Why NJ Rocks...

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:
- Texas: $118 million
- Louisiana: $129 million
- New Jersey: $97 million

*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
General Approach

- 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)
Forming a Grant Partnership

• 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.
Public Outreach – Building a Long Term Program

• 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
Public Outreach – Managing Expectations

• 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”
Private Property Mitigation Issues

• 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

- 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”.

Developing a Winning Grant Application

- 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?

<table>
<thead>
<tr>
<th>FEMA FMA Fiscal Year</th>
<th>Cluster Name</th>
<th>Total Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Madison/Roosevelt East</td>
<td>474</td>
</tr>
<tr>
<td>2016</td>
<td>Voorhis</td>
<td>386</td>
</tr>
<tr>
<td>2017</td>
<td>Beverly/Greenwood</td>
<td>381</td>
</tr>
<tr>
<td>2018</td>
<td>Pequannock South</td>
<td>249</td>
</tr>
<tr>
<td>2019</td>
<td>Brookside</td>
<td>243</td>
</tr>
<tr>
<td>2020</td>
<td>Riverside South</td>
<td>200</td>
</tr>
<tr>
<td>2021</td>
<td>Madison/Roosevelt West</td>
<td>198</td>
</tr>
<tr>
<td>2022</td>
<td>Winding Way</td>
<td>180</td>
</tr>
<tr>
<td>2023</td>
<td>Riverside North</td>
<td>152</td>
</tr>
<tr>
<td>2024</td>
<td>Village</td>
<td>136</td>
</tr>
</tbody>
</table>
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
Developing Coordinated Funding to Reduce Local Flood Risk

ASFPM 2017 Annual Conference
Kansas City, Missouri
May 3, 2017
Jonathan Raser, CFM
Alison Miskiman, GISP, CFM