



ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
Deputy Government House Leader
M.A., Calgary-Hays*

AR100314

Dear Chief Elected Officials:

This letter is to inform you of changes to the Government of Alberta's Disaster Recovery Program (DRP), which are in effect for DRPs that occur in 2021 and onward and are outlined in the 2021 Disaster Assistance Guidelines.

In response to the rising cost and frequency of disasters in Alberta, we have made changes to the DRP. These changes are intended to share the responsibility of disasters with all those who are impacted and to make the program more sustainable for future events. Changes will ensure that assistance is available for Albertans when they need it most.

While conditions for eligibility remain the same for qualifying applicants, the following cost-sharing arrangements and funding limits have been added to the program:

Local authority and private sector applicants (including homeowners)

We are implementing a 90:10 cost-sharing arrangement.

- DRP assistance is limited to 90 per cent of eligible disaster expenses, instead of 100 per cent.
- The remaining 10 per cent of eligible assistance will be subtracted from the amount payable to the applicant. No payment to the program will be required.

Homeowners only

We are implementing a funding limit of up to \$500,000 per homeowner application and a limit on assistance to one time per property.

- For disaster events that occur in 2021 onward, qualifying homeowner applicants will only be able to access DRP assistance once per property address. Financial assistance from the program will not be provided to future applicants who own property at the same physical location.

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- The one-time funding limit is not cumulative. For example, if an applicant has received \$100,000 worth of assistance under the new policy, they would not qualify for any funding in the future.
- This change will not be applied retroactively. If a homeowner has received assistance before 2021, this does not count as meeting the one-time assistance limit.
- Homeowner addresses that receive DRP assistance will be posted online to the Government of Alberta website to provide transparency about DRP funding limits and up-to-date information for prospective homeowners, developers, and real estate professionals. The funding received stays with the property; therefore, a new homeowner would not be able to access disaster recovery funding for that same property in the future.

Being prepared improves individual and community resilience by lessening the impacts of disasters, shortening recovery time, and reducing economic disruption. Individuals and communities are encouraged to take measures to prepare for disasters and to look at ways of reducing their disaster risks. Learn how you can prepare for emergencies and disasters by visiting us at alberta.ca/emergency-preparedness.aspx.

Please refer to the enclosed information sheet for more information on changes to the Disaster Recovery Program and the Alberta Disaster Assistance Guidelines, or visit us online at www.alberta.ca/drp.

If you have any additional questions, please call 1-888-671-1111 or email drp.info@gov.ab.ca.

Sincerely,



Ric McIver
Minister

Attachment: Information Sheet

cc: Chief Administrative Officers

Disaster Recovery Program Changes

Overview

The Disaster Recovery Program (DRP) provides financial assistance to qualifying applicants to help restore uninsurable property lost or damaged by a disaster to its basic, pre-disaster functional condition.

DRPs provide financial assistance as a last resort to assist those affected by a disaster.

Program changes

For DRPs that occur in 2021, the Government of Alberta has set homeowner funding limits and implemented cost-sharing mechanisms between the government and program applicants.

Why changes were made

The cost and frequency of disasters in Alberta are increasing, and the province needs a more sustainable approach to disaster recovery. By implementing a stronger framework to deal with emergencies and disasters, these changes help ensure the DRP can continue to be available for Albertans when they need it most.

Homeowner-funding limits

The province is implementing a homeowner funding limit of up to \$500,000 per application for eligible costs and a limit of one-time assistance per property, regardless of the transfer of ownership. The one-time funding limit is not cumulative, so if an applicant has received any amount of assistance under the new policy, they would not qualify for funding in the future.

Establishing a homeowner funding limit helps government reinforce the intent of the DRP, which is to contribute to a ready and resilient Alberta and be the payer of last resort. Homeowners may choose to opt out of receiving DRP assistance if they are able to cover damages on their own. This would allow their property to qualify for future assistance if a DRP is approved in their community and they meet the program qualification criteria at that time.

Limits to properties

- Limits to assistance are applied to the property address only, not the applicant.
- A new property owner will not qualify for DRP assistance if the previous owner already accessed the one-time funding limit.

Posting addresses online

- If a homeowner applicant accessed funding through a DRP for a disaster that occurred in 2021 and onward, the property address and legal land description will be posted on the Government of Alberta website. The post will indicate that the address (legal land description) is not eligible for future DRP funding.
- This will help prospective buyers and developers become aware of funding limits that apply to specific addresses.

90:10 cost-sharing

Cost-sharing mechanisms for municipalities and private-sector applicants are based on a 90:10 formula, where the province covers 90 per cent of eligible disaster costs and the applicant covers the remaining 10 per cent.

What you can do as a community

The Alberta Emergency Management Agency encourages all Albertans and communities to:

- Purchase adequate insurance.
- Have reserve funds.
- Invest in mitigation and infrastructure maintenance.
- Restrict future property development in high-risk areas.

Living in high-risk areas

Albertans living in high-risk areas may experience a natural disaster of one kind or another. The Government of Alberta continues to provide DRP assistance to all qualifying applicants; however, homeowners living in high-risk areas are encouraged to consider relocating or mitigating risks to their properties.

Flood maps are available at <https://floods.alberta.ca/>.

Purchasing insurance

It is important for Albertans to become educated about their disaster risks and ensure they are adequately insured. There are more insurance options on the market now than ever before.

High-risk areas

Homeowners living in high-risk areas who are not able to access overland flood insurance are also subject to the cost-sharing and one-time funding limit.

Flood insurance

Financial assistance for disaster recovery continues to be available to eligible applicants to help cover costs related to uninsurable loss and damages. Albertans are advised to check with several insurance companies to compare policy coverage limits, exclusionary language (e.g. concurrent causation clauses), and premiums when purchasing any flood insurance.

Federal government disaster assistance

Since 2015, the federal government has significantly reduced federal support through the Disaster Financial Assistance Arrangements. This has increased the provincial liability for DRP costs. In addition to this, the federal government does not typically reimburse for repeat assistance in flood-prone areas.

Indigenous communities

The federal government continues to fund all eligible disaster-related costs on First Nations reserve land.

First Nations applicants living off reserve, as well as other members of Indigenous communities are eligible for the same benefits and limits as other Albertans applying to the DRP.

The 90:10 cost-sharing arrangements will also apply to Métis Settlement communities as it would for all other communities.

For more information

Online: alberta.ca/drp

Call us: 1-888-671-1111

Email: DRP.info@gov.ab.ca

For more information: alberta.ca/drp

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