



# Developing Coordinated Funding to Reduce Local Flood Risk

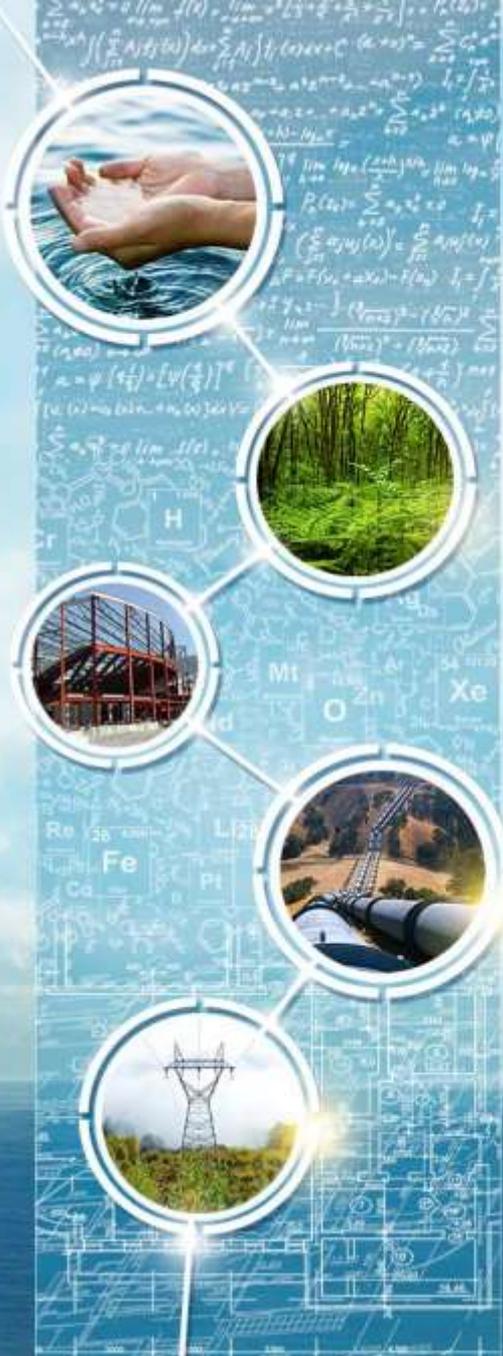
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Over the last 20 years, the

**Flood Mitigation Assistance Grant Program** has provided

MORE THAN **\$600** MILLION

FOR **2,031** GRANTS SUPPORTING **1,516** PROJECTS.

FMA funding is available to

**States, Tribes, Territories, AND Local Communities**

with structures insured under the **National Flood Insurance Program**.

The **3 states**

that have received the

**MOST FMA  
FUNDING AWARDS**

to date\* include:



\* Not including planning or management costs

- New Jersey alone has over 18,000 RL/SRL properties (2014 State HMP)
- The national FEMA Flood Mitigation Assistance (FMA) program, which targets RL/SRL property mitigation, has been funded at:
  - 2015                      \$ 150 Million
  - 2016                      \$ 199 Million
  - 2017                      \$ 175 Million...???
- 2016 FMA ~ 1,000 - 2,000 Elevations

# Why Don't More Communities Compete to Access these Funds?

- Lack of Understanding of Available Grant Programs
- Lack of Resources – Grant Preparation, Grant Administration
- Lack of Confidence in Program
- Lack of Time to Prepare Applications
- Working with the Public is Resource-Intensive
- Concerns over Liability
- Concerns over Lost Ratables

## One Solution –

The development of partnerships that facilitate/sponsor long-term programs to develop large-scale grant application efforts that result in high-value applications.

## FEMA 2015 and 2016 HMA Priorities –

- Severe Repetitive Loss (SRL) and Repetitive Loss (RL) Properties
- The highest percentage of structures that meet the definition
- The largest number of structures that meet the definition

- A partnership of local governments is formed to support a comprehensive, long-term mitigation program
- A public outreach program is developed and implemented, focusing on RL/SRL properties to address grant program priorities
- A database of interested property owners is developed and maintained to support near-term and long-term grant opportunities
- As grant opportunities arise (at least annually), high-quality grant applications are developed and submitted
- As grants are awarded, projects are implemented (project management, grant administration)

- Any partnership of local governments must consider –
  - Who will lead?
  - Who will participate?
  - Is outside support needed, and if so, how will that be funded?
- Critical Elements -
  - One must be the leader – specifically the “Sub-Applicant”
  - Municipal participation requirements should be explicitly identified
  - All participants should formally document their participation (e.g. MOU, MOA)
  - All municipal participants must actively meet their participation requirements
- The leader (sub-applicant) is responsible for:
  - Grant application development and submission
  - Project management and grant administration

- The development of a long-term mitigation program can be part of the DMA-2000 Hazard Mitigation Plan (HMP) regulatory five-year update
- Each local government provides from general fund – Costs to prepare an application is an eligible pre-application cost, and is reimbursable if the grant is awarded (essentially a revolving fund dependent on grant awards)
- Local or regional funding programs
  - Special Purpose Funds – examples, Open Space Funds (already used in NJ to facilitate acquisitions)
  - Districts – e.g. Flood Control Districts
  - Utilities – e.g. Stormwater Utilities
- Property Owner Funded – not likely
- Project management and administrative costs up to 5% should be included in the application
- This program should consider other available funding sources, beyond FEMA HMA

- How wide do you want to cast your net?
  - Being Inclusive – without losing priority
  - This is not a “one off” effort...this is a long-term, strategic planning program
- Elements of a long-term outreach program:
  - Direct outreach to target property owners (e.g. RL/SRL)
  - Public meetings to inform and collect property owner information
  - Program Website – Information is Critical
  - Property Owner Database - The Pool of Potential Grantees
    - Notices of Voluntary Interest (from all property owners)
    - Proof of Insurance (as available) – includes claim history
    - Other Documentation of Claim History
    - Elevation Certificates
    - Pictures of Property

- Your message must be clear and consistent – people hear what they want to hear
- Timely and relevant information will spare you many headaches
- Common Issues:
  - Timelines - These grant programs are marathons, not sprints
  - Required Property-Owner Documentation
  - Property Ownership, including multi-owner structures
  - Reimbursable project costs
  - Cost Share
  - Managing interested property owners from outside the “partnership”

- FEMA HMA Grants require, and are strictly limited to, willing (voluntary) property owners – that means ALL owners of a property (structure)
- Grant process is AT LEAST two years from inception to actual project start – most any work performed prior to “notice to proceed” is not reimbursable
- Grants are a reimbursement program
  - Property owners are responsible for covering costs and then applying for reimbursement once the project is completed, or at milestone intervals.
  - Local lending institutions may be encouraged to provide “bridge loans”
- Grants have a local share requirement - up to 25%
  - 10% for RL, 0% for SRL
  - Property owner is typically responsible
  - Non-Federal funding sources may be applied (e.g. Green Acres funding for acquisitions)
- Properties mitigated using Federal mitigation grant funding are required to maintain NFIP flood insurance on the property in perpetuity. This flood insurance requirement becomes part of the property deed.

- Cost-effectiveness is typically demonstrated through a formal FEMA Benefit-Cost Analysis (BCA), which would be onerous for a large-scale grant application process.
- FEMA has developed cost thresholds under which elevations and acquisitions may be assumed “Cost Effective” and thus BCA is not required – which can be aggregated across all properties.
- Set in a 2013 FEMA Guidance Memorandum at:
  - Elevation - \$ 175,000
  - Acquisition - \$ 276,000
- From the property owner perspective, this translates to about:
  - Elevation - \$ 160,000
  - Acquisition - \$ 260,000 (“Fair Market Value”)
- Large-scale grant applications almost necessarily require that you can demonstrate aggregate “assumed cost-effectiveness”.

- Submitting Local Governments must have a current Hazard Mitigation Plan (DMA 2000 plan)
- Project must be identified in that Plan
- Project must be grant-eligible
- Project must be “cost-effective”
- Application must be Administratively and Technically Complete
- Project must rank well according to the specified Federal and State priorities – RL/SRL properties
- Clearly define and explain your project and document it appropriately – keeping in mind that less is often more

Having to play St. Peter at the Gates of Heaven –

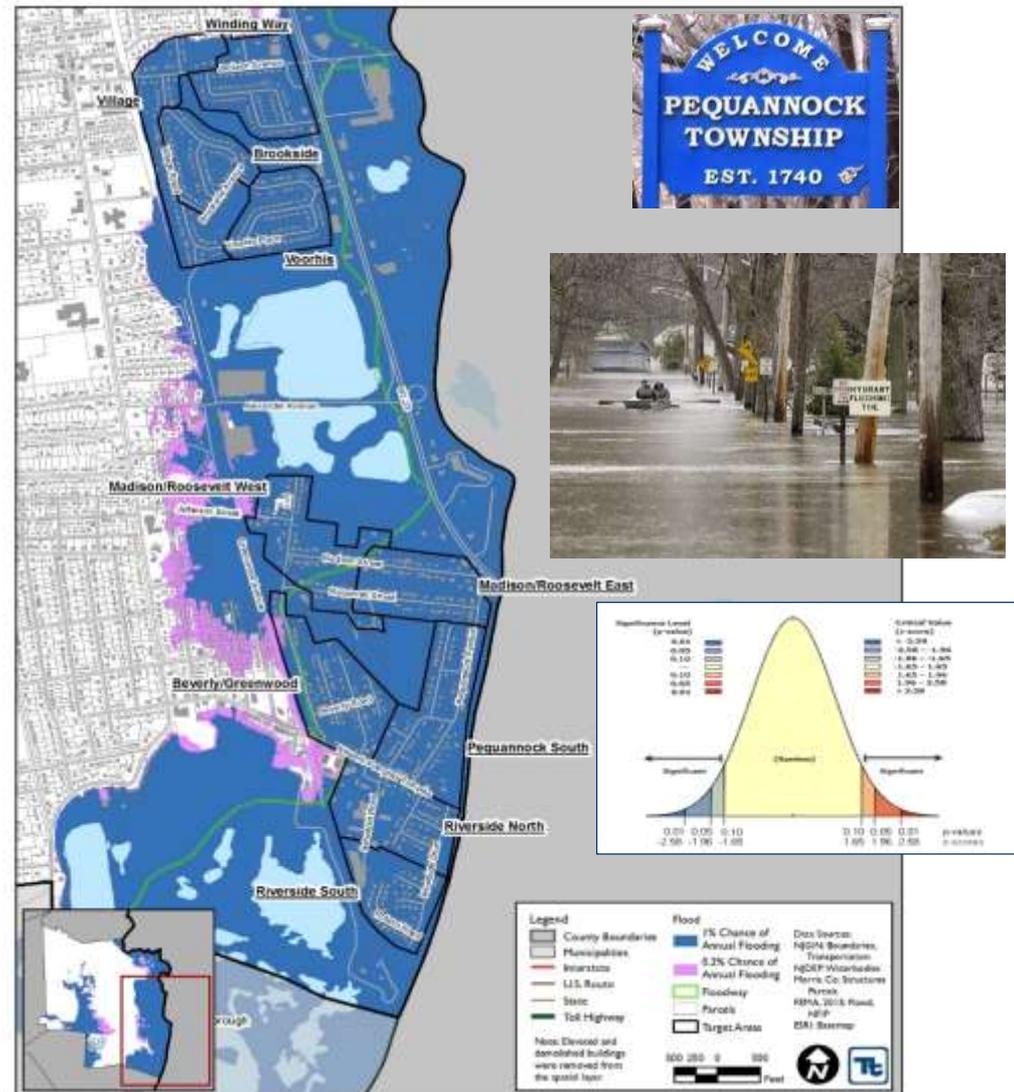
- You must establish clear, fair and justified methodologies for selecting those properties to be included in a given application – you need to be able to defend your decisions.
- Example – “...properties will be included to maximize the number within the grant application meeting (1) the FEMA-defined “Pre-Determined Benefits” threshold for elevation, and (2) the highest priorities as stated in the FY 2016 FMA guidance.”

# Mitigation: Strategic Action Plan to Mitigate

- ~1,000 structures in SFHA
- 770 NFIP policies
- 206 RLs; 98 SRLs
- >\$70 Million paid claims
- Class 5 CRS Community

*Challenge – where to begin?*

FEMA FMA Fiscal Year	Cluster Name	Total Rank
2015	Madison/Roosevelt East	474
2016	Voorhis	386
2017	Beverly/Greenwood	381
2018	Pequannock South	249
2019	Brookside	243
2020	Riverside South	200
2021	Madison/Roosevelt West	198
2022	Winding Way	180
2023	Riverside North	152
2024	Village	136



# Township of Pequannock – Strategic Action Plan to Prioritize Properties



- Develop robust building inventory
- Township committee formed
- Identify prioritization criteria
- Spatial analysis to identify statistically significant hot spots
- Action plan – outlines properties to include in future FEMA HMA applications
- FEMA HMA Applications
  - 2015 FMA Application (26 properties) – Under further Review - Pending Award
  - 2016 FMA Application (22 properties) – Under further Review - Pending Award
  - Pending Award
  - Continue applying each year



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