FEMA Pre-Disaster Mitigation Grant Program

GC3 FINANCING ADAPTATION WORKING GROUP MEETING
APRIL 1, 2020

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State of Connecticut
Department of Emergency Services and Public Protection
Presentation Overview

- HMA Programs
  - Brief Overview

- PDM/BRIC Eligible Activities

- Cost Share Overview
  - Match Discussion

- Benefit Cost Analysis Overview
Hazard Mitigation Assistance Programs

- Three federal programs administered by DHS/FEMA under separate legislation
  - Hazard Mitigation Grant Program
  - Pre-Disaster Mitigation
  - Flood Mitigation Assistance

- HMA programs reduce response and recovery resource requirements in the wake of a disaster or incident, reducing risk and reliance on financial assistance

- FEMA defines mitigation as “any sustained action taken to reduce or eliminate long-term risk to people and property from natural hazards and their effects.”

- Eligible Applicants and Sub-applicants
  - State and Tribal Governmental Agencies
    - Local governments are eligible Sub-applicants and can sponsor applications on behalf of homeowners to submit to the Applicant*
    - Private/Non-Profits are eligible under HMGP only

- Management Costs

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Hazard Mitigation Grant Program Overview

- HMGP (Section 404 Robert T. Stafford Act) is awarded upon Presidential Disaster Declaration
  - 15% of the total Public Assistance Award set aside for HMGP
  - Projects chosen and submitted by State, no national process

- Latest Disasters
  - DR-4385
    - Brookfield Tornado, declared August 18th, 2018
  - DR-4410
    - Severe Flooding, declared December 5th, 2018
Flood Mitigation Assistance (FMA)

• Funds projects to reduce or eliminate risk of flood damage to buildings that are insured under the National Flood Insurance Program (NFIP).

• Eligible Sub-applicants
  ➢ State/Local Government
  ➢ Indian Tribal Nations

• Cost Share
  ➢ Severe Repetitive Loss Property (100/0)
  ➢ Repetitive Loss Property (90/10)
  ➢ All other eligible projects identified in the 2015 Hazard Mitigation Assistance Guidance and FY2019 FMA NOFO (75/25)

• Note – “Critical Infrastructure” must be in compliance with DEMHS’s Flood Certification from CT DEEP (including elevation of structures to the 500 yr. flood event plus 2 feet)
  ◦ Public Act 18-82

• 2019 Federal priorities
  ➢ Community Flood Mitigation - Advance Assistance for flood mitigation design and development of community flood mitigation projects
  ➢ Community Flood Mitigation - Projects including but not limited to: infrastructure protective measures, flood-water storage and diversion, utility protective measures, localized flood control, stormwater management, etc.
  ➢ Mitigation plans that update the flood portion of the plan (maximum of $25,000 per local plan)
  ➢ Flood Mitigation of Severe Repetitive Loss (SRL) and Repetitive Loss (RL) properties as defined by FEMA and the NFIP

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Pre-Disaster Mitigation (PDM) Overview

• Funds projects which reduce the overall risk to population and structures from future hazard events, reducing the reliance on federal funding from future disasters
  ➢ FY2019 is the last year of the PDM program as FEMA shifts to the Building Resilient Infrastructure in Communities (BRIC) program in FY2020

• Eligible Sub-applicants
  ➢ State/Local Government
  ➢ Indian Tribal Nations

• Cost Share is 75% Federal, 25% Non-Federal

• 2019 Federal priorities
  ➢ **State/Tribal Set-aside** mitigation activities based on the statutory allocation of the fiscal year
  ➢ **Advance Assistance** to develop mitigation strategies and obtain data to develop community mitigation projects for future funding
  ➢ **Resilient Infrastructure** projects including but not limited to:
    o Infrastructure protective measures
    o Utility protective measures
    o Water and sanitary sewer system protective measures
    o Localized flood control to protect critical facilities
  ➢ **Other Traditional PDM Projects** including but not limited to mitigation planning, mitigation projects, generators for critical facilities, etc.
PDM (BRIC) Eligible Activities

- Mitigation Projects
  - E.g., Acquisitions, Elevations, Floodproofing, Generators, Structural Retrofitting, etc.

- Hazard Mitigation Planning
  - Local, regional, state hazard mitigation plans

- Management Cost
  - 5% of the total project/plan cost
  - Geocoding, Review, Application Development, Managing Awards, Staff Salary

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Building Resilient Infrastructure in Communities (BRIC)

- Component of the Disaster Recovery Reform Act (DRRA) 2018
  - Section 1234: National Public Infrastructure Pre-Disaster Hazard Mitigation Grant Program
    - This is the new BRIC program
- Funded through the Disaster Relief Fund
  - 6% set aside specific for hazard mitigation funding
  - Incentivizes mitigation by having more reliable stream of funding
- Expected rollout summer 2020
  - Draft policy and Notice of Funding Opportunity by summer
  - Same process as PDM applications – open September 2020
- BRIC Guiding Principles
  - Support communities through capability & capacity building
  - Encourage and enable innovation
  - Promote partnerships
  - Enable large projects
  - Maintain flexibility
  - Provide consistency
DRRA Section 1234: Building Resilient Infrastructure and Communities (BRIC)

- Leverage 6% set-aside funding mechanism
- Encourage community-wide mitigation of critical lifelines
- Prioritize resilient infrastructure projects
- Competitive, risk-informed projects
- Build capacity and capability
- Support building code efforts

Since 2009, FEMA has received approximately $1 billion in Pre-Disaster Mitigation grant appropriations, of which 48% has been in the last 2 years.

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Funds will vary based on disasters. FIMA estimates that annual funds will average $300-500M per year, with significantly greater amounts following years with catastrophic disasters.
Where we need to go!

- Allocate funding for measures that increase return on investment through funding highly cost-effective projects.

- Maximize opportunities to fund projects that have the greatest impact of protecting against future disaster impacts.

- Mitigate against natural hazards and increase resilience at the community or regional level.
**6-acre underground resiliency park** offers outdoor public recreation amenities such as a natural oasis, athletic fields, play areas, fitness stations, and event space:

- Lowered basketball court provides green stormwater storage
- Rain gardens for capture and filtration

✓ Provides significant mitigation of fluvial and flash flooding for multi-story residential, commercial, and industrial properties.
✓ Reduces economic, environmental, and social impacts.
Cost Share Guide and Match

• All but Severe Repetitive Loss Properties (FMA) require match funding

• Non-federal includes applicants (state), sub-applicants (towns, property owners), insurance, other federal agencies, third parties

  ➢ Potential match for non-federal cost share include:
    ○ Cash – property owner, local/state, donations, etc.
    ○ Donated Resources – time, labor, materials
    ○ Department of Housing Community Development Block Grants and 203k Rehab Mortgage Insurance
    ○ Government Loans (SBA/USDA)
    ○ ICC Funds (up to $30,000) from NFIP

  ➢ Each match requires coordination and has different considerations

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<th>Project Description</th>
<th>Federal Share</th>
<th>Non-Federal Share</th>
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<td>$85,500 (75% of the total Federal award amount)</td>
<td>$28,500 (25% non-Federal cost share)</td>
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Sources of Non-Federal Cost Share:
- Donated in-kind resources from third party and sub-applicant: $14,000 (49%)
- Cash from Applicant: $10,000 (33%)
- Cash from Property Owner: $4,500 (18%)

Each match requires coordination and has different considerations

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Benefit Cost Analysis

- Method of comparing future benefits of a project to its costs
- End result is a Benefit Cost Ratio (BCR) which demonstrates the “cost effectiveness” of a project
  - Projects are considered cost-effective if the BCR is over 1.0
- Consists of modules for common major natural hazards (flood, tornado, earthquake, etc.)
  - Uses national/state averages, algorithms, etc. to provide numerical $ to an impact from disaster
- Version 6.0 (new 2019)
  - Excel-based
  - Streamlined user interface
- Pre-calculated benefits do not require BCA

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What counts as benefits?

- **Benefits** are any future costs or losses that can be avoided as a result of the mitigation project:
  - Physical damages
  - Loss of function
  - Emergency management costs
  - Injuries/fatalities
  - Displacement costs

- Some projects are also eligible for “additional” benefits: environmental and social benefits.
Loss Avoided

- Direct Physical Damages & Relocation Costs
- Transportation
- Lost productivity
- Business Interruption
- Loss of power
- Mental Stress & Anxiety Casualties

Value Added

- Property values Development Opportunities*
- Environmental (Air Quality, Climate Regulation)
- Stormwater Management (CSO Reductions)
- Insurance Savings
- Cultural Heritage*
Ensuring Quality & Competitive Projects

• Project is an eligible activity, technically feasible, cost beneficial
• Benefit Cost Ratio of 1.0 >
• Meets FEMA’s standard priorities
  ➢ BRIC: Focusing on traditional PDM activities and increasing infrastructure-resilient projects
  ➢ FMA: NFIP-insured properties
  ➢ HMGP: State Hazard Mitigation Plan priorities
• Don’t Forget to Submit for Management Costs
  ➢ 5% of the total project (sub-applicants)
Questions and Discussion