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## Coates' Canons Blog: 2016 Disaster Recovery Relief – Special Session Legislative Update

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During this week's special legislative session called by gubernatorial proclamation, the

General Assembly enacted legislation appropriating funds and authorizing programs to provide disaster relief to individuals, businesses, and local governments impacted by natural disasters that have struck North Carolina this fall. Beginning with Tropical Storm Hermine in early September, followed three weeks later by Tropical Storm Julia, and then with Hurricane Matthew striking just two weeks after that, eastern North Carolina was pummeled by winds, rain, and heavy flooding which in some areas equaled or exceeded that of Hurricane Floyd in 1999. While the east was still watching flood waters subside, wildfires ravaged areas in the western part of our state. Sixty-six counties were covered under a gubernatorial emergency declaration in Hurricane Matthew with 49 of those counties covered under a , and 47 counties were covered under a gubernatorial emergency declaration for the western wildfires. In response to the devastating impact of these natural disasters, the General Assembly enacted the Disaster Recovery Act of 2016. The act was approved unanimously by both the House and the Senate and signed by the Governor. This post summarizes the appropriations and programs authorized under the act.

The most significant provisions of the Disaster Recovery Act of 2016 are those that appropriate \$200,928,370 for disaster relief for individuals, businesses, and local governments in the counties covered under a state or federal declaration issued for Tropical Storms Hermine and Julia, Hurricane Matthew, and the western wildfires. The funding appropriated in the act is allocated as follows:

- \$20 million to the North Carolina Housing Trust Fund to fund housing projects for low- and moderate-income impacted individuals and families. The income of eligible recipients cannot exceed 100% of the median income of the area with family size adjustments based on US Housing and Urban Development figures.
- \$9 million to the Division of Emergency Management to provide additional short-term individual emergency sheltering and housing assistance.
- \$11.5 million to the Division of Emergency Management for resilient redevelopment planning and technical assistance in the 49 counties covered under the presidential disaster declaration issued in Hurricane Matthew.
- \$66.2 million to the State Emergency Response and Disaster Relief Fund to match federal disaster assistance (the state is funding the entire non-federal share match required to draw down federal disaster assistance, alleviating local governments of their share of this obligation).
- \$10 million to the State Emergency Response and Disaster Relief Fund for future emergencies.
- \$5 million to the Golden L.E.A.F., Inc., for small business loans to impacted businesses.
- \$20 million to the Golden L.E.A.F., Inc. and \$10 million to the Department of Commerce Rural Economic Development Division for grants to local governments to construct new infrastructure required for residential development outside the 100-year floodplain, and for repair or replacement of existing public infrastructure (including water, sewer, sidewalks, storm drainage, and similar projects).

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- \$10 million to the Department of Environmental Quality for disaster-related infrastructure and clean-up needs (such as repairs to wastewater and drinking water systems and dams, emergency permitting, solid waste clean-up, and septic system repair), and grants to local governments for burial site mitigation.
  - \$37.95 million to the Department of Agriculture and Consumer Services for forest service repairs and operational expenses, including repairs to Claridge Nursery in Wayne County (\$25.5 million), soil and water conservation stream debris removal, farm road repairs, and farm pond and dam repairs (\$12.2 million), and dike repairs at the Cherry Research Farm in Wayne County (\$250,000).
  - \$1 million to the State Fire Marshal's Office for grants to volunteer fire departments for disaster damage repairs.
  - \$250,000 to the Department of Commerce to assess business needs. The Department is required to report findings and recommendations on recovery assistance funds administration to the House and Senate Appropriations Committees Chairs and Fiscal Research Division by March 1, 2017.

Although state law grants the Governor broad budget flexibility, especially in dealing with emergency situations, the act limits the Governor's expenditure flexibility for funds appropriated in the act by prohibiting the Governor from making budget adjustments otherwise authorized under G.S. 143C-6-4 or making emergency reallocations of other state funds under G.S. 166A-19.40. These restrictions are limited to the funds appropriated in the act and not to any other state funds.

To implement disaster recovery programs, the act sets out a number of authorizations and limitations, including:

- Authorizing the Governor to establish part-time and full-time positions.
- Authorizing the Governor to establish advisory councils.
- Requiring subrogation of insurance proceeds for individuals receiving housing relocation or buy-out assistance from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund.
- Encouraging state agencies to purchase goods and services from historically underutilized businesses.
- Stating the General Assembly's intent to review and address continuing unmet needs during 2017 and 2018.
- Prohibiting the expenditure of state funds for constructing new residences within a 100-year floodplain unless the structure conforms to the local jurisdiction's flood plain management ordinance. Property owners in a 100-year flood plain who receive homeowner's housing assistance must maintain federal flood insurance on the property in order to be eligible for similar assistance in future flood events.
- Limiting business assistance to that authorized under the U.S. Small Business Administration disaster loan assistance program.
- Reallocating Community Development Block Grant Disaster Recovery Program funds from the Department of Commerce to the Division of Emergency Management.

As has been the case in previous disaster relief bills, public schools in impacted counties were granted waivers from school calendar requirements that, under current law, would have required schools to schedule additional instructional days for those days missed due to the natural disasters. Local boards of education, cooperative innovative high schools, regional schools, and charter schools that closed any school for at least two consecutive school days during the month of October 2016 due to Hurricane Matthew are deemed to have completed any instructional hours and days beyond those closed two days. Charter schools that closed for at least two consecutive days in November 2016 due to the western North Carolina wildfires are granted the same calendar flexibility.

To provide relief for certain motor vehicle fees which came due during the months in which eastern North Carolina was (and still is) impacted by Hurricane Matthew, the act waives fees assessed by the Division of Motor Vehicles against residents of counties impacted by that disaster for duplicate drivers licenses, commercial drivers licenses, special identification cards, duplicate or corrected certificates of title, replacement registration plates, duplicate registration cards, and late payment of motor vehicle registration renewal fees. These fee waivers are effective beginning October 1, 2016 and expire December 1, 2016.

Now that the act has been passed by the General Assembly, what happens next? The Division of Emergency Management is operating jointly with its FEMA partners under the National Disaster Recovery Framework to assist local governments, communities, businesses, and individuals with their short-term and long-term recovery needs. State and federal efforts are organized around six Recovery Support Functions that serve as the coordinating structure for key functional areas of assistance in the National Disaster Recovery Framework. A Disaster Joint Field Office (JFO) has been established from which teams of state and federal disaster recovery personnel are working with state agencies, local governments, nonprofits, community organizations, and individuals to coordinate short- and long-term recovery

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operations. The supplemental federal disaster funding appropriate by Congress combined with the additional state funding authorized by the General Assembly this week will be used to support and enhance ongoing disaster relief programs coordinated through the recovery support functions structure. The state disaster relief programs funded through the Disaster Recovery Act supplement existing federal disaster relief programs and are designed to help address unmet needs not covered under these existing federal programs.

All counties (and municipalities within those counties) covered under the federal disaster declaration issued for Hurricane Matthew have been assigned FEMA representatives and have been contacted by state and federal disaster recovery personnel. Local governments should stay in touch with their FEMA representative and state emergency management staff as the disaster relief programs funded in this week's special legislation are rolled out.

## Links

- [ncgovernor.s3.amazonaws.com/s3fs-public/documents/files/Extra%20Session%2010-9-2016.pdf](https://ncgovernor.s3.amazonaws.com/s3fs-public/documents/files/Extra%20Session%2010-9-2016.pdf)
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