



CITY OF
ST. CATHARINES

Corporate Report

Report from Transportation and Environmental Services, Environmental Services

Date of Report: July 23, 2014

Date of Meeting: August 11, 2014

Report Number: TES-224-204

File: 68.81.4

Subject: Flood Alleviation Program Grant Limits

Recommendation

That Council direct that the St. Catharines Flood Alleviation Program's (FLAP) maximum grant be increased to \$3,500 for eligible works; and

That for FLAP grant applications that exceed \$3,500, that the City contributes 50% of the eligible FLAP costs in excess of \$3,500, at the discretion of the Director of Transportation and Environmental Services/City Engineer; and

That the St. Catharines Flood Alleviation Program's application fee be waived until removed from the Rates and Fees by-law for 2015; and

Further, that the City Solicitor be directed to prepare the necessary by-law.
FORTHWITH

Background

At its meeting of July 21, 2014, Council received an earlier report from staff regarding 'Flooding Incidents at 302 Pelham Road – Follow-up' and referred to staff the following motion from Councilor Harris:

"That Council receive for information the report from the Transportation and Environmental Services Department, dated July 9, 2014, regarding Flooding Incidents at 302 Pelham Road – Follow-up; and

That the St. Catharines Flood Alleviation Program's maximum grant be increased to \$8,500 for eligible works; and

That the St. Catharines Flood Alleviation Program's application fee be waived until removed from the Rates and Fees by-law for 2015".

Report

Flood Alleviation Program (FLAP) Grants

Since 1992, the City has offered the FLAP to residents who have experienced basement flooding due to sewer surcharging. The FLAP program currently offers a grant of up to \$3,000 which is used to offset the costs a homeowner incurs related to the eligible works. The eligible works may include a mainline backflow prevention device installed on the building's sewer lateral, the disconnection of foundation drains (weeping tiles) from the sanitary sewer and reconnection to a sump pump for discharge to the surface, along with the required piping and electrical connections. The total cost depends on the amount of work required as well as the layout and characteristics of the individual houses.

Homeowners are required to obtain two quotes from qualified contractors for the work, and the grant amount is set at the lower of the two quotes. Additional costs above these are not included in the grant. Typically, the FLAP program covers all or almost all of the related costs, however, there have been cases in the past where the homeowner has been faced with a significant amount of out-of-pocket costs.

The intent of the FLAP program is to subsidize the cost of the flood protection measures. The FLAP grant, authorized by Council, was originally capped at \$2,500. In 2006, Council authorized the grant be increased to \$3,000. Currently, a typical application is very close to or slightly above the \$3,000 maximum.

Since January 1, 2013, 23 grants have been approved through the FLAP Program. The grants have ranged between \$1,215 and \$3,000. Approximately 34% of all applicants have received the maximum grant (\$3,000). Any costs which are above the \$3,000 are paid for by the homeowner. If a homeowner needs to install a backflow prevention device, disconnect the foundation drains and install a sump pump, the cost would typically be around \$3,300.

Staff has reviewed recent contractor estimates and believe that the cost increase is due to higher costs for materials required to complete the work. Staff is also aware of a number of other municipalities who offer similar programs and found that St. Catharines' limit is at the low end of the range. Regardless, the grant maximum of \$3,000 is not always sufficient to cover the costs of the required works. In order to address this, staff believe that the maximum grant amount should be raised to \$3,500. The grant can only be used to reimburse homeowners for approved expenses.

While any grant limit is somewhat arbitrary, staff does not recommend raising the limit to \$8,500. Most homeowners want to limit their out-of-pocket expenses as much as possible. Having a grant limit encourages homeowners to get the most competitive quotes they can get. Staff suspects that the average cost of a FLAP installation would rise more quickly if the limit was \$8,500 compared to \$3,500.

Situations do arise when the required work is more complicated due to the layout of the building and the location of the sewer connections. Given that unique situations exist, it

may be Council's wish to have the City cover the additional costs related to eligible FLAP works. Should this be the case, a grant limit of \$3,500 is still recommended. But when costs for the eligible works come in above the grant maximum, they would be addressed on a case by case basis. If that is Council's wish, it is recommended that the City pay 50% of any costs above \$3,500, and that the authority to approve these additional expenses is delegated to the City Engineer / Director of Transportation and Environmental Services.

There is a \$150 application fee to apply for the FLAP program, and this fee has not changed since the program's inception. While this is an eligible cost and can be refunded through the FLAP grant, it can be a barrier to those who may want to apply. Staff recommend that the FLAP application fee be waived for future applicants.

Financial Implications

Should Council increase the maximum grant for the FLAP Program from \$3,000 to \$3,500, there would be a financial cost to do so. However, the number of homeowners applying for FLAP varies significantly from year to year and depends heavily on the number of extreme rainfall events. Currently, the number of requests for FLAP has exceeded the budgeted amount. In the 2014 Water and Wastewater budget, \$28,000 was budgeted for FLAP grants. As of July 23, 2014, \$32,800 has been spent on FLAP.

Conclusion

The FLAP program has been very successful with over four hundred properties benefitting from the City's assistance. The number of applications in any given year depends on the number of extreme rain events. FLAP assistance is not a solution to all types of flooding, but it can be an effective short term solution to main sewer surcharging. Increasing the maximum grant available through the FLAP Program will increase the likelihood that homeowners will not face out-of-pocket costs.

Prepared and Submitted by:

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