Seeking Higher Ground:
Timeframes and Characteristics of
FEMA-Funded Buyouts

Anna Weber, Natural Resources Defense Council
“Millions projected to be at risk”

FEMA buyouts by the numbers

Hazard Mitigation Assistance Buyout Dataset (as of October 2018)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>43,368</td>
</tr>
<tr>
<td>Number of projects (subapplications)</td>
<td>3,839</td>
</tr>
</tbody>
</table>
FEMA buyout locations and declared disasters

<table>
<thead>
<tr>
<th>Disaster</th>
<th>Year</th>
<th>Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Flood of 1993 (Midwestern states)</td>
<td>1993</td>
<td>8,024</td>
</tr>
<tr>
<td>Hurricane Floyd</td>
<td>1999</td>
<td>1,880</td>
</tr>
<tr>
<td>Tropical Storm Allison</td>
<td>2001</td>
<td>1,300</td>
</tr>
<tr>
<td>Red River Flood (MN and ND)</td>
<td>1997</td>
<td>1,204</td>
</tr>
<tr>
<td>Hurricane Harvey</td>
<td>2017</td>
<td>984</td>
</tr>
<tr>
<td>Flood of 1997 (IN, KY, and OH)</td>
<td>1997</td>
<td>968</td>
</tr>
<tr>
<td>Hurricane Fran</td>
<td>1996</td>
<td>907</td>
</tr>
<tr>
<td>Tropical Storm Alberto</td>
<td>1994</td>
<td>949</td>
</tr>
<tr>
<td>Hurricane Sandy</td>
<td>2012</td>
<td>796</td>
</tr>
<tr>
<td>Iowa Severe Storms of 2008</td>
<td>2008</td>
<td>918</td>
</tr>
<tr>
<td>Hurricane/Tropical Storm Irene</td>
<td>2011</td>
<td>759</td>
</tr>
<tr>
<td>June 2008 Midwest Floods</td>
<td>2008</td>
<td>673</td>
</tr>
<tr>
<td>Hurricane Katrina</td>
<td>2005</td>
<td>587</td>
</tr>
<tr>
<td>Flood of 1994 (TX)</td>
<td>1994</td>
<td>477</td>
</tr>
<tr>
<td>Flood of 1996 (IL)</td>
<td>1996</td>
<td>436</td>
</tr>
<tr>
<td>Hurricane Matthew</td>
<td>2016</td>
<td>443</td>
</tr>
<tr>
<td>Tropical Storm Lee (PA)</td>
<td>2011</td>
<td>398</td>
</tr>
</tbody>
</table>
How does a buyout work (on paper)?

**STEP 1**
Flooding in North Charleston, SC in 2015 (source: Ryan Johnson on Flickr).

**STEP 2**
Demolition of a home purchased via New Jersey’s post-Sandy Blue Acres program (source: FEMA).

**STEP 3**
Acquired property in Crystal City, MO (source: FEMA).
How does a buyout actually work?

- FEMA (HMGP) role: grant-maker
  - Announces funding availability
  - Reviews state applications
  - Awards grants
  - Closes out grant

- State Government role: applicant
  - Solicits local projects
  - Conducts state-level reviews
  - Compiles application materials
  - Confirms plans for local projects
  - Oversees local projects
  - Reports to FEMA
  - Closes out projects
  - Submits documentation to FEMA

- Local Government role: sub-applicant
  - Determines local interest
  - Conducts planning activities
  - Compiles sub-application materials
  - Confirms participation
  - Arranges for appraisals, transactions, demolitions, etc.
  - Reports to state
  - Owns and maintains property (in perpetuity)

- Homeowner role: participant
  - Files NFIP claim
  - Makes repairs
  - Decides if interested in potential buyout
  - Decides whether to participate
  - Sells property

- NFIP
  - Issues NFIP payment

Time (approx.)

- 1 year
- 2 years
- 3 years
- 4 years
- 5 years
Average time to approval: 1 year, 11 months
Average time from approval to close: 3 years, 11 months
Average time from flood to close: 5 years, 7 months
Why are long timeframes a problem?

- A mismatch in timing between the disaster and the response: buyouts are a form of mitigation, but current funding approaches mean they are perceived as a form of recovery
- Participant stress, uncertainty, and attrition
- Missed opportunities for community-scale mitigation
- Barriers to access and inequitable outcomes
“Folks are going to drop out,” Wade said. “They’re not going to wait. If I was in their situation, I might not want to wait and live in either a half complete home, or spend the time and money to make the home complete, knowing that it’s going to be demolished anyways.”

Hell and high water: How flooding and buyouts threaten Black history

KNIPPER: I’m actually in a car now. That’s the only way I can charge my cellphone.

MCCAMMON: He told me he got several more inches of water. So again, he’s ripping up carpet, tearing out baseboards, removing water-soaked insulation. He says he’s sick of waiting for FEMA to make a decision.

KNIPPER: Maybe five years from now, John, we will give you the money for your house. But, you know, we don’t know when. So why keep me in that [expletive] place thinking that I’m going to be bought out in three months and the three months and the three months keeps getting extended. And that’s what’s really aggravating people.

Flooded WV residents feeling financial strain while waiting on FEMA buyout

By Lori Kersey Staff writer  Jul 14, 2018

How Federal Disaster Money Favors The Rich

March 5, 2019 - 5:00 AM ET
Heard on All Things Considered
Characteristics of more efficient projects

- Advance planning
- Dedicated local staff
- Political will and community-led interest
- Use of precalculated benefit-cost analysis
- Close coordination with FEMA
- State-level review and leadership
- Avoiding federal funding entirely
Recommendations for faster buyouts

- Use ICC coverage for buyouts
- Leverage the capacity of nonprofits
- Include buyouts as a flood insurance benefit
- Investigate how to improve the current process
Questions & feedback welcome!

Anna Weber, NRDC Water & Climate Team
aweber@nrdc.org
Appendix
Timeframes by state
Timeframes by year

Median Buyout Timeframes and Total Number of Properties, by Project Fiscal Year

- Median start to approval (years)
- Median approval to close (years)
- Number of properties
Project status over time
Severe Repetitive Loss Properties

SRLPs: Total Amount Paid as a Percent of Reported Value

Claims for these 21,223 properties exceed the buildings' value

Cumulative claim amounts divided by building value, expressed as a percentage
Severe Repetitive Loss Properties

SRLPs: Properties that would reach 100% of value with an average claim + ICC

<table>
<thead>
<tr>
<th>Reported building value</th>
<th>Number of SRLPs with $30k ICC</th>
<th>Number of SRLPs with $60k ICC</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $50k</td>
<td>4,018</td>
<td>5,203</td>
</tr>
<tr>
<td>$50K to $100k</td>
<td>836</td>
<td>3,769</td>
</tr>
<tr>
<td>$100k to $150k</td>
<td>274</td>
<td>1,010</td>
</tr>
<tr>
<td>$150K to $200k</td>
<td>79</td>
<td>267</td>
</tr>
<tr>
<td>$200k to $250k</td>
<td>34</td>
<td>108</td>
</tr>
<tr>
<td>≥ $250k</td>
<td>38</td>
<td>82</td>
</tr>
</tbody>
</table>