall propose additional legislation if necessary.

§§ 206.68—206.100 [Reserved]

Subpart D—Temporary Housing Assistance

§ 206.101 Temporary housing assistance.

(a) *Purpose.* This section prescribes the policy to be followed by the Federal Government or any other organization when implementing section 408 of the Stafford Act.

(b) *Program intent.* Assistance under this program is made available to applicants who require temporary housing as a result of a major disaster or emergency that is declared by the President. Eligibility for assistance is based on need created by disaster-related unlivability of a primary residence or other disaster-related displacement, combined with a lack of adequate insurance coverage. Eligible applicants may be paid for authorized accommodations and/or repairs. In the interest of assisting the greatest number of people in the shortest possible time, applicants who are able to do so will be encouraged to make their

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own arrangements for temporary housing. Although numerous instances of minor damage may cause some inconvenience to the applicant, the determining eligibility factor must be the livability of the primary residence. FEMA has also determined that it is reasonable to expect applicants or their landlords to make some repairs of a minor nature. Temporary housing will normally consist of a check to cover housing-related costs wherever possible.

(c) Definitions.

(1) *Adequate alternate housing* means housing that:

(i) Accommodates the needs of the occupants.

(ii) Is within reasonable commuting distance of work, school, or agricultural activities which provide over 25% of the household income.

(iii) Is within the financial ability of the occupant in the realization of a permanent housing plan.

(2) *Effective date of assistance* means the date the eligible applicant received temporary housing assistance but, where applicable, only after appropriate insurance benefits are exhausted.

(3) *Essential living area* means that area of the residence essential to normal living, i.e., kitchen, one bathroom, dining area, living room, entrances and exits, and essential sleeping areas. It does not include family rooms, guest rooms, garages, or other nonessential areas, unless hazards exist in these areas which impact the safety of the essential living area.

(4) *Fair market rent* means a reasonable amount to pay in the local area for the size and type of accommodations which meets the applicant's needs.

(5) *Financial ability* is the determination of the occupant's ability to pay housing costs. The determination is based upon the amount paid for housing before the disaster, provided the household income has not changed subsequent to or as a result of the disaster or 25 percent of gross post disaster income if the household income changed as a result of the disaster. When computing financial ability, extreme or unusual financial circum-

stances may be considered by the Regional Director.

(6) *Household* means all residents of the predisaster residence who request temporary housing assistance, plus any additions during the temporary housing period, such as infants, spouses, or part-time residents who were not present at the time of the disaster but who are expected to return during the temporary housing period.

(7) *Housing costs* means shelter rent and mortgage payments including principal, interest, real estate taxes, real property insurance, and utility costs, where appropriate.

(8) *Occupant* means an eligible applicant residing in temporary housing provided under this section.

(9) *Owner-occupied* means that the residence is occupied by: the legal owner; a person who does not hold formal title to the residence and pays no rent but is responsible for the payment of taxes, or maintenance of the residence; or a person who has lifetime occupancy rights with formal title vested in another.

(10) *Primary residence* means the dwelling where the applicant normally lives during the major portion of the calendar year, a dwelling which is required because of proximity to employment, or to agricultural activities as referenced in paragraph (c)(1)(ii) of this section.

(d) *Duplication of benefits*—(1) *Requirement to avoid duplication.* Temporary housing assistance shall not be provided to an applicant if such assistance has been provided by any other source. If any State or local government or voluntary agency has provided temporary housing, the assistance under this section begins at the expiration of such assistance, and may continue for a period not to exceed 18 months from the date of declaration, provided the criteria for continued assistance in paragraph (k)(3) of this section are met. If it is determined that temporary housing assistance will be provided under this section, notification shall be given those agencies which have the potential for duplicating such assistance. In the instance of insured applicants, temporary housing

assistance shall be provided only when:

(i) Payment of the applicable benefits has been significantly delayed;

(ii) Applicable benefits have been exhausted;

(iii) Applicable benefits are insufficient to cover the temporary housing need; or

(iv) Housing is not available on the private market.

(2) *Recovery of funds.* Prior to provision of assistance, the applicant must agree to repay to FEMA from insurance proceeds or recoveries from any other source an amount equivalent to the value of the temporary housing assistance provided. In no event shall the amount repaid to FEMA exceed the amount recovered by the applicant. All claims shall be collected in accordance with agency procedures for debt collection.

(e) *Applications*—(1) *Application period.* Applications for temporary housing assistance shall be accepted for a 60-day period following the date of a declaration of a major disaster or emergency, unless additional time for submission of applications is authorized by the Regional Director in order to achieve uniformity of application periods in contiguous States. After the established period, applications shall be accepted; however, processing shall not be completed unless authorized by the Regional Director on a case-by-case basis.

(2) *Household composition.* Members of a household shall be included on a single application and be provided one temporary housing residence unless it is determined by the Regional Director that the size of the household requires that more than one residence be provided.

(f) *General eligibility guidelines.* Temporary housing assistance may be made available to those applicants who, as a result of a major disaster or emergency declared by the President, are qualified for such assistance.

(1) *Conditions of eligibility.* Temporary housing assistance may be provided only when both of the following conditions are met:

(i) The applicant's primary residence has been made unlivable or the applicant has been displaced as the result