Leveraging Innovative Financing Models for Flood Risk Mitigation

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Paul Huang
Acting Director, Risk Analysis Division, FEMA
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The Power of Incentives
What is Resiliency?

“The ability to adapt to changing conditions and withstand and rapidly recover from disruption due to emergencies.”

- National Preparedness Goal
Resiliency and Mitigation

VALUE

TIME

Resilience and Mitigation are critical in managing risk and ensuring the safety and security of communities. The diagram illustrates the progression of value over time, indicating the importance of proactive measures to enhance resilience against potential threats. 

FEMA

RiskMAP
Increasing Resilience Together
How Do You Achieve Resiliency?

- National resilience is built from the bottom up, community by community, inclusive of businesses, neighborhoods, faith-based organizations, ethnic groups, and civic associations.
Economic incentives can drive behavior.

Identifying financing for flood risk mitigation is an on-going challenge for property owners and communities.

Examples from other initiatives may be models for mitigation:

- Rebate programs
- Bond ratings
- Green banking for clean energy projects
- Tax credits
- Low-interest loan programs, such as *Shore Up Connecticut* Resiliency Loan Fund
Mitigation Rebates

▸ **FEMA Mitigation Rebate Project:**
  - Promote and expand the use of HMA grants to fund rebate programs to assist property owners with the cost of mitigation projects.
  - Assist communities in setting up their own mitigation rebate programs.

▸ **Toolkit by end of year**
  - Success stories
  - Outreach materials

Success Story
Big Bear Lake, California
Wood Shake Roof Replacement

▸ Reimbursement up to 70% of the cost of the lowest bid for roof replacement, not to exceed $4,500.
▸ Today, only 10 of 525 homes still have a wood shake/shingle roof
Leveraging Interest Rates

- Low-interest loan programs can incentivize property owners to take mitigation action
- Shore Up Connecticut [http://shoreupct.org/]
Hurricane Sandy and Flood Insurance Incentives for Mitigation: Understanding the Return on Investment

July 2012
Biggert-Waters Flood Insurance Reform Act

October 2012
Hurricane Sandy

March 2014
Homeowner Flood Insurance Affordability Act
Credit rating agencies grade municipal debt.

Lower ratings can drive up interest rates for municipal bonds.

Moody’s Credit Ratings are based on a community’s:

- Economy
- Finances
- Debts and Pensions
- Management
What are you doing in your community?