

Disaster Financial Assistance

Guidelines for Private Sector

Home owners
Residential tenants
Small business owners
Farm owners
Charitable organizations



Ministry of
Emergency Management
and Climate Readiness

1.0 INTRODUCTION

Ministry of Emergency Management and Climate Readiness (EMCR) administers the provincial Disaster Financial Assistance (DFA) program.

The purpose of these guidelines is to provide applicants with information on the Disaster Financial Assistance program and assist them in applying for DFA.

Further information may be obtained from:

Ministry of Emergency Management and Climate Readiness
PO Box 9201 Stn Prov Govt
Victoria BC V8W 9J1

Phone: 1-888-257-4777 Toll Free

Fax: 250 952-5542

E-mail: DFA.Private@gov.bc.ca

Website: www.gov.bc.ca/disasterfinancialassistance

What is Disaster Financial Assistance?

When British Columbia has declared an event eligible for Disaster Financial Assistance (DFA), the program can provide financial assistance to help eligible individuals and communities recover from catastrophic events, which have resulted in uninsurable property and infrastructure damage.

The legal authority for DFA is found in Section 20 of the *Emergency Program Act*, R.S.B.C. 1996, and the ensuing Compensation and Disaster Financial Assistance Regulation, B.C. Reg 124/95 (the Regulation).

Disclaimer: In the event of a discrepancy between these guidelines and the Regulation, the Regulation shall apply.

DFA is available to qualified applicants for DFA authorized events.

The application deadline is 90 days after the DFA authorization date. Please check our [website](#) or call 1-888-257-4777 to verify the deadline applicable to your specific uninsurable flooding event. EMCR cannot accept applications received after the deadline.

2.0 GENERAL APPLICANT INFORMATION

2.1 Who can apply?

There are five categories of applications for the private sector:

- Home owners
- Residential tenants
- Small business owners
- Farm owners
- Charitable organizations

Applicants may submit an application in more than one category, e.g., home owner and farm owner, if circumstances are warranted.

2.2 Limits on assistance for private sector claims

- a. The amount of financial assistance provided for each accepted claim is 80 percent of the amount of the total eligible damage that exceeds \$1,000 to a maximum claim of \$400,000.

2.3 General terms and conditions

- a. The Ministry of Emergency Management and Climate Readiness (EMCR) will complete a title search for all properties for which a claim is made and if restrictive covenants are found, they shall apply.
- b. Claims may not exceed the estimate of costs required to restore an item or facility to its immediate pre-disaster condition. When items such as furniture, fixtures or appliances are to be replaced, only the value of basic models of such items will be allowed as replacements. When there is a choice between repair or replacement, the amount of assistance will be based on the least cost option. Claims for the cost of repairing a structure to pre-disaster condition will include the cost of repairing it to a condition that meets the prevailing building code.
- c. Applicants may receive assistance for the reconstruction of private property in a disaster-prone area on one occasion without further requirements. A second claim for the same structure may be accepted but applicants will be advised that there is an expectation that they will undertake measures to prevent or limit future damage. A third claim for the same structure may not be accepted if the owner cannot show that all corrective or preventive actions reasonably possible to avoid a recurrence of the damage or destruction were taken. If applicants are located in an area where prevention is not possible, they will be advised whether future assistance will be available to them.
- d. When a structure has been destroyed/damaged beyond repair, assistance will be based only on the loss of the structure as determined by the BC Assessment Authority property assessment. No assistance is available for the loss of use or benefit of the land.

- e. When a structure has been damaged/destroyed, compensation will be based on the cost of repair or the BC Assessment Authority assessed value, at the time of the event, whichever is less.
- f. If an eligible structure is damaged or destroyed in a disaster, and if the director determines that retaining the structure constitutes a potential threat to life or safety, assistance will be based on either the cost to relocate and repair the structure or the cost of the BC Assessment Authority assessed value, whichever is less. No assistance will be given to cover the cost of the damaged land or the cost of land purchased for the purpose of relocating the structure.
- g. When civil litigation to recover losses is initiated or intended, assistance may be withheld pending the outcome of court proceedings, or the applicant may be required to declare that they will refund any monies awarded or settled as a result of the legal action. Failure to disclose impending litigation may be considered fraud.

2.4 Appeals

2.4.1 Introduction

This section describes the DFA appeal process. If DFA has been authorized for an event, an applicant may be entitled to appeal a decision that EMCR has made regarding their eligibility for or the amount of DFA that was determined to be provided in accordance with Sections 21 and 22 of the *Emergency Program Act*.

2.4.2 Appeal to the Provincial Emergency Program (PEP) director

When the applicant receives written notice of EMCR's initial determination regarding a claim, the applicant is advised of the appeal procedure. The applicant is allowed *60 days* from the date of receipt of the initial determination to deliver a written notice of appeal to the director of PEP.

The notice of appeal should state whether the applicant is appealing their eligibility for DFA or the amount of DFA.

If a written notice of appeal is not received by the director within the 60-day period, the applicant may not appeal the determination.

If an appeal is received within the 60-day period, the director may, after conducting a review, confirm or overturn DFA eligibility; or confirm, increase or decrease the amount of the DFA, and must inform the appellant of the decision in writing.

A decision by the director is final and conclusive and is not open to question or review in a court on any grounds.

2.4.3 Variations on amount of Disaster Financial Assistance

If the director, as a result of the appeal, determines that the appellant is entitled to a lesser amount of DFA, the appellant must repay the overpaid DFA amount

of assistance promptly within 60 days after being informed of the director's decision.

If, as a result of an appeal, the appellant is determined to be entitled to DFA in an amount that is greater than what was previously determined, the government must promptly provide the appellant the additional amount of DFA decided by the director.

2.5 General information applicable to all categories

2.5.1 Claimable items

- a. Structural repair or replacement of an eligible structure, including:
 - i. foundations, footings, seals, slab floors, pilings, structural walls and attached garages,
 - ii. framing, roofing, doors, windows, materials, wall coverings, mouldings, fixtures and finishings,
 - iii. filling and levelling to restore essential access,
 - iv. wells, pumps, septic or sewer connections, water connections, electrical servicing, and space and water heating equipment and gas connections,
 - v. retaining walls that form part of the eligible structure or that are essential to sustain land that is immediately adjacent to and critical to the eligible structure, and
 - vi. existing protective works designed to protect banks from erosion.

- b. Cleanup and disinfect:
 - i. casual labour, including the owner, at the British Columbia minimum hourly rate, up to a maximum of 100 person-hours, unless EMCR authorizes additional labour up to a maximum established amount, and
 - ii. commercial services and rentals, provided those services and rentals are not on a continuing basis and conform to rates listed in the BC Equipment Rental Rate Guide, copies of which are held by evaluators.

2.5.2 Non-claimable items

Assistance will not be provided for costs in relation to the following:

- a. cost of restoring or replacing items that were insured or insurable,
- b. contents located in basements, crawl spaces or similar low-lying storage areas, unless these areas are being used as essential living areas for home owners,
- c. contents such as jacuzzis, hot tubs, spas, patios, pools, fences, garden tools or decorative landscaping,
- d. contents such as jewellery, collectibles, artwork, antiques, silverware, furs, decorative items, money and securities, books and printed matter,
- e. drainage that was inadequate due to lack of maintenance,
- f. income loss including personal, farm or business operation income/opportunity,
- g. insurable damage that is a direct result of internal sewer or storm back up,
- h. insurable vehicles, equipment and vessels such as automobiles, recreation vehicles, motor homes, motorcycles, boats, planes, snowmobiles,
- i. land value loss due to damage, unless essential to the farm or business operation and then only for the lesser of the cost to restore the damaged land to pre-disaster condition or the assessed value of the damaged portion of the land,
- j. land, eroded or damaged except for essential access routes,
- k. illegal encroachments on or improvements of land for the purpose of damage reduction,
- l. materials for construction in storage or available for construction purposes, unless these are business or farm inventory,
- m. materials such as chemicals, preservatives, fuels and other like items unless these are business inventory,
- n. materials such as pet supplies, pens, corrals, feeds, outfittings, saddlery or beekeeping equipment and supplies, unless essential to a farm or business operation,
- o. recreational items including fishing, hunting, camping or other sports equipment, camera, dark-room or audio-visual equipment, games, toys, and lawn furniture, unless essential to or inventory of a business operation,
- p. recreational or seasonal structures, their contents, and associated roads or bridges,
- q. roads on private land, except for essential access to fields and outbuildings for a farm or small business operation,
- r. structures such as church property or private recreational facilities unless, in the case of church property, the property constitutes a facility essential to the secular needs of the community or in the case of a recreational facility, the facility is essential for a charitable organization,
- s. structures such as garages or carports that are detached or semi-detached and their contents,
- t. structures such as outbuildings and their contents unless essential to the operation of the business or farm,
- u. structures such as unoccupied homes or premises under construction (to be considered occupied, there must be a valid certificate of occupation), and
- v. structures such as wharves, docks, floats, jetties and other foreshore/backshore improvements.

3.0 INFORMATION SPECIFIC TO HOME OWNERS/RESIDENTIAL TENANTS

3.1 Eligibility

A home owner or residential tenant applicant must be the registered titleholder, lessee, or renter of the affected property, which must be, on a day-to-day basis, their principal residence.

The following definitions apply for determining eligibility for home owner/residential tenant claims:

- **Principal residence** is defined as a residence occupied by the applicant as their primary home and where the majority of their personal effects are located. To be eligible as a home owner, the applicant must have received, or been eligible to receive, the Home Owner's Grant for the affected residence in the year in which the disaster occurred, and must be listed as the registered owner on the current certificate of title.
- A **tenant** is defined as a person(s) who occupies a residence in exchange for a monthly fee but who is not the registered owner of the property. A tenant may claim for the damage or loss of personal effects that were in their principal residence and were owned by, and required for, the tenant or any of the other permanent residents of the structure. The *owner* of the structure may claim for structural damage under the small business category but must qualify as a "small business owner," as defined under the Compensation and Disaster Financial Assistance Regulation, to receive assistance.

3.1.1 Principal residence – land title in business name

In situations where the land title for a home owner applicant's principal residence is in the name of the applicant's business, the applicant must be able to demonstrate that the home is the applicant's principal residence. Additionally, the applicant must be able to demonstrate that the applicant is a corporate interest holder in the business that holds the title to the home.

3.2 Limitations on losses covered

The following limitations apply to claims by home owners/tenants:

- a. Only items to replace or restore the necessities of life will be considered.
- b. Items claimed as necessities will be restricted in number to the needs of permanent occupants only.

3.3 Claimable items

The items listed below are claimable, provided they meet the "General Terms and Conditions" outlined in Section 2.3 and the "Limitations" above. The list of claimable items is not all-inclusive, also see Section 2.5.

- a. Repair to or replacement of eligible personal effects, including:
 - i. kitchen/dining room a stove, refrigerator, table and chairs, electrical appliances, table service and kitchen utensils, cleaning supplies and equipment, drapes and curtains, and floor coverings,
 - ii. living room hide-a-bed or chesterfield and/or loveseat, chairs, tables, lamps, floor coverings, drapes and curtains, a television, and a radio or a stereo system,
 - iii. bedroom bedding, bedroom suites, box springs and mattresses, lamps, floor coverings, drapes and curtains,
 - iv. bathroom floor coverings, curtains, towels and toiletries,
 - v. laundry room a washer, a dryer, an iron, an ironing board, laundry supplies, curtains and floor coverings,
 - vi. miscellaneous clothing, household tools, prescription medicines, a sewing machine, a vacuum cleaner, a telephone, a mirror, a freezer, freezer food and root vegetables stored in a root cellar, and
 - vii. specialized clothing, tools or equipment that are required for the applicant's current trade or profession and are essential for the applicant's ability, at the time of the claim, to earn the applicant's livelihood.

4.0 INFORMATION SPECIFIC TO SMALL BUSINESS OWNERS

4.1 Eligibility

To qualify as an eligible small business

- the business must be managed by the owner on a day-to-day basis,
- the gross revenues for the business must be greater than \$10,000 but less than \$2 million in the year immediately preceding the disaster
- the business must employ less than 50 employees at any one time, and
- the owner must demonstrate that, without the claimed assistance, the future of the business could be placed in financial jeopardy. Financial jeopardy is defined as when the assistance payment to repair the damage would exceed 10 percent of the net income of the business.

4.2 Limitations on losses covered

The following limitations apply to small business owner claims:

- a. Only uninsurable items essential to the operation of the business will be considered.
- b. A commercial tenant that occupies rented or leased space in exchange for a monthly fee, but who is not the registered owner of the property, may not claim for structural repair to or replacement of business structures. The *owner* of the structure may claim for structural damage but would have to qualify on their own under the small business category to receive assistance.
- c. Loss of wages or business operation income or loss of business opportunity is not eligible.

4.3 Claimable items

The items listed below are claimable, provided they meet the "General Terms and Conditions" outlined in Section 2.3 and the "Limitations" above. The list of claimable items is not all-inclusive, also see Section 2.5.

- a. Structural repair to or replacement of eligible business structures, including:
 - i. parking areas, pumps, services and connections, and space and water heating equipment.
- b. Repair to or replacement of eligible business materials, including:
 - i. books and papers required to carry out the business,
 - ii. tools and equipment essential to the business,
 - iii. business furnishings, and
 - iv. inventory at replacement cost.

5.0 INFORMATION SPECIFIC TO CHARITABLE ORGANIZATIONS

5.1 Eligibility

To qualify as an eligible charitable organization applicant, it must be a not-for-profit *charitable* organization that:

- in the opinion of the Minister, provides a benefit or service to the community at large,
- has been in existence for at least 12 months, and
- is registered under the British Columbia *Society Act*.

5.2 Limitations on Losses Covered

The following limitations apply to charitable organization claims:

- a. Only items essential to the operation of the charitable organization.
- b. The charitable organization that occupies donated, rented or leased space in exchange for a monthly fee, but who is not the registered owner of the property, may not claim for structural repair to or replacement of occupied structures. The *owner* of the structure may claim for structural damage but would have to qualify on their own, under the appropriate claim category, to receive assistance.

5.3 Claimable items

The items listed below are claimable, provided they meet the "General Terms and Conditions" outlined in Section 2.3 and the "Limitations" above. The list of claimable items is not all-inclusive, also see Section 2.5.

- a. Structural repair to or replacement of eligible charitable or volunteer structures, including:
 - i. outbuildings essential to the operation of the organization.
- b. Repair to or replacement of eligible charitable or volunteer materials, including:
 - i. business books, papers, tools, equipment, and furnishings essential to the operation of the organization, and
 - ii. inventory for sale, at replacement cost.

6.0 INFORMATION SPECIFIC TO FARM OWNERS

6.1 Eligibility

To qualify as an eligible farm:

- the farm operation must be identified in the current assessment of the BC Assessment Authority as a developing or established agricultural operation,
- the farm operation must be owned and operated by a person whose full-time employment or livelihood is made as a farmer,
- the farm operation must be the means by which the owner(s) derives the majority of that person's income, based on gross income from all sources,
- the owner must demonstrate that, without the claimed assistance, the future of the farm operation could be placed in financial jeopardy. Financial jeopardy is defined as when the assistance payment to repair the damage would be greater than 10 percent of the net income of the farm operation,
- a farmer that farms leased land in exchange for a monthly fee, but who is not the registered owner of the land, may not claim for damage to the leased land. The *owner* of the land may claim for damage but would have to qualify on their own under the small business category to receive assistance, and
- if a farm operation is incorporated, the small business eligibility criteria will also apply.

6.2 Limitations on losses covered

The following limitations apply to farm owner claims:

- a. Only items essential to the operation of the farm will be considered.
- b. Assistance is restricted to actual uninsurable property and or damage to land that was in production or being left fallow in accordance with good farming practices. Loss of income due to loss of production or market is not eligible.
- c. Generally, crops are not eligible for DFA because B.C.'s Ministry of Agriculture and Food has established programs such as Production Insurance and AgriStability to assist farmers.

6.3 Claimable items

The items listed below are claimable, provided they meet the "General Terms and Conditions" outlined in Section 2.3 and the "Limitations" above. The list of claimable items is not all-inclusive, also see Section 2.5.

- a. Structural repair to or replacement of eligible farm structures, including:

- i. filling and levelling to restore essential access to fields and outbuildings,
 - ii. parking areas, pumps, services and connections and space and water heating equipment essential to farm operations, and
 - iii. fences on working farms where livestock is kept, excluding ornamental fences.
- b. Repair to or replacement of eligible farm materials including:
- i. harvested crops for which insurance was not available in British Columbia and for which no other government financial aid or program exists,
 - ii. farm machinery that was not insurable,
 - iii. bedding, pesticides, mulch, feed, seed and product losses including fertilizers, biocides, hormones and supplements essential to farm operations, and
 - iv. livestock and poultry essential to farm operations.
- c. Cleanup and disinfect:
- i. restoration of farmland to a workable condition, including, without limitation, removal of debris, replacement of topsoil, restoration of fertility by manure or commercial fertilizer and land levelling where land gouging or surface erosion has occurred, provided that the cost of restoration does not exceed the previous assessed value of the land unit being restored and that the land was, before the occurrence of the disaster, in production or was being left fallow in accordance with good farming practices, and
 - ii. use of own equipment, excluding depreciation costs, at rates listed in the BC Equipment Rental Rate Guide plus fuel and lubricants not included in the rates listed in that guide.