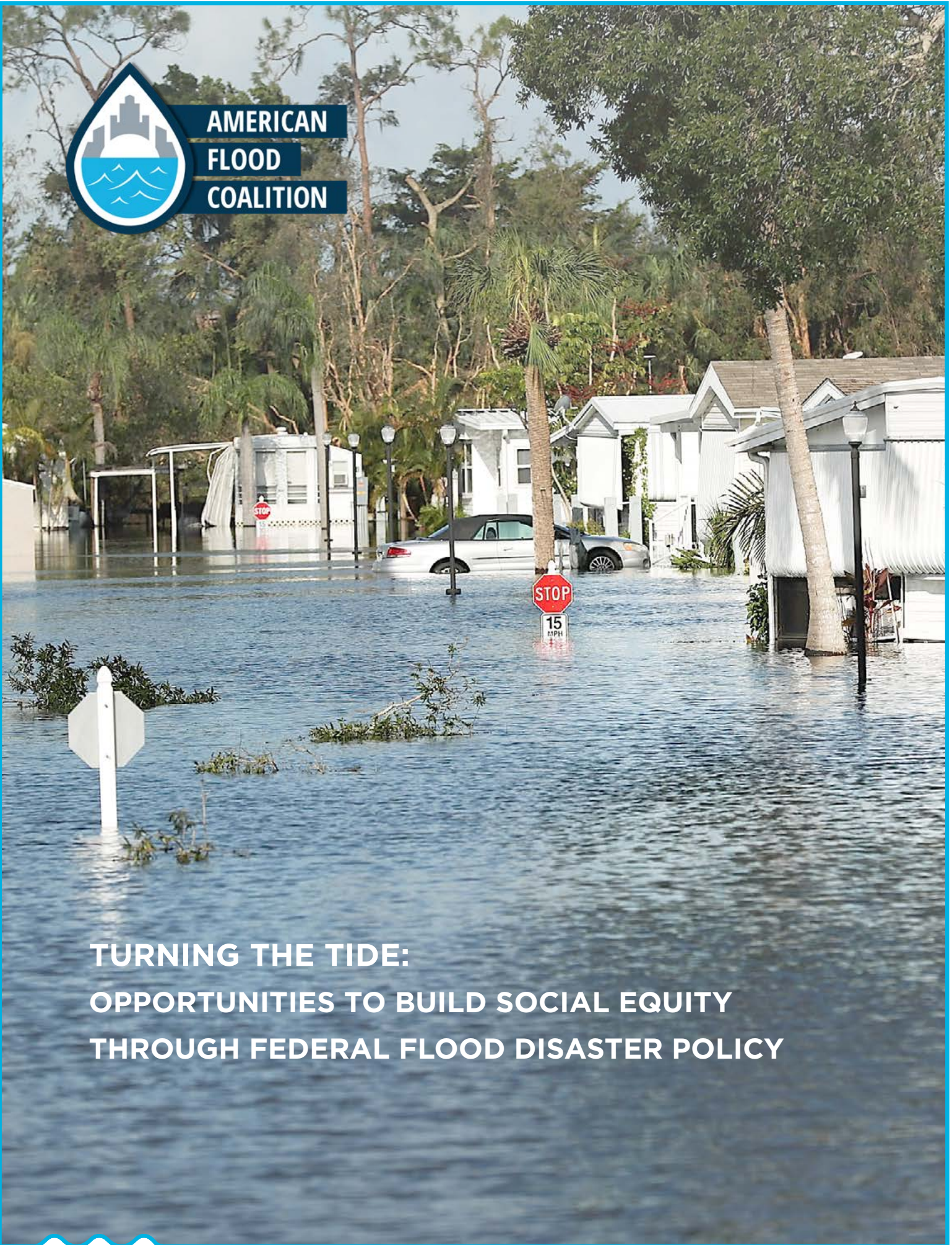




**AMERICAN  
FLOOD  
COALITION**



**TURNING THE TIDE:  
OPPORTUNITIES TO BUILD SOCIAL EQUITY  
THROUGH FEDERAL FLOOD DISASTER POLICY**



# EXECUTIVE SUMMARY

In the United States, [99% of counties](#) experienced at least one flooding event in the last 25 years. However, flood waters do not impact all people equally. People of color, low-income people, renters, and other vulnerable populations are disproportionately affected by flood disasters due to racist and classist policies in [lending](#), [housing](#), and other sectors. This history of injustice has built up structural inequality—or an uneven allocation of power—to the detriment of vulnerable populations. These groups are [more likely to live in a floodplain](#) or an area that receives limited investment, and the structural inequalities only widen after a flood hits. Vulnerable populations are more likely to experience [slow or incomplete recoveries](#) and lose wealth after disasters, with Black and Hispanic households [losing an average of \\$27,000 and \\$29,000 in wealth](#), respectively, and white households [gaining an average of \\$126,000](#).



— Residents of rural Immokalee, FL, a town home to many migrant workers, walk through streets flooded by Hurricane Irma. Source: Getty Images North America.

The federal post-disaster assistance process contributes to this phenomenon. Strict program eligibility rules leave out certain low-income applicants and some Black homeowners; policies are not always designed with renters, non-English speakers, and unbanked populations in mind; and overly complex federal assistance applications can deter low-income people and small towns from even applying.

When inequities such as these play out in disaster recovery policy, it leads to financial hardship, displacement, and physical danger—among other avoidable outcomes—for vulnerable Americans. There is an urgent need for improvements to federal flood policy that internalize social vulnerabilities and improve outcomes for all Americans.

# OVERVIEW

## Eligibility restrictions

Program eligibility and requirements leave out Black homeowners and low-income communities

- 1 **USACE benefit-cost ratios** favor wealthy cities and neighborhoods
- 2 **FEMA and HUD** fail to recognize heirs' property
- 3 **HUD damage thresholds** favor wealthier households
- 4 **FEMA Individual Assistance standards** lead to low grant amounts and disproportionate rejections for low-income applicants

## Procedural gaps

Renters, unbanked populations, and non-English speakers fall through the cracks

- 5 **Congress' lack of specificity** on the allocation of disaster funding results in discrimination towards renters
  - 6 **FEMA housing services and assistance** are insufficient and put low-income households at risk of displacement
  - 7 **FEMA Transitional Shelter Assistance (TSA)** procedures require grantees to have a credit card, which over one quarter of the lowest-income Americans do not have
- FEMA Disaster Survivor Assistance** crews often are not fluent in the languages (besides English) spoken where they are deployed

## Application complexity

Complex applications exclude low-income people and small towns

- 9 **Prohibitive local cost shares and a lack of technical assistance** make applying difficult for some small or under-resourced towns
- 10 **Cumbersome FEMA Individual Assistance applications** discourage applicants with lower incomes and less education and disposable time

# INTRODUCTION

## Life in the aftermath of a flood

*Over two years after Hurricane Harvey, Ruth Ortiz is still struggling to get by. Ortiz was renting a home in Victoria, Texas, when Harvey hit and destroyed most of her belongings.*

*Since then, Ortiz's life has been in flux. Unable to find an affordable home to rent, she has moved several times and struggled to provide for her family. The one \$2,400 check Ortiz received from the government immediately after the disaster did not account for the new reality of life after Harvey. [She said](#), "I just felt left behind."*

Ortiz's experience tells a larger story: across the country, people of color, low-income people, and renters are disproportionately affected by flood disasters. And with insufficient support from federal aid programs, what happens one night can have effects that last for years.

## Policies have created inequity

People of color and low-income people, among other marginalized groups, face the greatest hurdles in the aftermath of floods. A suite of policies and practices—from redlining to building affordable housing in the floodplain—has put them at a disadvantage.

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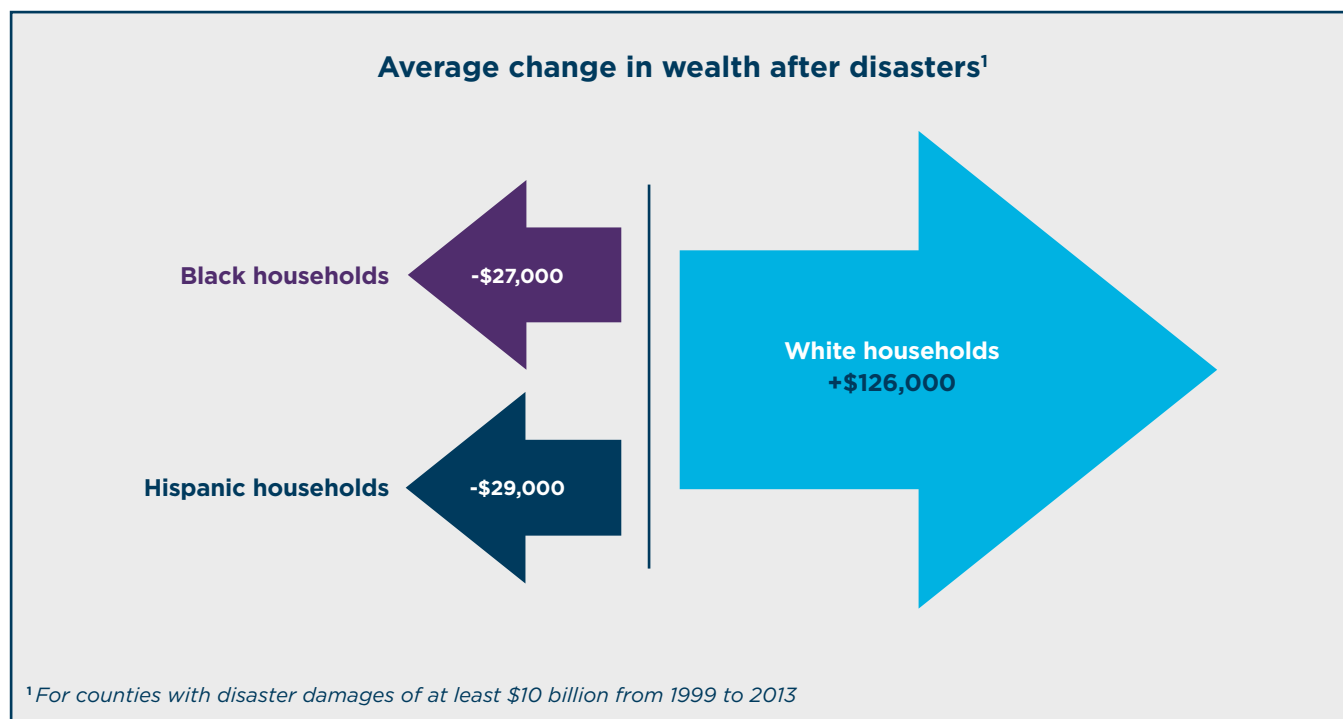
**\$** For decades, banks denied loans to neighborhoods deemed "risky"—today, **74% of the neighborhoods redlined 80 years ago are now low-to-moderate income**, and **64% of these neighborhoods are primarily occupied by people of color.**

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Racist and classist policies like redlining leave behind a lasting legacy. People with lower incomes and people of color are already more likely to live in neighborhoods that have failing infrastructure and receive less public and private investment, so when floods arrive, they are disproportionately at risk for an incomplete or prolonged recovery.

Specifically, research has shown that Black neighborhoods experience above-average harm from flooding. An E&E News analysis of \$31 billion in claims for flood damage paid by FEMA's National Flood Insurance Program (NFIP) between January 2010 and August 2019 revealed that zip codes where at least one quarter of residents are Black make up [20% of NFIP claim dollars but 13% of the U.S. population](#), highlighting worse flood impacts to neighborhoods with substantial Black populations.

And as disasters increase in frequency and intensity, the impacts are felt by more and more disadvantaged Americans. Federal disaster programs are in place to ease the burden of those affected, but can actually widen structural inequalities and contribute to slower recoveries for vulnerable populations. A recent study in *Social Problems* found that in counties with disaster damages of at least \$10 billion from 1999 to 2013, [white households gained an average of \\$126,000 in wealth](#), while Black and Hispanic households lost an average of \$27,000 and \$29,000, respectively. The study determined that federal post-disaster assistance contributes to rather than mitigates this phenomenon.



### 3 major social equity shortcomings in federal flood policy

There are a number of social equity gaps in federal disaster and flood policy. Three stand out:

- ▶ **Eligibility restrictions.** Program eligibility and requirements leave out Black homeowners and low-income communities
- ▶ **Procedural gaps.** Renters, unbanked populations, and non-English speakers fall through the cracks
- ▶ **Application complexity.** Complex applications exclude low-income people and small towns

It's important to examine these challenges in order to craft modifications that are responsive and put equity first.

# PROGRAM ELIGIBILITY AND REQUIREMENTS LEAVE OUT BLACK HOMEOWNERS AND LOW-INCOME COMMUNITIES

Restrictions meant to determine eligibility for government funding often exclude applicants along racial and class lines.

## 1 BENEFIT-COST RATIOS FAVOR WEALTHY CITIES AND NEIGHBORHOODS

The U.S. Army Corps of Engineers (USACE)—the premier federal agency charged with building and maintaining flood mitigation infrastructure—significantly incorporates property value into their benefit-cost analysis, by which they approve and prioritize projects. This means that wealthy urban areas with [higher property values are deemed more worthy](#) of protection, because they perform better than poorer cities and rural areas on the Corps' analysis.

### CASE STUDY

#### USACE prioritizing wealthy areas in Cedar Rapids

For example, the Corps' analysis disadvantaged Cedar Rapids—a city with relatively low property values—when it sought Corps funding after disastrous flooding in 2008. The disparity between the Cedar Rapids levee and flood wall projects' benefit-cost ratio of 1.1 and others around the country in the 4 to 5 range is cited as the reason why it ultimately took [over a decade](#) to secure pledged funding. Within Cedar Rapids, the benefit-cost analysis favored projects on the commercial and more affluent east side of the Cedar River, giving them a just-high-enough-to-pass benefit-cost ratio of 1.1, over projects on the west bank that did not meet the threshold for funding at all.



— Downtown Cedar Rapids, Iowa, experienced devastating flooding on June 13, 2008. Source: U.S. Army.

USACE and other agencies building or funding pre-disaster infrastructure could contribute to a future of equitable investment by proactively modifying metrics that determine project priority—such as benefit-cost ratios—so that they value equity considerations more and property values less.

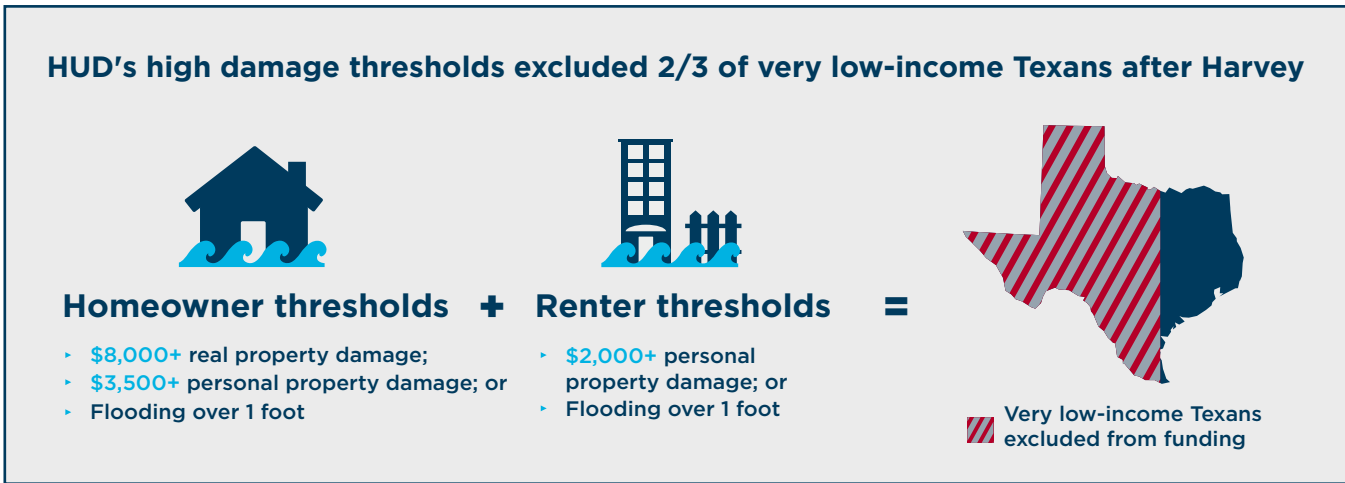


## 2 FEDERAL AGENCIES FAIL TO RECOGNIZE HEIRS' PROPERTY

The Federal Emergency Management Agency (FEMA) and other federal agencies often do not recognize heirs' property, which is land that is informally passed down between generations. An academic study from 2001 estimated that [41% of Black-owned land in the Southeast](#) can be considered heirs' property. This form of land ownership is particularly common among Southern African American Settlement Communities, including the Gullah Geechee people who live in the barrier islands of the [Carolinas](#), Georgia, and Florida. After Hurricanes Katrina and Rita, [~20,000 property owners were denied assistance](#) from FEMA and U.S. Department of Housing and Urban Development (HUD) programs because they couldn't show clear titles to their property. Though FEMA has relaxed its standards for property documentation, heirs' property is still particularly vulnerable in the event of disasters.

## 3 HUD DAMAGE THRESHOLDS FAVOR WEALTHIER HOUSEHOLDS

A substantial portion of post-disaster funding comes as HUD Community Development Block Grants for Disaster Recovery (CDBG-DR). To meet [HUD's requirements](#) to receive funding after disasters that occurred in 2017, 2018, or 2019, a home was required to have real property FEMA-inspected damage of at least \$8,000, personal property damage of at least \$3,500, or flooding over 1 foot. Homeowners with a lower damage estimate were ineligible for the funds. Renters with less than \$2,000 in property damage were also excluded. Many low-income households fall beneath these thresholds simply because their households and belongings are not worth much on the open market. As a result, following Hurricane Harvey, nearly [two-thirds](#) of very low-income households in Texas were cut out of the population considered to have unmet needs.



## 4

## FEMA INDIVIDUAL ASSISTANCE STANDARDS LEAD TO LOW GRANT AMOUNTS AND DISPROPORTIONATE REJECTIONS FOR LOW-INCOME APPLICANTS

The FEMA Individual Assistance (IA) Program, which provides grants for home repairs, does not adequately meet the needs of low-income people. IA is not intended to restore homes to their pre-disaster condition, but rather “a [safe and sanitary living or functioning condition](#).” This low standard can create an outsized burden for low-income households, which often do not have additional savings or resources to fill the gap between the grant amount and the costs of restoring their home to its pre-disaster condition. In addition, FEMA standards lead to disproportionate outright rejections for low-income applicants, as described below.

### CASE STUDY

#### FEMA Individual Assistance (IA) falling short after Hurricane Harvey



— Evacuees in Port Arthur, TX wait for a rescue boat. They were forced to leave home during Hurricane Harvey. Source: Getty Images North America.

The low grant amounts for post-disaster home restoration are reflected in the FEMA IA data: the average grant for an individual or household after Hurricane Harvey was \$4,300, far below the maximum allowable amount of \$34,000. Plus, FEMA’s standards lead to inordinate rejections for low-income applicants. Of the 741,000 Texas applicants rejected after Harvey, applicants earning salaries of less than \$30,000 [accounted for 48% of denials](#) even though they made up only 28% of applications. A few denial codes, including “Missed Inspection” and “Occupancy not Verified,” are [disproportionately used to reject low-income households](#).

Understandably, low-income individuals [rarely appeal their rejections](#). Because FEMA rarely specifies the rationale for rejection (the full inspection files must be formally requested), it can be challenging for individuals to make their case without the help of a lawyer. On average, low-income households only receive adequate professional legal help for [14% of their civil legal problems](#), so it is unsurprising that low-income applicants typically do not write back when rejected. Low-income households may not have access to other recovery funds, so they may feel the effects of the storm for a long time before they can make repairs.

Low-income Americans need government disaster assistance most; however, because of tight eligibility requirements and out-of-reach damage thresholds, they are often excluded from federal programs. Federal agencies should, therefore, reduce or modify program requirements—from formal property ownership documents to high damage thresholds—to enable a more equitable disaster recovery.



# RENTERS, UNBANKED POPULATIONS, AND NON-ENGLISH SPEAKERS FALL THROUGH THE CRACKS

Without specific procedures to address the many forms of insecurity that arise after disasters, government assistance fails to meet the needs of many affected populations.

## 5 DISASTER RECOVERY SPENDING FAVORS HOMEOWNERS OVER RENTERS

Disaster recovery dollars flow overwhelmingly to homeowners rather than renters, although both are eligible for individual and household assistance. [Renters are twice as likely to be minorities](#) and are less likely than homeowners to be financially secure ([46% of renters](#) report having trouble paying for basic needs compared to 36% of owners). In New Jersey, 40% of homes damaged by Hurricane Sandy were renter occupied, but [tenants only received 25% of the assistance](#) dedicated to the state (though this aid program was eventually modified, increasing that number to 33%). Congress does not provide direction on how to allocate funds equitably among homeowners, renters, and the homeless population. The Government Accountability Office (GAO) [recommended in 2010](#) that Congress provide more direction on this split, given the skew toward homeowners.

## 6 INSUFFICIENT DIRECT HOUSING SERVICES AND RENTAL ASSISTANCE PUT LOW-INCOME RENTERS AT RISK OF DISPLACEMENT

While individuals wait for home repair funds, buyout approval, or permanent relocation, they need ample monetary and social resources to find adequate interim housing. As rents rise and replacement housing is slow to be built, disasters can lead to shortages in affordable rental housing. After Hurricane Harvey, some ZIP codes in Greater Houston experienced [rent increases of 50%](#), putting already-displaced people at increased risk of eviction and displacement or homelessness. FEMA rental assistance and direct housing services did not fully meet residents' needs with [nearly 50% of area residents](#) reportedly facing significant financial or housing-related challenges three months after Harvey. To recover after disasters, low-income households deserve affordable rental housing rebuilt in a timely manner, as well as sufficient rental assistance to cover immediate living expenses.

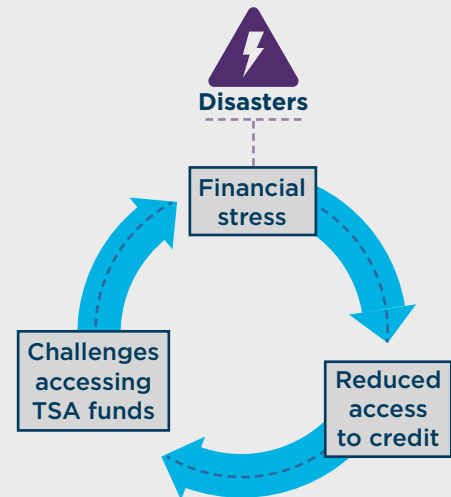
## 7 FEMA TRANSITIONAL SHELTER ASSISTANCE REQUIRES GRANTEES TO HAVE CREDIT CARDS

To use [FEMA Transitional Shelter Assistance](#) (TSA) funds, which pay for people to stay in hotels if their homes remain uninhabitable for a prolonged period of time, grantees must [put down a credit card](#) to cover incidental expenses. This precludes lower-income people from using these funds, as [26% of the poorest fifth of Americans](#) do not have a bank account, compared to 7% of the total population.

### A CLOSER LOOK

#### Disasters set off a vicious cycle of financial stress for low-income Americans

It is a reality that many low-income Americans do not have access to credit, but what makes matters worse is that disasters can actually exacerbate this access problem. Disasters can set off a chain reaction by causing people with lower credit scores, an attribute [correlated with low income levels](#), to lose access to credit, making them ineligible to receive TSA funds. People with pre-disaster credit scores below 650 are [4.5% less likely](#) to have access to credit within a year after a disaster because they missed bills or were evicted.



In light of this crisis, [FEMA has recommended](#) activating the Disaster Housing Assistance Program (DHAP), which was created in response to Hurricane Katrina. Unlike TSA, DHAP [provides temporary rental assistance and wraparound case management](#) and is, therefore, more accessible to lower-income individuals. Whatever the solution, changes to FEMA procedures could help ensure that unbanked Americans aren't left behind after disasters.

## 8 ON-THE-GROUND FEMA SURVIVOR ASSISTANCE CAN FAVOR ENGLISH-SPEAKING RESIDENTS

After disasters, FEMA Disaster Survivor Assistance crews go door-to-door in the hardest hit areas, answering residents' questions and helping them apply for assistance. To determine which crew members to send, FEMA relies on Census data on languages spoken in the affected areas. This leads to several problems. Potential Census respondents who are not proficient in English are [more likely to be concerned that their answers are not confidential or will be used against them](#). [Census data collection can also be interrupted in regions hit by hurricanes](#), as happened in Texas, Florida, and Puerto Rico following the 2017 hurricane season. Both of these situations can lead to unreliable data in Census reports. Because of low Census response rates by Hispanics and people not proficient in English, this method can lead to a

shortage of personnel who speak the necessary languages besides English, disproportionately hindering recovery for immigrant communities and communities of color. Comprehensive disaster recovery must take into account diverse language needs in affected areas.

## CASE STUDY

### Lack of Spanish-speaking FEMA crew members after 2018 Texas flood

There was a mismatch between languages spoken by FEMA's on-the-ground crew members and residents who needed assistance after the Great June Flood of 2018. FEMA sent too few Spanish-speaking workers to the Rio Grande Valley of Southern Texas, where, in some counties, 85% of residents do not speak English at home. Recognizing that this could put Spanish speakers at a disadvantage, members of Congress requested that FEMA send more Spanish-speaking personnel.



Water lingers in McCallen, Texas, during the Great June Flood of 2018. Source: Getty Images North America.

Procedural gaps in federal disaster aid mean that non-English speakers, unbanked populations, and renters are not sufficiently supported. The recommendations above highlight opportunities for federal agencies to build inclusive procedures that create a more equitable environment.




# COMPLEX APPLICATIONS EXCLUDE LOW-INCOME PEOPLE AND SMALL TOWNS

Accessible information and application assistance would increase participation in programs.

## 9 SMALL AND POOR MUNICIPALITIES LACK THE CAPACITY TO COMPETE FOR FUNDS

Many federal programs geared toward municipalities—including FEMA’s Flood Mitigation Assistance (FMA) Grant Program, new Building Resilient Infrastructure and Communities (BRIC) Program, and Public Assistance (PA) Grant Program—require a local cost share to “match” federal funds. This poses a challenge for small or poor municipalities, which have limited access to local funding sources. Likewise, small municipalities rely on fewer full-time staff, often lacking the resources to hire resilience or grant-writing personnel, set up partnerships, and collect data, all of which are helpful to successful grant applications.

 In Florida, municipalities under 5,000 people have an average of **19 municipal full-time staff members**, compared to 1,107 for cities over 60,000.

### CASE STUDY

#### Building capacity for cities to access FEMA Public Assistance (PA)

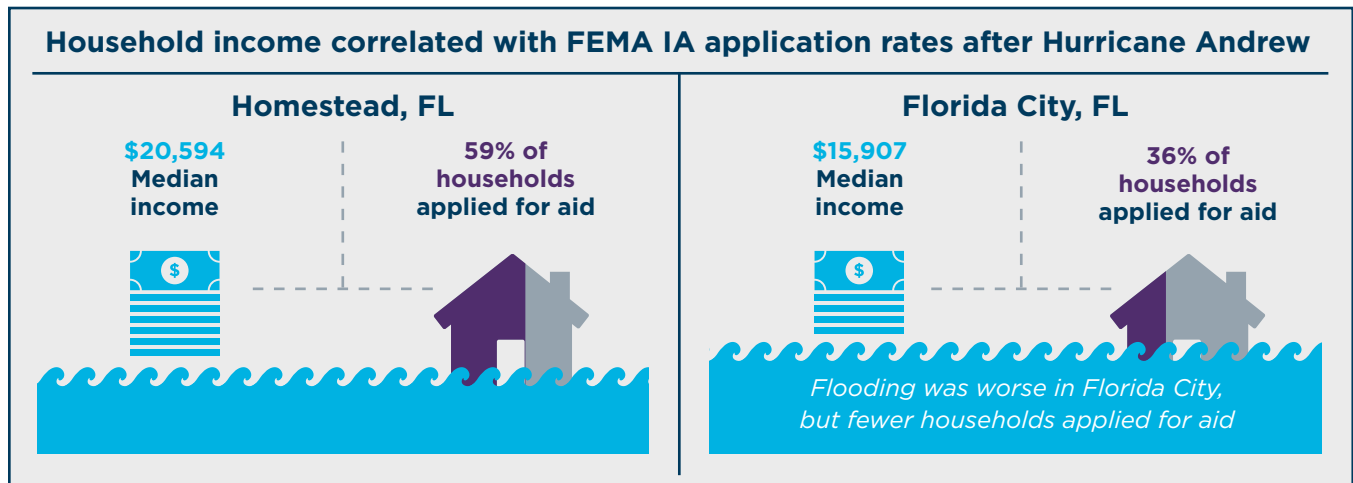
Under PA, FEMA has taken steps to build capacity by providing grants specifically for accounting services. After Hurricane Katrina, FEMA awarded the Mississippi Emergency Management Agency (MEMA) \$10.7 million to cover 90% of its accounting needs from 2007–08. The selected accounting firm supported municipalities across the state by tracking funds and ensuring contracting compliance. According to some organizations, FEMA could further reduce barriers to accessing PA by reducing the local match requirement from 25%. Capacity building efforts are crucial for helping small and under-resourced municipal governments recover.



— A portion of Highway 90 in Mississippi destroyed by Hurricane Katrina. Source: Getty Images North America.

## 10 APPLICATION COMPLEXITY DISCOURAGES APPLICANTS WITH LOWER INCOMES

Complex application language and extensive processes disadvantage households with lower levels of education, income, and disposable time. After Hurricane Andrew, [only 36% of households from Florida City applied](#) for FEMA IA and Individual Family Grants, compared to 59% of households from the more affluent Homestead, even though Florida City sustained worse flood damage.



As seen after Hurricane Andrew, a relationship exists between income level and a household's likelihood of applying for disaster aid. In the wake of more recent storms, including Hurricane Harvey, this uncomfortable pattern has been borne out again and again.

### CASE STUDY

## “Confused and frustrated,” low-income Houston residents gave up on disaster aid after Hurricane Harvey

After Hurricane Harvey, a gap widened between the total damage inflicted and the amount of relief survivors were granted. This gap can be attributed to multiple factors—from discriminatory eligibility restrictions to program gaps—as noted in the above sections. But one factor is crucial to acknowledge: application accessibility. A POLITICO investigation found that in Houston's low-income neighborhoods, numerous would-be applicants for assistance gave up during the process, “confused and frustrated” with a bureaucratic system that [even FEMA has admitted is too complicated](#). The result is that some disaster aid programs go underutilized. Two years after Harvey, [thousands of residents were still displaced or living in damaged homes](#), yet [FEMA began auctioning off Harvey trailers to the highest bidders](#), citing a surplus. These events suggest that



— A home sits in floodwater in La Grange, Texas after Hurricane Harvey. Source: Getty Images North America.

people who need assistance may not know how to apply or experience roadblocks in the process that deter them from completing applications.

Generally, [research suggests](#) that lower application rates among poorer households stem from low expectations around receiving aid, distrust in government, confusion about how to apply, and obstacles that prevent trips to the Disaster Recovery Centers.

Both local governments and individual households struggle with federal disaster aid applications. Onerous processes, complex language, and steep financial barriers discourage applications, especially for municipalities and people with limited time or resources. Making applications simpler and crafting processes that are accessible to all populations, therefore, would create a more equitable distribution of funding.



# CONCLUSION

Since 1980, the United States has experienced [33 billion-dollar flood events](#), with each one taking a toll on Americans' property, savings, and livelihoods, not to mention their physical and mental health. Due to centuries of policy not designed to work for low-income people or people of color, **marginalized neighborhoods and communities recover more slowly than others, sometimes taking [over a decade](#) to rebound from a disaster.** Federal disaster recovery programs are intended to help Americans get back on their feet, and mitigation programs exist to lessen the impact of these devastating events. Yet in their current form, certain federal programs are exclusive, incomplete, and complicated to use, often shutting out the people who need assistance the most.

Meaningful change takes time, and decisionmakers must employ a thoughtful approach to find equitable paths forward for all Americans. Recognizing the current shortcomings of federal flood programs is a crucial place to start. Eligibility for federal assistance should not be predicated on access to a credit card or formal property ownership documents, and people should not be left out of the recovery process because they cannot speak fluent English or pay for a lawyer's help. Only by examining eligibility thresholds and standards; considering the needs of renters, non-English speakers, and unbanked people; and simplifying federal flood assistance applications and providing additional capacity building services can federal flood assistance programs support the needs of all Americans.

Federal programs must explicitly address existing social and economic inequities and account for the disproportionate ways marginalized communities and individuals are affected by flooding. If federal agencies take that approach, they can ensure that government programs provide invaluable support to communities through their toughest moments and chart a course for a safer, more prosperous, and more inclusive society.

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