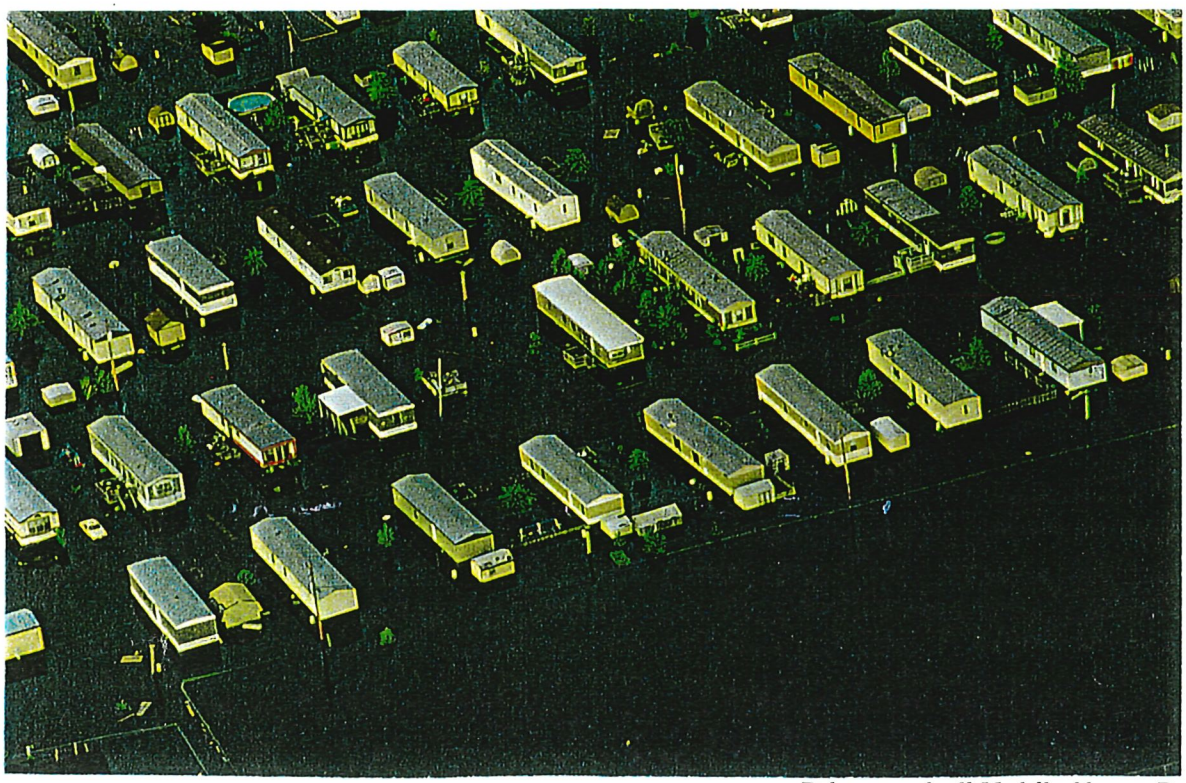


Princess Jodi Mobile Home Park, 1993

Out of Harm's Way
The Missouri Buyout Program

Princess Jodi Mobile Home Park, 1995

Prepared by
State Emergency Management Agency

OUT OF HARM'S WAY
Missouri's Flood Buyout Program

This document was produced by the Missouri State Emergency Management Agency (SEMA) to document the success of the Missouri Buyout Program. Contributing writers were Sue Schneider of St. Louis and Kate Klise of FEMA. Four photographs used in this document were copyrighted by and provided by the St. Louis Post-Dispatch.

COVER PHOTOS: Top: the Princess Jodi mobile home park located St. Charles County during the 1993 flood. Photo by Odell Mitchell, Jr., St. Louis Post-Dispatch. Bottom: the Princess Jodi mobile home park buyout project located in St. Charles County during the 1995 flooding. Photo courtesy of the St. Charles County Buyout.

I. Introduction

"The legacy of the Floods of 1993 and 1994 was property destruction and despair for citizens living in the floodplain. Out of this misery, the Missouri Buyout Program provided a financial and realistic avenue for citizens wishing to move out of the floodplain. Missouri is beginning to actively manage the floodplain and this program is one of our key management tools."

—Missouri Governor Mel Carnahan
August, 1995

The 1993 Midwestern flood was a record-breaker both in terms of river levels and duration.

Of the nine Midwestern states affected, the State of Missouri was undoubtedly the hardest hit by the flood and state officials estimate that damages totaled $3 billion. Assistance to an estimated 37,000 Missouri families on that flood alone included $41.7 million spent in Disaster Housing (DH) assistance and $23.4 million in Individual and Family Grants (IFG) to those who were uninsured. An additional $40.1 million in low interest loans had been approved by the Small Business Administration (SBA) to cover disaster-related losses to homeowners and businesses. Add to these figures $7.8 million in disaster unemployment and $120 million in Public Assistance to repair damaged public facilities and the costs are obviously staggering.

The history of flooding in Missouri has caused increasing concern in recent years. The state has had thirteen presidential flood disaster declarations in the last 22 years: 1973, 1977, 1979, August 1982, December 1982, 1984, 1986, 1990, May 1993, July 1993, November 1993, April 1994 and May, 1995. In other years, the state has experienced flooding which did not warrant a Presidential disaster declaration.

Individual Assistance Grants in Missouri's 1993-94 Floods:

1993 (May)	$1.8 million
1993 (August)	$65.24 million
1993 (November)	$2.78 million
1994	$2.11 million

Over 216,000 households are located in designated floodplains in Missouri. After many of them were affected by the 1993 flood, it became clear that there was a unique window of opportunity to create more permanent solutions to the increasingly frequent flooding problems in the state.

Both flood survivors and average taxpayers began to call for a way to alleviate future vulnerability to flooding. While a few states and communities were exploring such options as relocating towns or elevating individual structures, the largest response was for a buyout. Missouri, in turn, designed and implemented the largest and most effective buy-out program in the country.

The Missouri Buyout Program received close to $100 million which flowed through the state to local communities in this effort. This included $30 million in FEMA 404 funds, $28 million in FEMA 406 funds for demolition due to health and safety reasons, and $42 million in Community Development Block Grant (CDBG) funds through the Department of Housing and Urban Development (HUD).

To create a solution which was permanent, Missouri's Governor Mel Carnahan decided that these funds were best used to buy out flood-prone properties with an emphasis on those which were primary residences. A concentration on this option would alleviate future problems for both homeowners, emergency managers and taxpayers alike.

The Missouri Buyout Program is an exemplary program which is proactive and cost-effective. It stresses a collaborative partnership between federal, state and local governments. It's also a voluntary program which allows residents a practical solution by relocating to homes outside of the floodplain. Once the properties are cleared, the publicly-owned ground may then be used for open space purposes more consistent with the threat of repeat flooding.

No one could predict that Missouri would get an opportunity to test out its theories of buyout effectiveness as quickly as it would when the flood of 1995 struck. The third worst flood of record in many places, the May 1995 flood was considerably less devastating than its predecessor two years earlier. Granted, it was of much shorter duration and its crests were, in general, some 2-4 feet lower than 1993. But, more importantly, there were some 2,000 families who were out of harm's way in 1995 due to the buyout program.

This report illustrates the successes of the Missouri Buyout Program and offers sufficient in-depth background for a public policy debate on continued funding of such programs.

TABLE:

Missouri Leads the Way in Acquisition Projects
FEMA REGION VII ACQUISITION PROJECTS
(As of 7/3/95)

STATE	# of Projects	Approved Properties	Withdrawn or Refused	Properties Purchased	Percent Complete
MO	**44**	**5,305**	**1,065**	**2,958**	**69.76**
NE	3	290	2	37	12.85
KS	13	479	29	203	43.38
IA	25	759	11	305	40.78

The Big Flood Buyout Program That Worked
From the start ,this flood was different. The water got nearly as high in some places, and nearly the same amount of land was covered. But most of the people who fled to motels, government trailers and emergency shelters in 1993 were gone this time. Many of them accepted government buy outs and moved out of the flood plain.

-St. Louis Post-Dispatch
May 28, 1995

"We must work together to design and rebuild our communities safer and out of harm's way so the cycle of disasters can be broken."

-James L. Witt

When Orna Mickelis makes her almost daily drive through old Cedar City, she sees a home she'll never have again. The house itself is gone, mowed down by a bulldozer. But "home" is still there. Despite the lingering attachment, Ms. Mickelis thinks the government buyout was necessary — especially after what happened again this year.

"They would have kept putting out flood insurance money, and we would have kept going back and repairing. They saved an awful lot of money."

-Jefferson City News Tribune
July 1995

II. Pay Now or Pay Later

As long as the federal government is in the disaster business, the tax-supported costs of floods will remain extensive. They include reimbursement of many local government flood-fighting costs as well as those for repairs to public facilities such as roads as well as water and sewer treatment facilities. After the 1993 flood, Public Assistance funds allocated in Missouri equaled $130 million for 14,200 projects.

The federal government also pays individual assistance which includes both grants to uninsured property-owners as well as housing assistance. The total costs of the 1993 flood were estimated at $4 billion in the State of Missouri.

There is also the issue of flood insurance. Conventional homeowners policies normally don't cover flood damage. However, the National Flood Insurance Program (NFIP) exists to create an insurance pool for covering such claims. Unfortunately, less than one in ten people in Missouri's floodplains had flood insurance in 1993.

Improvements to this system are now in place. Congressional reforms now being implemented by the NFIP program dictate that, if someone received federal disaster assistance, they must carry NFIP insurance or they are ineligible for future disaster aid. They also require lenders who have loaned money on structures in the flood plain to require the purchase of flood insurance.

Public sympathy for tax-supported emergency responses to repeated river flooding waned considerably in the two years following the 1993 flood. Tolerance is dropping as it becomes clear that such factors as continued upland development and ever-rising levees conspire to make more frequent flooding the new reality. The only permanent solution then is to reduce the costs by eliminating the risks for damage through a proactive floodplain management program.

Missouri's Buyout Program is already paying for itself. Over half of the 5,500 targeted properties were purchased in the buyout program since 1993 and, therefore, that many properties were unaffected by the 1995 event.

By way of example, St. Charles County sits at the confluence of the Missouri and Mississippi Rivers. In that county alone, the combined costs of the 1993 flood have exceeded $160 million.

The number of potentially occupied parcels of property in the 100-year floodplain purchased under the buyout program in St. Charles County was 1374. This included over 560 single family residences and three mobile home parks with 814 pads. It's estimated that the occupancy rate in those parks was 84% at the time of the 1993 flood. Residents in these repeatedly flooded parks were among the neediest from the standpoint of needing disaster assistance from both public and private sources.

When the 1995 spring rains hit, causing the third worst flood of record, 1,000 fewer families (approximately 2,500 people) were out of harm's way as a result of the buyout program in St. Charles County alone.

III. Last Dollar

A report by the U.S. Senate Task Force on Funding Disaster Relief notes that, between fiscal years 1977 and 1993, the federal government spent $64 billion in direct disaster relief and $55 billion indirectly through low-cost loans. In addition, Congress spent nearly $3 billion to cover unmet costs in the National Flood Insurance Program (NFIP).

In 1995, FEMA's James L. Witt and Treasury Secretary Robert Rubin submitted a White House position paper to the House and Senate. It stated that since Hurricane Hugo (September 1989), federal disaster assistance and insurance industry payments have totaled over $67 billion; the federal share was almost $34 billion for emergency assistance and rebuilding.

Because of the cumulative effect of seemingly more frequent disasters, the tide is turning. Midwesterners have come to realize that each flooding event leads to distress and costs for residents. It also means response and recovery expenses and lost tax revenues for local, state and federal governments. After the 1993 flood, many Missouri communities expressed interest in acquiring repeatedly flooded properties and converting them to permanent open spaces.

The beauty of the buyout program is that it's the last dollar spent on a property which is at risk of repeat flooding. There's no more disaster assistance, no more flood-fighting costs.

This is especially important for properties which may have repetitive NFIP claims. The Corps of Engineers Flood Plain Management Assessment Report, issued in July 1995, indicates that there are 5,700 repetitively damaged structures in the nine Midwestern states affected by the '93 flood. They further state that 57% of those structures are located in the State of Missouri. Some of these properties have had as many as 23 claims within a 15 year period and, in some cases, the dollar value of the repeat claims have exceeded the market value of the property several times. The buyout serves to minimize abuse and helps maintain the solvency of the National Flood Insurance Program.

Local communities find the buyout a permanent, long-term solution to the problem of repeat flooding. The property is deed-restricted to remain in public ownership as open space in perpetuity. It's an opportunity for communities to develop park land where frequently destroyed buildings once stood.

"The aggressive buyout program has proven it is successful. During the spring and summer 1995 floods, participating buyout communities were able to focus their efforts on the flood response. These communities did not have to use their precious resources on evacuating residents or sandbagging private structures to save private property in the floodplain. Likewise, claims for flood insurance and applications for assistance such as loans with the Small Business Administration or the Individual and Family Grant program were minimized."

-Governor Mel Carnahan

"When it comes to buyouts of flooded residential property, Missouri is well in front of the pack of flood-ravaged states."

-Jefferson City News Tribune
July 1995

Cedar City a Memory

On the north outskirts of town, the Missouri River again had invaded Cedar City. The residents were long gone, the houses vacant.

June Sundermeyer, former postmaster of Cedar City, now lives nearby in an immaculate apartment filled with her piano and antique furniture.

Sitting on an overstuffed couch, rescued repeatedly from rising water, she said anyone who thinks that the quick succession of floods in 1993 and 1995 was a quirk of nature is ignoring history.

She and her late husband, Melvin, moved to Cedar City in 1943 as newlyweds.

There was a flood in 1942, two the next year and one in 1944, Sundermeyer said. The couple were forced out of their home by floodwater in 1947, and had a major flood four years later. In 1973, Melvin Sundermeyer took his wife to work at the post office in a boat.

There was a minor flood in 1983, a major one in 1986 and a smaller one in 1990. Records were set in 1993, "and here we go again," said June Sundermeyer.

Sundermeyer finally had enough.

"When you're fit to be 78 years old, you'd better get out," she said.

-St. Louis Post-Dispatch
May 28, 1995

A Closer Look-
St. Charles County

"These were the places where, year after year, we saw the highest incidence of repetitive loss," says St. Charles County Planning Director, Steve Lauer.

Indeed, of the 1,374 properties bought out since 1993, Lauer estimates that "least 95 percent" would have flooded again in the 1995 disaster.

"If you look at it over the long-term, there's a real cost savings in buying out these places," says Lauer. "And, there's the peace of mind it gives people. They're really glad to be out."

Photograph by Sam Leone, photographer, St. Louis Post-Dispatch.

TABLE:

Disaster Assistance in St. Charles County
(as of) 7/14/95

Flood	Number of applicants	Disaster Housing	Individual/ Family Grants	SBA Loans
1993	4,277	$8,359,550	$5,818,167	$11,898,600
1995	333	$204,493	$11,601	$67,000

1993 federal flood costs on purchased properties in St. Charles County
(eliminated in the future through the buyout)

NFIP Structural claims	$10,312,733	
NFIP Contents claims	$2,987,797	
Emergency Repair (EMR)	$836,391	
Ind./Fam. Grant (IFG)	$419,797	
Mobile home NFIP claims/disaster aid (est.@ 60% occupancy)		$5,169,872
SBA Loans		$3,804,390
NFIP loss processing costs (est.)		$399,000
Total federal '93 flood costs on St. Charles Co. buyout properties		$23,929,980

St. Charles County Buyout Program Facts and Figures

Total fair market value	$20,525,624
Actual purchase price	$10,146,810
Administrative costs	$3,554,000
Duplication of Benefits (SBA loans, NFIP proceeds, disaster benefits) subtracted from the sale price	$10,538,437
Cost per property - 1374 (includes all mobile home lots)	$9,971
Cost per Unit purchased (640)	$21,408

Note: *Floodwater in 1995 affected virtually all of the same 1,374 properties bought out after the 1993 flood albeit to a lesser height and a shorter period of time. Were it not for the buyout program, it is reasonable to assume a much larger number of applicants would have been requesting disaster assistance and submitting flood insurance claims, leaving the structures at risk for the next flood.*

Instead, by spending $13.7 million in 404/CDBG Hazard Mitigation Grant Program funds to buy out 1,374 properties in St. Charles County, FEMA has removed these repetitive loss properties from harm's way and from the federal disaster fund. No additional disaster assistance will be granted to these 1,374 properties, no claims will be paid by the National Flood Insurance Program on the buyout properties and the local community gains open space riverlands in perpetuity.

"The 1993 buyout process was exceptionally successful in reducing the financial impact of the 1995 flood. I hope that we will be able to continue the buyout process and help to reduce the impact of future floods."

Carl Bearden
Chairman, St. Charles County Council

A Closer Look : Jefferson City

Allen Garner, city attorney for Jefferson City, reflects on the difference between the 1993 flood and the 1995 event:

"When the 1993 flood occurred, our first response was trying to protect people and their possessions, both from the river and from vandals. We spent hours and hours in overtime, sandbagging and patrolling. In the '95 flood, we had no overtime. Part of it was because the flood waters didn't get as high. Another factor was the lessons we learned in '93...what to do, how to do it and when to do it.

"But, equally important, says Garner, was the buyout program, which removed hundreds of people from a floodplain area known as Cedar City.

"You can look over and see where there were 400 or 500 people living in 1993," says Garner. "Now, we have 6 people there. We could make personal phone calls to those people and say 'What do you need?'"

Garner says that of the 115 structures bought out, most would have experienced significant flood damage again in 1995.

"If you just do the math, you can see the wisdom of the buyout program," he says. "Suppose, after 1993, we had done nothing to solve the problem of repetitive flooding. We would have had the same people in the same situation again this year.

"Garner estimates the amount of flood insurance and disaster assistance would have totaled more than half the cost of the $2.6 million allocated to Jefferson City for the residential buyout project.

But, buyouts are about more than just dollars.

"If you look at it from a people standpoint, there was a lot of personal attachment to these properties," says Garner. "Some people were skeptical at first about whether they should participate in the program.

"For those who did, says Garner, a second 100-year flood two years later convinced them they made the right decision.

"There were no regrets this year," says Garner. "Most of the folks ended up in better housing. They were looking forward to relocating far from harm's way.

TABLE:

Individual Assistance in Jefferson City (as of 7/14/95)

loans	Number of Applicants	Disaster Housing	Individual/ Family Grants	SBA
1993	473	$602,512	$338,837	$493,800
1995	53	$41,378	$ 4,215	$131,300

Jefferson City participated in the buyout program, with about $3.7 million in federal, state and city funds to spend on $2.6 million on residential and $1.1 million commercial property.

So far, nearly $2 million has been spent to buy about 115 homes and four commercial properties in north Jefferson City. A handful of other residential property owners - some spurred by this year's flooding - are in the process of selling to the city.

Demolition of the old Cedar City community is under way, and the city eventually plans to use the land for recreation purposes.

Allen Garner, acting city administrator, said the wisdom of the buyout was proven this year. If all north Jefferson City residents had returned to their homes after 1993 and been hit by this year's flood, the amount of flood insurance and disaster assistance paid this year would have totaled more than half the cost of the buyout, he said.

IV. Local Control through Collaboration

As Congress authorized the buyout program, the stage was set for an opportunity to showcase intergovernmental partnerships. With federal money administered by FEMA, the states were able to develop their own policies and tailor the program to meet their own specific needs. County and municipal governments could then assess their own needs and design a program that would assist them in mitigating future flood disasters. At all levels, the singular goal was breaking the expensive cycle of flooding and rebuilding in high-risk areas.

Sharing the Challenge, (known as the Galloway Report), was a White House exploration of the government response to the flood of 1993. It had this to say: "Implementation of buyouts has not been without problems. Federal agencies had to overcome significant obstacles to make the initiative work...Since no federal or state agency had ever attempted buyouts on this scale, agencies had to invent policies and procedures and establish relationships between programs. They had to create mechanisms to coordinate programs and provide technical assistance to small communities with limited resources and expertise. They also had to develop expedited procedures for compliance with the National Environmental Protection Act (NEPA), historic preservation and other federal mandates.

"In spite of the problems consistent with the start-up of such a massive program, the Missouri program has been a timely success. Because it was expedited, it accomplished a purpose (articulated in the Galloway report) of reducing the uncertainty of property owners and avoiding needless expenditures for repairs to houses that were subse-

quently purchased.

Again, the Corps of Engineers Flood Plain Management Assessment Report addresses this issue: "The concept of making the option of flood hazard mitigation funds available as quickly as construction funds for repairs in place to substantially damaged homes is considered very important by flood plain management and emergency response officials. Otherwise, there can be a temptation to 'shop around' among the Federal disaster aid programs to obtain the fastest assistance, even if the result is to complete repairs that leave people vulnerable to repetitive flooding."

Preparing for emergencies and disasters is, by law, a joint responsibility of local, state and federal agencies. Funding for mitigation projects is available under Section 404 of the Stafford Act (Public Law 93-288) and administered by FEMA.

In Missouri, responsibility for this function lies with the State Emergency Management Agency (SEMA) which works with local communities to achieve the mitigation goals.

Interested communities ranged from Bellefontaine Neighbors which purchased twenty contiguous properties to St. Charles County which grappled with a floodplain that covered 43% of this rapidly urbanizing county.

The program was designed, from the federal level down, to encourage local autonomy in the quest to develop solutions to the problem. The desired quickness of the buyout response had the added benefit of offering flexibility to create programs that work.

"We've been buying out the flood plain over and over again in tax dollars. If we can use the buyout program to purchase these properties once and for all, we can put an end to the cycle of waste."

-Eric Knoll
City Administrator Arnold, Mo.

A Closer Look: Permanent Open Spaces

Like many Missouri cities participating in the buyout program, Jefferson City will transfer much of the property acquired through the buyout to the local park system.

"We're looking at a bicycle trail that hooks up to the Katy Trail, practice fields for sports teams, maybe some community gardening," says Allen Garner, city attorney for Jefferson City.

"It's important to the emotional healing of the community," adds Garner. "A lot of these people had personal attachment to these properties. We've tried to be sensitive to that. It's important for people to see that the land is not going to be barren. But, at the same time, it's important not to redevelop the land and place it at risk again for flooding."

In Lincoln County, buyout properties will be leased to seasonal campers. Monies collected through the program will fund a permanent emergency management director for the county.

One 12-acre parcel in St. Charles County includes an extensive wetland. The County is partnering with Lindenwood College to restore the tract as an environmental demonstration area for its student as well as those in the five public school systems throughout the county.

And, in the City of Arnold, a former trailer court will become a football field for the Jefferson County Youth Association.

"It's just a brainstorm we had," says Lew Lewis, director of parks and recreation for the City of Arnold. "The Youth Association is currently using ballfields outside of our city limits. The coaching director came to me and asked if I had any property in the city limits. It's going to work out well because we have a lot of floodplain property that we're happy to have someone else maintain."

The City of Arnold and the Jefferson County Youth Association signed a 10-year lease effective August 1, 1992 to July 31, 2002 for $1.

The Youth Association will grade and seed the property. The non-profit association will be required to provide a $1 million insurance policy and abide by all applicable safety rules.

"When it's done, it'll be the best youth football facility in the state," brags Scott Neibert, coaching director for Jefferson County Youth Association. "It's going to be first class."

The nonprofit organization has a current membership of almost 400 children between the ages of 6 and 14 who pay a nominal fee to participate in the summer sports program."The secret of the success of the Missouri Buyout Program is simple. Governor Mel Carnahan was committed to moving citizens out of harm's way in the floodplain. He set the buyout program policies which were to purchase primary residences, mobile home pads and vacant property adjacent to buyout properties to prohibit new building in the target areas.

In the Missouri Program, Governor Carnahan decided Federal Hazard Mitigation Funds would be matched dollar for dollar with Community Development Block Grant (CDBG) funds. Each local community would run its own program by identifying willing sellers, purchasing the property, and stating that the land would become open space or recreational facilities. The State provided technical assistance to the local communities.

In 1994, Governor Carnahan said the buyout program would save taxpayers over $200 million in assistance programs and flood insurance claims during the next 20 years. The wisdom and success of the aggressive buyout

program were graphically illustrated in the 1995 flooding. Local buyout communities saved thousands of dollars by not having to implement evacuation, search and rescue, or sandbagging operations to save citizen lives and private property.

-Buck Katt, Director
Missouri Community Buyout Program

"Missouri could be the nation's model in buyout strategy."

-James L. Witt

...Yet much is different about this year's floods. First, they are much less extensive. Second, taxpayers are likely to pick up less of the bill. That is because in the months since the last deluge, the authorities have learnt a few useful lessons. The most important of these was to "retire" the most vulnerable riverside properties. Under a federally -funded buyout program, local towns have been able to purchase and demolish the most frequently flooded properties, turning them into parks or recreation land.

-The Economist
May 27, 1995

V. A Voluntary Program

The Galloway Report quotes two senior members of Congress on the importance of the buyout program remaining voluntary:

The respect and adherence to the rights of property owners as drafted in our Constitution are of central importance to the federal government's role in floodplain management. Any acquisition of lands...should be done with adequate compensation to the landowner. Likewise, the federal government should refrain from the use of condemnation when attempting to move residents out of the flood plain. Any expansion of buyout and relocation initiatives must be carried out on a willing-seller basis.

Indeed, the federal, state and local governments spoke in concert regarding the issue of property rights. There would be no "takings" in the buyout program. Articulating this clearly was paramount to the program's success in a conservative, agricultural state such as Missouri where this is a sensitive issue.

Even in the case of repetitive claim properties or in areas where most of the properties were purchased, the respect for property rights was an important component in selling the program.

In reality, those who did participate were driven by self-preservation. Many, particularly elderly Missouri residents who had ridden out past floods in their homes, were defeated by the fury of the '93 flood.

A Way Out

Joe Moore of Arnold, Mo. knew more about floods than he cared to know.

"We had to have sandbags up constantly, all the time," says Moore who rode out high waters in 1973, 1982, 1986, 1993 and 1994. "I had to repair my house all the time. My basement always got flooded. My furnace and hot water heater always flooded. I had to replace those things every time."

Moore describes his experience with the buyout program:"FEMA and the City of Arnold came by and said they would check my home out. They said there was going to be a buyout and that they had a certain amount of money to pay out for certain type of homes. My home is on a dead-end street and it floods all the time down there. I had an estimate made for my house. Their people came and made an estimate. Basically, we were within a couple hundred dollars of each other. They were satisfied. I was satisfied.

"Moore signed the title of his house over to the City of Arnold and moved to a home on higher ground where he watched the flooding of 1995 from a different perspective.

"I felt real relieved," he remembers. "I was laughing. I even drove down to the old house. I could see the water coming up and I was so relieved that I could just sit there and watch it come up. I didn't have to sandbag. I didn't have to rely on people to help me sandbag. I didn't have to rely on the City of Arnold for anything. I was happy because I was bought out and I'm gone. I don't have to worry about it the rest of my life."

A Closer Look: Commerce, Mo.
Commerce Mayor Hopes for Buyout

Given the history of recent flooding in Commerce,Mayor Roy Jones said a federal buyout is the most sensible path to recovery.

-Southeast Missourian
June 14, 1995

Local officials in the City of Commerce (pop. 173) voted not to participate in the buyout program in 1993. With more flooding in 1995 and a new board of trustees, Mayor Roy Jones hopes a buyout will become a reality in Commerce.

"People in this town are tired of the constant flooding and just want to get out," says Jones.

Had this small community in southeast Missouri participated in the buyout program in 1993, Jones believes significant costs, both in human and economic terms, could have been avoided in 1995.

After the Great Flood of 1993, 63 residents of Commerce applied for disaster assistance. Between disaster housing, individual and family grants and low-interest loans from the Small Business Administration, those 63 flood survivors received a total of $145,860 in disaster assistance.

According to Mayor Jones, the same properties flooded again this year. "It's even worse this year," he says. "The river was 18 inches higher here than it was in '93."

Indeed, the 1995 disaster will be even more expensive in Commerce. More than $229,000 in disaster-related assistance programs will go towards helping 53 residents there recover from yet another flood event.

"FEMA has been in here paying off people year after year after year," explains Jones. "Without a buyout, it means we'll go through flood after flood after flood. Most of the people here are elderly people. They're retired and low-income folks. They can't afford to pick up and leave. These people in town are losing everything they've got year after year."

VI. Self Reliance

In December, 1994, the U.S. House of Representatives' Task Force on Natural Disasters released a report examining the nation's disaster strategy following a string of costly disasters. Its major conclusion was that the growth of the federal government's role in disaster response increased public expectations.

Among the goals of the Task Force were to:

• encourage individuals to assume greater responsibility in disasters and help make insurance and other resources available to assist that effort;

• reduce the costs of disasters by encouraging effective preparedness and mitigation activities;

• reduce the costs of disasters to federal taxpayers and emphasize the supplementary role of federal assistance in disasters.

• encourage state and local governments to become more active in preparedness, mitigation, response and recovery.

One of the most important outcomes of the buyout program is reducing dependence on the government in such disasters by eliminating the risk.

To accomplish this, the Missouri program was designed to incorporate special relocation assistance. Many floodplain residents lived there because it was the only affordable housing they could find. These were low to moderate income families, the working poor. Many owned or rented mobile homes which offered the only single-family housing available within their budget. To help them find appropriate replacement housing in the uplands, a one-time relocation benefit was added. This helped buy down the cost of replacement housing so that monthly payments would fall within an affordable range for these families.

Even with these benefits added to the cost of the buyout program, taxpayers still realize a savings by reducing hundreds of units of flood-prone housing in communities throughout the state.

Interfaith Disaster Response Network

According to Linda Reed Brown, director of the Interfaith Disaster Response Network, breaking the cycle of dependency is as important for disaster victims as it is for taxpayers.

"Most people don't want to take charity year after year," says Brown. "It's a question of pride for a lot of people. Full recovery requires taking responsibility.

"Interfaith Disaster Response Network, an umbrella organization encompassing 13 faith groups in Missouri, strongly favors the buyout option.

"The storms of 1995 have strengthened and solidified our preference for relocation to move out of harm's way," says Brown.

"Interfaith Disaster Network cannot afford to be co-dependent with individuals and communities who have come to rely on 'free' help after a disaster. Sufficient insurance and preventive measures must come to bear in these situations.

"While social and religious organizations such as Interfaith Disaster Response Network will continue to provide assistance when other systems fail, Linda Reed Brown sees an equally important mission for her group and others like it:

"We need to be at the forefront of the education that tells us that in the long run, the best disaster readiness plan is not a detailed evacuation system or a warning system that can crumble with a bridge washout or a communication failure. Rather, it is land use that eliminates the need for evacuation.

VII. Timely & Creative Programming

After the true extent of the '93 flood's devastation became apparent, it was important to act quickly. After eight months of high water and "being in limbo" in temporary housing, it was time to make decisions. Flood survivors needed homes to live in. The temptation to go back to the floodplain and rebuild was strong, in spite of the psychological trauma.

Clearly, the government had to act quickly if it planned to break that cycle of flood, rebuild, flood, rebuild.

With quick action on the part of Congress, the two responsible federal agencies (FEMA and HUD) moved quickly to get the money flowing through the pipeline. Missouri was among the first to access the buyout funds and has been the first to successfully complete the projects. These timely responses, at all levels of government were critical to obtaining maximum participation from those residents for whom the emotional wounds were still fresh.

Rather than imposing a "one-size-fits-all" mentality, the buyout program was designed from the federal level down to offer flexibility in administration. For the most part, there was a refreshing suspension of unnecessary regulations which would slow down the process. This flexibility allowed federal, state and local governments to exercise creativity in program design, a novel approach in any bureaucracy.

It worked. Within months of the waters receding below flood stage, residents began closing on their flood-damages property and using those funds to purchase homes that were high and dry.

"The success of the Buyout Program involves three key elements:

1) Priorities and well-thought out program guidelines;

2) A good partnership between the FEMA Hazard Mitigation program, HUD's Community Development Block Grant program, the State of Missouri and the local governments which are running their local buyout programs; and

3) Our commitment to move citizens out of harm's way in the floodplain.

-Governor Mel Carnahan

A Closer Look: Arnold, Mo.

"Upriver, officials in Arnold report that buyouts of houses and trailer parks have saved about $10,000 a day in emergency services, as well as eliminating a lot of sandbag-slinging."

-The Economist
May 27, 1995

According to Eric Knoll, administrator for the City of Arnold (pop. 18,828), the impact of the buyout was clear during the 1995 disaster.

"The 1995 flood was a lesser flood than 1993," says Knoll. "But, it was still the fourth largest flood in Arnold. Most of the areas affected had been bought out, so the people weren't there."

"In 1993, we had 60 or 70 sandbag sites," says Knoll. "In this year's flood, we were down to 3 or 4 sites. That was a direct result of the buyout. We didn't have to fight the river this year like we did in the past."

Arnold, which sits at the confluence of the Meramec and Mississippi Rivers, was hard hit

by the flood of 1993.

"Between 225 and 250 structures were affected by high waters in the 1993 flood," says Knoll. "So far, we've been able to buy out 86 residential structures, 2 commercial properties, 143 mobile home pads and 93 additional vacant lots. Our goal is to buy up the entire floodplain.

"Though still in the process of completing the $7.31 million Arnold buyout, the benefits of the program are already obvious.

In 1993, 528 households in Arnold applied for federal disaster assistance. Between the disaster housing assistance program, individual and family grants, and low-interest loans from the Small Business Administration, the total came to over $2 million.

Two years later, in 1995, only 26 households in Arnold applied for similar disaster assistance programs. Instead of $2 million dollars, the cost of these programs is estimated to cost less than $40,000.

"A federal buyout of property in the flood plain has worked wonders."
-St. Louis Post-Dispatch
May 28, 1994

"The limited impact of this year's disaster is a direct and unquestionable result of the acquisition of at-risk properties. While we're sensitive to the thousands of people affected by this year's disaster, we're relieved that the damage is so marginal in comparison to the 1993 flood. Missourians across the state should be proud. The thousands of people who cooperated in the buyout program successfully averted a tragic replay of 1993."
-Warren M. Pugh, Jr.
Federal Coordinating Office
FEMA, Region VII

Lincoln County's Recycling Program

The flexibility of the buyout program enabled Lincoln County (pop. 32,000) to design a recycling program that solved a community need.

According to Lincoln County engineer, Chuck Freidrichs, the program was created in the aftermath of the 1993 flood when the county was faced with hundreds of flood-ravaged homes.

"When we first started the recycling program, we really didn't have any plan or objective other than the fact that we needed to get this stuff down," said Freiderichs.

This "stuff" was the massive amount of reusable building material remaining in flood-damaged structures.

"We had a long distance to haul this material," explained Freidrichs. "The cost of transporting this material 40 or 60 miles away was cost-prohibitive. We had to figure out a different way."

Freiderichs found that up to 70% of the material left in the homes could be recycled, with the material sold back to the public. Another 10-15% of the materials in a typical home are considered "clean fill" (e.g. concrete and glass) and can be used as construction fill.

"There's no more than 15-20% in a house that can't be recycled or sold," said Freidrichs. Such materials as shingles and insulation are disposed of in approved landfills.

Lincoln County's recycling method requires a three-person demolition to complete one home per day. A four-person recycling team can typically remove and separate all reusable materials in 2 to 3 days.

Approximately 100 homes had been recycled and or removed from Lincoln County's floodplain areas by August of 1995 with over 250 more homes scheduled for recycling and demolition.

Though Chuck Freidrichs has lost count of how many doors, windows and trusses he has sold back to the community, he is confident of the benefits of the program.

"It's helped us gain a lot of respect from different people," he says. "People were real pleased to be able to come back and buy some of their materials to reconstruct out of the floodplain at a reasonable cost."

VIII. For Flood Survivors - A Workable Program

While buyouts had been rumored in past disasters, the amount of funds available for such efforts had been minuscule. Congress thoughtfully acted on the Hazard Mitigation and Relocation Assistance Act of 1993, originally introduced by Missouri's Congressman Harold Volkmer and added more funds to the earthquake bill in January '94.

With those congressional actions, buyouts were finally a viable option Thousands of families, whose names were on lists with their city or county government, breathed a collective sigh of relief that they would finally be able to escape the ravages of the water.

At the time that government officials were gearing up for this program to kick off, it was also time for decisions by families throughout Missouri. Those affected by the flood were beginning to explore their options which included:

- rebuilding for reoccupation
- rebuilding for resale while they relocated
- selling the building as is at a much reduced market rate, leaving little investment for a replacement home.

The fiscal reality was that purchasing a comparable home outside of the floodplain meant a purchase price 30-50% higher. This was simply beyond the means of many affected residents, forcing many back to shovel mud and gut their homes in anticipation of rebuilding.

The details of the buyout became known and word was quick to spread. It was clear that this approach offered financial relief for those ready to abandon the floodplain but with no "undue enrichment" at the cost to taxpayers. It also wed this individual relief with the public policy objectives of clearing a way for the rivers intent on taking everything in their paths.

However, there were still many who explored the buyout program and decided against participating for a variety of reasons. One particular population which can be identified is the elderly. This is the group which may have been among the most seriously affected (physically and emotionally) by the flood and recovery process.

But, many looked at the prospect of purchasing a more expensive home with a new thirty year mortgage on a fixed income and simply saw that the numbers did not add up. Even with relocation benefits, many felt trapped in their paid-off but water-soaked home. With an ability to fund buyouts on an ongoing basis, however, their heirs may likely take advantage of the program upon their death.

The buyout offers a "win-win" situation for taxpayers and residents alike.

"It's been less than two years since President Clinton signed into law a relocation program to move homes and businesses off the floodplains. Yet, the people of Missouri can attest to its effectiveness. When the Missouri River flooded in 1995, the damage to property and the loss of life was less because, this time, we were prepared. Many of the people who had been in the flood's path were not there.

With the assistance of the State and Federal Emergency Management personnel, Missourians have the chance to start again without the constant risk of being flooded out of their homes and livelihoods. At a time when federal dollars are scarce, the buyout bill, which I was proud to offer in 1993, is a successful example of one way federal, state and local officials can work together to lessen the tax burden for all Americans.

Obviously, this is one federal law that is making everyone happy. The taxpayers see the burden of disaster assistance decreasing. The environmentalists see clear evidence that floodplain areas are being protected. And, people, along the banks of the Missouri especially, have a chance to start again without the constant risk of being flooded out of their homes and livelihoods year after year."

-U.S. Representative Harold L. Volkmer
Missouri, 9th District

A Closer Look: An Award-Winning Relocation Program

To help flood survivors find appropriate replacement housing outside the floodplain, the Missouri Buyout Program included relocation funds through Community Development Block Grants (CDBG).

St. Louis County used the funds to offer special one-time relocation grants in the amount of $5,000 to eligible property owners in St. Louis County.

"It was our way of getting people into safe and sanitary housing as quickly as possible," says Mary Campbell, buyout coordinator for St. Louis County. "It was also a way of giving flood victims the incentive and the capital to move out of the floodplain and move on with their lives."

St. Louis County devised specific criteria for the grant program. Eligible applicants had to own and reside in St. Louis County homes that had received at least 50% damage or were located in the designated buyout area.

Owner-occupants were required to permanently relocate outside the 100-year floodplain, either through the purchase of a new home or by signing a one year rental agreement to safe and sanitary housing. Investors and owner-occupants were required to sign a certificate of eligibility and demolition permit for the flooded property. Owners of seasonal property and empty lots, as well as those owner-occupants who relocated within the 100-year floodplain were not eligible for the relocation grant.

According to Campbell, the grant program allowed St. Louis County time to design a buyout program that would fit the needs of the more than 1,000 flood-damaged residences in the county. "The relocation assistance program bought us time," says Campbell.

Just as important, the program allowed the county to track flood victims after the buyout and study where buyout families relocated.

The St. Louis County Floodplain Management Program successfully assisted 169 families in relocating. Of those, 164 families relocated outside of the 100-year floodplain. Five families chose new residences within the floodplain and were ineligible for the $5,000 relocation assistance grant.

St. Louis County received an award for Excellence in Community Planning and Development from Housing and Urban Development (HUD) for the county's flood relocation program.

CASE STUDY: A Balance Sheet

The Privacy Act prevents disclosure of financial data for individual participants in the buyout program. The following example is a fictionalized snapshot using data from buyout files:

Jerry Smith and his wife, Marie, lived in Arnold, Mo. for the past 22 years and have seen their share of flooding along the Meramec River during that time. They had rebuilt after the devastation of the 1993 flood. When their home flooded yet again in 1995, they decided that it was time to get out. Mr. Smith's health was failing and the emotional stress and physical demands were taking their toll.

The pre-flood value of the Smith's home, which was debt-free, plus several adjoining lots was appraised at $35,000. After the 1993 and 1995 floods, the Smith's received: flood insurance proceeds on claims; an Emergency Minimal Repair (EMR) grant and Individual and Family (IFG) grant.

The Smith's were credited for over $23,000 in 1993 post-flood repairs for which they had receipts. They also qualified for a moving allowance as well as a special relocation program for flood survivors through the Missouri Housing Development Corporation (MHDC).

This aging couple fortunately was able to locate three acres in a surrounding rural area where they put a double-wide mobile home. They're grateful to be high and dry now.

A synopsis of their buyout case is shown below:

Smith home pre-flood market value	$33,500
Pre-flood value of adjoining lots	+$1,500
Total value	$35,000
Duplication of Benefits (DOB)	
'93/'95 NFIP claims	$31,136
EMR grant	$10,255
IFG grant	+$6,166
Total Benefits offered	$47,557
Minus credits for '93 repairs	-$23,098
Balance due at closing	$24,459
Moving allowance	$625
MHDC replacement housing grant	$11,839
Total available for replacement housing	$36,923

IX. For the Good of the People

"I don't have to worry about it when it rains out there. I can look out and say, 'Rain, water my grass for me.'"

-Joe Moore, Arnold, Mo.
Participant in buyout program

Mental health workers can attest to the stress caused by an extended disaster such as the flood of '93. While an earthquake or tornado may be as severe, it's quickly over and the recovery begins. The '93-'94 floods lasted as long as eight months in some communities. Some residents had just rebuilt from a serious spring flood before the "real" flood arrived in early August. Counselors liken the event to a siege of war with more victims taken daily as the water rose.

When people returned home to their communities, they knew it had been a battle site. Many visitors who came to help with clean-up were overwhelmed and described the neighborhoods as "war zones".

The buy-out program offered two types of relief in this regard. Those who participated in the buyout saw their lives in a new light. They could put behind them the disasters and begin anew in a community free of flood risk.

Those who remained were elated to see the aftereffects of the flood devastation cleaned up as a result of the buyout program. The demolition phase signaled an end to the health and safety hazards caused by derelict buildings. The abandoned homes had become magnets for debris collection and crime. And, as much as they were warned off, the buildings were a serious safety concern for neighborhood parents with children.

For communities, the buyout brought an opportunity to eliminate substandard housing which had been damaged (repeatedly, in many cases).

Once the flood waters from the Flood of '95 recede, they will leave behind psychological problems: anger, denial, sadness.

But conversations with flood survivors and mental health workers suggest that the psychological impact will be somewhat different than in 1993 when 24,000 flood victims in Missouri and Illinois sought help from mental health agencies.

For one thing, government buyouts and voluntary moves mean far fewer people have been affected. In 1993, 10,000 people were rousted from their homes in St. Charles County alone. So far this year, the Red Cross estimates that only 1,300 families have been affected directly. About half those have left their homes.

-St. Louis Post-Dispatch
May 29, 1995

Photograph by Karen Elshout, St. Louis Post-Dispatch.

A Closer Look: Mental Health Issues

In addition to posing serious physical health risks, flood waters can wreck havoc on a community's mental health.

In 1993, it was a question of survival. Two years later social workers were seeing different problems and asking different questions.

"In 1993, we encouraged people to make their own choices," says Kathie Hahn, a social worker with the Crider Mental Health Center who coordinated mental health services to the four counties hardest hit by the '93 flood. "Back then, we were thinking of a 100-year flood as a once in a lifetime event.

The 1995 flood was different, says Hahn."We're definitely telling people that these floods can happen more often than any of us would like. As mental health workers, we would be silly to encourage people to stay in the floodplain. We're especially concerned about the significant risks to children who can be traumatized by repeated disasters like we've seen in the last few years."

A Closer Look: Health and Safety in Lincoln County

According to Lincoln County engineer, Chuck Freidrichs, the buyout saved his community thousands of dollars in the 1995 flood—in dumpsters alone.

"In 1993, we spent over $250,000 just in dump sites for people to bring their debris," says Freidrichs. "Lincoln County doesn't have a landfill, so it was an enormous expense to provide this service to flood victims.

"Things were different in 1995.

"We didn't have to spend anything on dumpsters," says Freidrichs, who also serves as buyout coordinator for Lincoln County.

Under the Missouri Buyout Program, Lincoln County acquired 226 residential properties. Freidrichs estimates at least 150 of these properties would have flooded again in 1995. The cost of dumpsters would have been just the beginning.

"We would have had overtime for our police and fire departments," says Freidrichs, "and thousands of dollars in flood-fighting expenses.

"Fortunately, none of those costs were incurred in the 1995 disaster, thanks to timely implementation of the Lincoln County buyout.

"We weren't even declared for public assistance this year," says Freidrichs. "Most of the hardest hit properties were empty."FEMA's public assistance program provides reimbursement to local communities for emergency flood-fighting measures, debris removal and repair of damaged public buildings and infrastructure such as roads and levees.

PUBLIC ASSISTANCE DOLLARS SPENT IN LINCOLN COUNTY

1993: $1,572,723
1995: $0

INDIVIDUAL ASSISTANCE IN LINCOLN COUNTY
(as of 7/14/95)

	No	Housing	IFG	SBA
93	1,155	$1,743,157	$1,495,931	$2,945,600
95	15	$4,319	$0	$0

Total federal '93 flood costs to individuals in Lincoln County was $6,184,688. Add to that the public assistance dollars which totaled $1,572,723 for a total federal outlay of $7,757,411. The entire Lincoln County buyout project was $3,479,360 or a mere 45% of the federal outlay in the '93 flood.

"The buyout is the only way to meet the needs of flood survivors, taxpayers and the affected communities."

-Congressman Jim Talent
Missouri , 2nd District

The Lemay Story

"We believe the over arching attitude of all involved has been one of removing rather than creating roadblocks."

-June McAllister Fowler
St. Louis County Department of Planning
on the buyout program

The Lemay buyout provides a textbook example of the dollars saved in 1995 as a direct result of the buyout program.

Lemay, a community consisting of approximately 330 single-family residences within St. Louis County, had a history of flooding. According to June McAllister Fowler, director of St. Louis County Department of Planning, Lemay experienced flooding in 1976, 1982, 1986, 1993 and again in 1995.

"The wonderful thing about the flooding in 1995," says Fowler, "was that it occurred exactly where we had concentrated our buyout effort.

"After the flood of 1993, Lemay applied for buyout funds through the State Emergency Management Agency to purchase 105 homes which had sustained more than 50% damage. They successfully completed transactions on 102 of the targeted homes with many of the relocated residents moving nearby but outside the 100-year floodplain. Fowler pointed out, "We were lucky that the damage was in such a definable area. When the flood waters rose again in 1995, 81 of those structures were already razed and the remaining were ready for demolition.""We're developing a neighborhood park there," she said. "The homes near the buyout area are on very small lots and it's a very densely populated area. This will be a nice green space for the residents. The community is getting involved, telling us that they want a passive park and coming up with the name of the park. They're really excited about it."

LEMAY

	Number of applicants	Disaster Housing	Individual/ Family Grants	SBA loans
1993	492	$403,778	$168,140	$608,600
1995	16	$7,072	$884	$7,400

(as of 7/13/95)

In (St. Louis) county, the (River) Des Peres backed into the county again and flooded many of the homes in Lemay that were abandoned for government buyouts after 1993. This time, nobody much cared.Mary Campbell, county community development director, estimated the county already would have spent or committed $7 million in emergency help, rescues, payroll and fuel if people had returned to Kayser Creek, only to be chased out again. "I think this absolutely proves that the buyout was the right way to go," Campbell said.

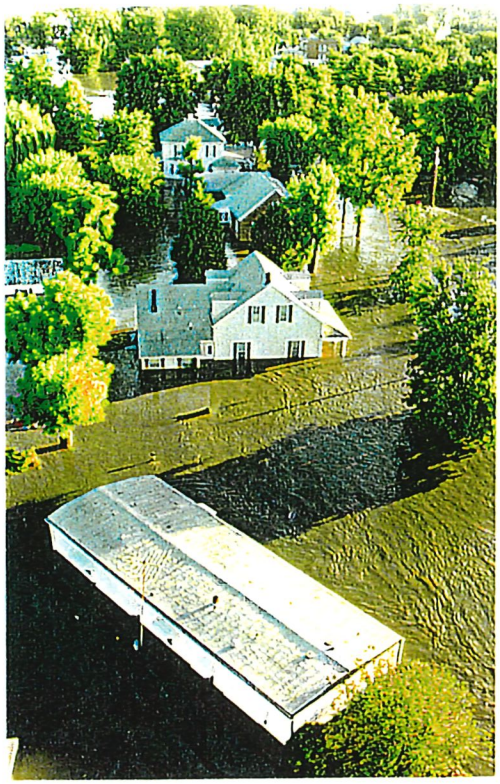
-St. Louis Post-Dispatch
May 26, 1995

"Our prediction that a buyout was a sound fiscal decision has been proven correct. Unfortunately, it has taken more flooding to prove it. We will continue doing everything in our power to assist those impacted by the current high water."

-Buzz Westfall
St. Louis County Executive

"This is not about a bunch of people who are stubbornly remaining in the floodplain. Some did stay, but many moved out and many more are moving out. This point is you can't recover from a 500-year flood in two years. It's just not enough time. We still have a disaster on our hands. The children who had nightmares two years ago are shell-shocked by the return of high water. Many of them are out of their homes, unable even to play. It's almost as if they've been imprisoned in a disaster mode."

-Rev. Gretchen Pickeral



Photograph by Scott Dine, St. Louis-Post Dispatch

XI. Lessons for the Future

"One who knows the Mississippi will promptly aver — not aloud but to himself—that ten thousand River Commissions, with the minds of the world at their back, cannot tame that lawless stream, cannot curb it or confine it, cannot say to it, 'Go here,' or 'Go there,' and make it obey; cannot save a shore which it has sentenced; cannot bar its path with an obstruction which it will not tear down, dance over, and laugh at."

-Mark Twain,
Life on the Mississippi

"By reducing the potential for future flood damage, we ensure that many thousands of families will never again have to experience the kind of human tragedy that we witnessed in 1993."

-James L. Witt

Disasters can be persuasive teachers. We learn what we've done right and what we've done wrong. Once something has been tested under real circumstances, its value is truly evident.

The Missouri buyout program worked. Its theories were put to the test in May of 1995 and found to be the just the beginning of cost-savings which will be evident every time the rains come.

The $60 million ($30 million Hazard Mitigation 404 and $30 million CDBG) allocated for the buyout program has already proven to be cost effective in the 1995 Flood. Buying out properties in the river's path effectively reduces emergency response costs, Public Assistance and Individual Family Grant dollars and most importantly the mental anguish of the 1993 flood victims who opted to participate in the Buyout.

As the waters were rising in '95, communities reported that additional floodplain residents expressed interest in the buyout program although no additional funds were immediately available.

Based on the Missouri experience, continued funding of this program will go a long way toward accomplishing the public policy objectives of reducing future flood risks.

The State of Missouri is pleased to see that FEMA has established a National Mitigation Goal and proposed a series of objectives which establish mitigation as a priority for federal, state and local governments. Among the effort's first year accomplishments, FEMA details the following:

- continued outreach to communities affected by floods regarding opportunities to participate in acquisition projects.

- coordination of key federal agency programs (FEMA, HUD, SBA and EDA)

- and documentation of accomplishments of the Hazard Mitigation Grant Program.

This report is Missouri's effort to outline the successes evident in its local communities throughout this state.

As articulated in the FEMA Mitigation Directorate's First Year Report, Placing the Cornerstone, Governor Carnahan applauds the agency's "departure from previous flood recovery and reconstruction efforts, which in the past have focused on the repair and rebuilding of levees and structural flood control measures. By utilizing this approach, FEMA intends to permanently remove the potential for future flood losses or injury."

In keeping with its role as a partner with the federal government in this effort, Missouri offers the following recommendations based on its successful experience with the buyout program. Many of these reiterate positions taken in the Galloway report.

RECOMMENDATIONS

Establish a programmatic buyout and hazard mitigation program with funding authorities independent of disaster declarations.

Programs for ongoing buyout and mitigation activities are critical to the public policy objective of clearing the floodplain. Congress should explore new sources of ongoing mitigation funds. New funds available through NFIP and through recent changes to Section 404 are the types of vehicles for hazard mitigation which will be very helpful to local communities in addressing the problem.

Maintain flexibility in hazard mitigation programs to promote cost-effective and appropriate mitigation techniques, including the option of states receiving funds as a block grant.

As the Galloway report states, "Buyouts are the optimal solution for many neighborhoods impacted by the Midwest flood." Allowing the control and decision-making to take place on the local and state levels is the cornerstone of a successful program. If states are to be given an expanded role in floodplain management and hazard mitigation, a block grant approach gives them

the greatest level of autonomy in program design.

Develop common procedures for federal buyouts and mitigation programs.

The Interagency Review Committee recommended that the "a federal task force build on the Midwest flood response to accomplish the following objectives:

• Develop common policies and procedures among agencies for buyouts and provide for increased flexibility in programs to respond to the unique circumstances of a disaster;

• Address compliance with NEPA, applicable executive orders, historic preservation requirements and other federal mandates during multi-agency buyouts;

• Design delivery systems to expedite buyout decisions to be responsive to disaster victims and minimize duplication of assistance in instances where properties are to be bought out;

• Identify statutory and regulatory barriers to buyouts and other mitigation actions and propose changes where appropriate and

• Make recommendations on how supplemental appropriations would be channeled through a single program such as the FEMA Section 404 Hazard Mitigation Grant Program rather than being provided through multiple agencies and programs."

• Encourage the establishment of state task forces to coordinate buyouts and other hazard mitigation activities.

This was a model which worked well for the State of Missouri. It allowed a vehicle through which state and federal agencies could work together. It also offered communities the chance to develop a consolidated proposal application which sped the process of getting money out to the people who needed it. At the state level, the task forces can coordinate future buyout programs and package FEMA funds with other available state and federal funds.

In fact, FEMA's Mitigation Directorate (First Year Report) points to several similar items as it discusses its own accomplishments.

These include:

• development of FEMA/State Memorandum of Understanding that will provide mitigation funds for certain classes of projects on an expedited basis.

• development of a streamlined early implementation strategy versus a protracted and cumbersome interagency team and reporting process.

• integration of mitigation operations across all front of federal/state district field office operations.

• use of administrative streamlining to expedite the award of mitigation grants.

The time has come to face the fact that this Nation can no longer afford the high costs of natural disasters. We can no longer afford the economic costs to the American taxpayer, nor can we afford the social costs to our communities and individuals.

-James L. Witt
Director, Federal Emergency Management Agency
Testimony before Congress, October 27, 1993

Conclusions

The ultimate success of the Missouri Buyout Program is proven time and time again as a homeowner is presented a check for his property. Depending on the point of the view, the program can be seen in one of two ways. For the homeowner who has received a buyout check, the program is real and successful. For the homeowner in temporary housing, waiting for his or her buyout check, the media hype is simply verbiage. The State of Missouri wants to complete both the buyout and demolition stages of the Buyout Program by December 31, 1995. When all the homeowners have received their checks, then and only then can we absolutely say the program is a success.

-Buck Katt, Missouri Buyout Manager

Local communities must be commended for their innovative approaches to moving citizens out of harm's way in the floodplain. In this document, we saw how six communities saved over $30 million in taxpayer dollars.

The State of Missouri is proud of the buyout program it developed and its immediate success as evidenced by the 1995 flood. It can serve as a program model for other states seeking to developing a large scale hazard mitigation program.

In addition, the local communities presented in this report are examples of the range of local solutions which have been developed in concert with the state and federal government. Tailored individually to the special problems and resources of each community, they illustrate the creativity that local officials exhibited in a time of emergency. These examples show that local communities can, indeed, turn a crisis into an opportunity.