Disaster Recovery Managing and Leveraging Multiple Funding Sources

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Overview

• Programs
  – FEMA Public Assistance (PA) and Hazard Mitigation Grant Program
  – HUD’s Community Development Block Grant Disaster Recovery Program (CDBG-DR)
  – Federal Highway Administration Emergency Relief Program (FHWA ER)
  – Other Programs
• Overlap & Diverge
• Duplication of Funding
• Combining 404 and 406
• Recommendations

Photo: FEMA Photo Library
Mitigation Breaks the Cycle

- Preparedness
- Response
- Recovery
FEMA Public Assistance: Eligible Grantees

- State Government Agencies
- Local Governments and Special Districts
- Private Non-Profit Organizations
  - Educational facilities
  - Utilities
  - Emergency Services
  - Medical facilities
- Tribes
FEMA Public Assistance: Eligible Activities

• Emergency Work
  – Debris Removal
  – Emergency Protective Measures

• Permanent Work
  – Roads and Bridges
  – Water Control Facilities
    • Drainage channels, pumping facilities, and some irrigation facilities
    • Levees, dams, and flood control channels (restricted eligibility)
  – Buildings and Equipment
  – Utilities
  – Parks, Recreation Facilities, and Other Facilities
FEMA Public Assistance: 406 Mitigation & Program Requirements

- Section 406 of the Stafford Act authorizes cost effective mitigation to eligible **damaged elements** of a facility
- Includes activities performed in addition to those required for applicable codes and standards
- Applied only to the parts of the facility that were damaged by the disaster
- Must directly reduce the potential of future, similar disaster damages to the eligible facility.
- Requires NEPA compliance
FEMA Public Assistance: 406 Mitigation & Program Requirements

- Must be cost effective

Disaster Assistance Policy 9526.1:

VII POLICY B. Mitigation measures must be determined to be cost-effective. Any one of the following means may be used to determine cost-effectiveness:

1. Mitigation measures may amount to up to 15% of the total eligible cost of the eligible repair work on a particular project.

2. Certain mitigation measures (see Appendix A) determined cost-effective, as long as the mitigation measure does not exceed 100% of the eligible cost of the eligible repair work on the project.

3. For measures that exceed the above costs, the Grantee or subgrantee must demonstrate through an acceptable benefit/cost analysis methodology that the measure is cost-effective.
FEMA HMGP: Eligible Grantees

- States
- Territories
- Tribes
- Local Communities
- Private Non-Profit Organizations
  - Educational facilities
  - Utilities
  - Emergency Services
  - Medical facilities
FEMA HMGP: Eligible Activities

- Property Acquisition and Structure Demolition
- Property Acquisition and Structure Relocation
- Structure Elevation
- Mitigation Reconstruction
- Dry Floodproofing of Historic Residential Structures
- Dry Floodproofing of Non-residential Structures
- Generators
- Localized Flood Risk Reduction Projects
- Non-Localized Flood Risk Reduction Projects
- Structural Retrofitting of Existing Buildings
FEMA HMGP: Eligible Activities

- Non-structural Retrofitting of Existing Buildings and Facilities
- Safe Room Construction
- Wind Retrofit for One- and Two-Family Residences
- Infrastructure Retrofit
- Soil Stabilization
- Wildfire Mitigation
- Post-Disaster Code Enforcement
- 5 Percent Initiative Projects
- Advance Assistance
- Hazard Mitigation Planning

Photo: FEMA Photo Library
FEMA HMGP: Program Requirements

- Must be cost-effective
- NEPA Compliance

\[
\frac{\text{Benefits}}{\text{Costs}} = \text{Benefit-Cost Ratio (BCR)}
\]
CDBG-DR: Eligible Grantees

- States
- Units of General Local Governments
- Indian Tribes
- These communities must have significant unmet recovery needs and the capacity to carry out a disaster recovery program
- CDBG-DR grants primarily benefit low-income residents in and around communities that have experienced a natural disaster
CDBG-DR: Eligible Activities

- CDBG-DR funds for recovery efforts involving housing, economic development, infrastructure and prevention of further damage to affected areas.

Examples:
- Buying damaged properties in a flood plain and relocating residents to safer areas
- Relocation payments for people and businesses displaced by the disaster
- Debris removal not covered by FEMA
- Rehabilitation of homes and buildings damaged by the disaster
- Buying, constructing, or rehabilitating public facilities such as streets, neighborhood centers, and water, sewer and drainage systems
CDBG-DR: Eligible Activities

- Homeownership activities such as down payment assistance, interest rate subsidies and loan guarantees for disaster victims;
- Helping businesses retain or create jobs in disaster impacted areas; and
- Planning and administration costs (limited to no more than 20 percent of the grant).
CDBG-DR: Program Requirements

- Do **not** require a BCA
- NEPA Compliance
- Eligible governments must develop and submit an Action Plan for Disaster Recovery before receiving CDBG-DR grants.
  - Action Plan must describe the needs, strategies, and projected uses of the Disaster Recovery funds
Federal Highway Administration Emergency Relief Program (FHWA ER)

• Provides funds to states for repair and reconstruction of federal-aid highways and roads on federal lands that have suffered damage due to a natural disaster

• Funds may not be used to:
  – Replace or duplicate other funds for new construction
  – Increase capacity
  – Make non-disaster related repairs and improvements
FHWA ER: Eligible Activities

- Generally, all elements within the cross section of a highway that are damaged as a direct result of a disaster are eligible for repair under the ER program.

- Examples:
  - Pavement
  - Shoulders
  - Slopes and embankments
  - Guardrail
  - Signs and traffic control devices
  - Bridges & culverts
  - Cribbing or other bank control features
  - Bike and pedestrian path
  - Retaining walls

Photo: FEMA Photo Library
FHWA ER Betterments

Added protective features or changes that modify the function or character of a facility from what existed prior to the disaster or catastrophic failure

Examples:

- Raising roadway grades
- Relocating roadways to higher ground or away from slide prone areas
- Stabilizing slide areas and/or slopes
- Installing riprap
- Lengthening or raising bridges to increase waterway openings
- Deepening channels
- Increasing the size or number of drainage structures
- Replacing culverts with bridges
- Installing seismic retrofits on bridges
- Adding scour protection at bridges
FHWA ER Betterments Program Requirements

- Must be cost effective
  - Projected cost to the ER program from potential recurring damage over the design life for the basic repair to the cost of the betterment.
  - The analysis does not include other factors often included in highway benefit/cost evaluations, such as traffic delays costs, added user costs, motorist safety, economic impacts, etc.

- NEPA compliance
Other Agencies

- USACE
- NRCS
- EPA
- State and Local Agencies
- And more...

Photo: FEMA Photo Library
Overlap & Diverge

• Eligibility
  – Damaged vs. Not
  – Project Types
• Cost Effectiveness
• Environmental Reviews

Photo: FEMA Photo Library
Duplication of Funding

- Funding cannot duplicate funding available from other Federal Agencies.
- A duplication occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose.
Combining 404 and 406

- Section 406 funds can address damaged components while Section 404 funds can address the undamaged components.
- The State must identify potential projects for consideration of joint 404 and 406 funding early in the recovery period to allow time for comprehensive and streamlined eligibility review.

<table>
<thead>
<tr>
<th>Event</th>
<th>404</th>
<th>406</th>
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<tbody>
<tr>
<td>Flood</td>
<td>Protect the entire WWTP to safeguard continuity of operations.</td>
<td>Elevate damaged equipment within WWTP.</td>
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<tr>
<td>Wildfire</td>
<td>Implement defensible space measures and hazardous fuels reduction.</td>
<td>Integrate ignition-resistant construction techniques during repair process of damaged structural elements.</td>
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<tr>
<td>Wind Retrofit</td>
<td>Strengthen the entire building envelope (roof, all windows, etc.)</td>
<td>Strengthen damaged windows during repair.</td>
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Recommendations

- Cross training at State and Federal Level
- Coordination and information sharing on Environmental Reviews
- State to set priorities early to allow applicants to best prioritize resources
- Planning
  - Codes and Standards
  - Understanding Risk
  - Asset Management
  - Document non-disaster damages
- Accurate detailed scopes and & cost estimates
- Educate and be your own advocate

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Questions and Discussion