ASFPM Comments on Draft
National Mitigation Investment Strategy

The Association of State Floodplain Managers (ASFPM), with its 18,000 members nationwide and 36 chapters, is pleased to submit comments on the draft National Mitigation Investment Strategy (NMIS). In order to protect life and property and reduce the unsustainable expense of flood disasters to the federal taxpayer, we must improve the coordination and effectiveness of mitigation investments.

ASFPM has identified a few of the most significant mitigation barriers and/or disincentives to mitigation our members have observed in recent years. Many of these come from the perspective of state and locals who are making investment decisions and getting feedback from at-risk property owners. In order to effectively invest in mitigation at all levels of government and encourage private sector participation, these impediments need to be remedied.

- **Speed of mitigation.** It’s been shown that property owners and many communities have a limited timeframe where interest in mitigation is greatest. This is typically months, not years after a disaster. The time to mitigate is before buildings and infrastructure are damaged. However, when they are damaged, mitigation should be incorporated into the rebuilding or re-visioning process. Many times this happens years later or not at all because of the slow pace of many of the larger federal mitigation grant programs. Innovative solutions such as state revolving funds, post-mitigation reimbursement, low cost loans should be further explored and implemented.

- **Open Space use of acquisition properties.** Acquisition is the most effective long term mitigation strategy in highly vulnerable areas. Many communities struggle with tough decisions related to loss of tax base and vacant property. Many re-vision the use of the property to create community assets. Recent FEMA policy and regional interpretations related to communities using the properties for activities consistent with open space principles is reducing local and state interest in mitigation. There are many examples of extreme differences between FEMA Regions on how to handle proposed uses of these properties. Beyond inconsistencies, the FEMA Regional approval process is difficult and time consuming to navigate. FEMA must consider policies that allow reasonable and appropriate open space uses of buyout properties to further incentivize buyouts instead of discouraging them by current practices.

*Dedicated to reducing flood risk and losses in the nation.*
• **Limitations of grant programs.** One of the largest impediments to comprehensive mitigation is some of FEMA’s own pre-disaster programs. The Increase Cost of Compliance (ICC) program through flood insurance should be improved and expanded. FEMA must continue to look for ways to mitigate properties draining the flood insurance program while balancing the benefits of comprehensive mitigation (blocks and neighborhoods) that is important to local communities.

• **Flood Insurance Rating & Discounts.** Affordable flood insurance is a high priority for ASFPM and many communities. However, one of the flaws of affordable insurance is that it suppresses the motivation to mitigate. Positive return on investment is the biggest factor in whether private dollars are used to mitigation. At a minimum, FEMA needs to continue doing more to clearly communicate the financial cost of actuarial rated flood insurance so policyholders and communities better understand their risk and have incentive to mitigate. In addition, FEMA should be further incentivizing incremental mitigation, (like wet floodproofing, elevating mechanical systems, protecting lower portions of buildings, etc) through improved flood insurance rates.

• **Barriers in existing federal policies and programs to effective flood mitigation.** Several years ago, ASFPM identified over 130 federal programs that had some impact on flood risk management. Unfortunately, these programs often contain built in disincentives to good mitigation behavior or perverse incentives for the wrong behavior. One example is the tax code and the casualty loss deduction which rewards not having insurance versus also having a deduction for undertaking a mitigation action; or the relatively small amount of disaster assistance withheld from a community that does not participate in the NFIP after a flood disaster (versus more of the overall disaster assistance resources). Unfortunately, upon questioning by ASFPM, it appears that this NMIS effort is not focusing on eliminating disincentives that exist in current programs. We think this is a mistake.

The NMIS is grounded in three fundamental principles that inform its national approach. Global thoughts on these principles are provided below.

1. **Catalyze private and non-profit sector mitigation investments and innovation.** This is an important piece of an investment strategy. It is also the most challenging when the national has a history and culture of bailing out high risk investments/behaviors. These investments should not only be looked at from the lens of “existing” risk, but future risk. We need more private investment in mitigating future flood losses that don’t exist today. Unfortunately, the flood insurance products and minimal “Existing conditions” standards often don’t provide the tools for wise long term investments.

   Substantial thought must be put into federal practices that incentivize or disincentivize private and non-profit investment and innovation. Two of the biggest factors in these decisions are Return-on-Investment (ROI) and risk to people/property/services. There are many things the federal government can do to inform and educate to catalyze private and non-profit sector mitigation.
Association of State Floodplain Managers, Inc.

(2) **Improve collaboration between the federal government and SLTTs, respecting local expertise in mitigation investing.** Improving collaboration would require a whole new approach for FEMA. There is an excellent model for this: in FEMA Region IV, there is a federal-state partnership (in Florida) where the FEMA mitigation staff meet regularly with state team leaders for a cohesive, stream-lined process of submittal, review, contracting and final inspections. This practice should be replicated across the nation. ASFPM is still hearing about too many barriers to effective support of states and their mitigation strategies in the aftermath of a disaster (i.e., JFO support for 406 mitigation).

(3) **Make data- and risk-informed decisions that include lifetime costs and risks.** In the supporting text for this principle, the document states that “The Investment Strategy also supports improving the ability of families, businesses, and federal government and SLTT leaders to understand risk and make risk-based decisions through use of incentives or choice architecture to steer decision-makers toward optimal outcomes for the public good.” Flood insurance claim information is so highly protected, it often “hides” the past history of properties. If families and businesses could see the past flood loss claims for a property, they would have good information to support a decision to purchase that property or not, understanding the potential future risk without mitigation. Similarly, flood inundation information due to the failure or overtopping of reservoirs and levees is restricted as “For Official Use Only” by several federal agencies. ASFPM believes that the public benefit of the widespread availability of this information far outweighs any potential risks that this data be used by those desiring to do harm to US citizens.

The thoughts and comments below are organized based on the six (6) themes identified in the NMIS.
1) **Improved Coordination:**

   a. FEMA contractors are involved in many parts of disaster recovery and mitigation for good reason. However, most are not aware of local programs and initiatives.

   b. The FEMA Recovery Division must become a real partner in hazard mitigation. This does not exist in reality.

   c. Develop a method for EASILY combining HMGP with PA406, CDBG-DR and other financial products such as the 203K HUD loans and EPA grants. As an example, PA406 mitigation is seldom utilized. There are currently impediments intra agency. The program is not widely encouraged and works poorly when coordinated with HMGP.

   d. Coordination improvements must include addressing challenges with tribal governments. We should figure out how non-federal partners can help to encourage mitigation in tribal areas.

   e. Review successful coordination models for planning and implementation efforts within states. Positive examples included:
      
      a. Colorado’s “Floodplain Technical Assistance Partnership”
      
      b. USACE silver jackets groups that share efforts and projects to coordinate or increase awareness.
      
      c. Vermont reconstruction of the state’s historic office buildings in Woodbury, VT, after full damage during 2011 Hurricane Irene, mitigation effectively utilizing 404 and 406 funds, without duplicating benefits.

   f. Coordination should include mitigating the greatest probable loss areas first. Find a way to keep people from developing in highest-risk areas.

   g. Money and savings matter. FEMA could create a simple yet centralized loss avoidance assessment tool so that communities could see the savings when they mitigate. Florida developed such a tool for 2 kinds of flooding (rising water and poor drainage) and for wind mitigation. Charlotte, NC has a real-time losses avoided tool that may not be practical nationally, but the concept of showing losses avoided it important to future mitigation.

   h. “Complementary processes” need to be in place within federal programs. HMGP and PA406 should work together. Mitigation could effectively work with CDBG-DR and mitigation post-disaster. Coordination and consistency between FEMA regions related to rules and guidance would further mitigation efforts.

   i. Wise technological investments into mitigation “systems” is helpful. The document mentions the Grants.gov online “wizard” tool that would help to streamline federal grant processes and programs for users. Seems that this is already underway in the overhaul of NEMIS, Emmie and the CIS. FEMA seems to spend a lot of money and time for these tools, and many times they are cumbersome or don’t work as intended.

   j. Please further explain what allowing “community-based adaptations” means. ASFPM supports community based mitigation that has long term benefits to the federal taxpayer.

   k. Effective coordination brings everyone equally to the table at the same time to review a mitigation alternative. Once this is done, we need to let the “mitigators”
mitigate at the community level and reduce coordination that will inhibit action. For example, right now the community presents an alternative, then FEMA reviews for RFIs, then the SHPO reviews, then the environmental team reviews, etc. If a project is brought to the table one time for everyone to look at, it could shorten the extensive "pre-contract" timeline.

2) **Increased Investments**
   
a. Some examples of involving private and non-profit successfully include:
   
   a. A private company helped create virtual reality tools for visualizing potential losses and impacts
   
   b. Floodplains by design, created by The Nature Conservancy
   
   c. Encouraging and/or financial incentives for conservation districts and easements donated by private sector

   b. We should make it relatively difficult to invest in high-risk areas. Incentivize private sector to reserve these areas for public or private use without structures. Charlotte, NC has done this through stream “buffer” rules that have resulted in future greenway corridors being donated/protected. Denver Urban Drainage District has done this by showing developers how to reduce costs and increase profitability by setting aside open space and storm water controls.

   c. The NMIS refers to a "BCA resilience planning tool that could link to or incorporate the NIST Economic Decision Guide." Please explain more because that seems like something useful.

   d. One approach to conversely promote investments is to strongly encourage insurers to negatively rate products in communities that allow risky development (i.e. unnecessary variances.)

3) **Shared Fiscal Responsibility**
   
   a. FEMA should encourage and consider funding start-up costs of storm water utilities or drainage districts who's focus will be local/regional storm water issues.

   b. Need more creative and dedicated funding sources for flood risk management. Examples of successes include:

   a. custom license plate fees,
   
   b. deed recordation fees,
   
   c. storm water utility programs,

   d. watershed districts,

   e. dedicated sales tax,

   f. California Coastal Commission funds – state level grants for sea level rise

   g. Toll road funding concepts

   c. Create programs for Low to Moderate Income property owners that will allow them to mitigate before disaster. Similar programs (like the PACE) exist for energy efficiency

   d. Figure out a way for the bulk of financial responsibility for risky development to rest on the shoulders of the entity that permits such development. If
communities stop allowing risky development, local tax payers will save (taxes and insurance costs).

4) Greater Access to Data
   a. Need to use data to support mitigation Examples include:
      a. Dam and levee failure data
      b. Non-regulatory risk map data
      c. Disaster insurance claim information
   b. Flood Insurance Rate Map (FIRM) information. When the FIRM shows a whole number BFE, and there is no data in the FIS to clarify it to the 0.1 of a foot, it is commonly regulated as a “.0” number (e.g., BFE 110 treated as 110.0). Per FEMA 480, the regulatory BFE should be considered to be +0.4’ (e.g., BFE 110 regulated as 110.4).
   c. Fix process that result in errors in FEMA’s claims database. For example, data that assigns the wrong community may prohibit property mitigation planning and action by states and communities.
   d. Increase public access to the RL and SRL data so that buyers can have the information they need to make a wise decision.
   e. Leading practices and case studies are helpful within reason. FEMA seems to have abandoned the best practices database, so there should be thought into return-on-investment of these tools before too much more federal funding is used for this type of activity.

5) Risk Informed Investments
   a. Risk assessment planning – view community as a risk portfolio
   b. Public service announcements
   c. Floodsmart used to be good resource
   d. FLASH has great resources
   e. Don’t re-invent the wheel and waste resources creating from scratch. The EPA, TPL, TNC and others have already developed excellent tools.

6) Resilient Infrastructure
   a. Change policies that require things to be put back the way they were
   b. Consider both short and long term costs of infrastructure
   c. Incentivize setback levees and other long term solutions
   d. Use real world situations for training and exercises
   e. Need to incentivize communities pass and enforce up-to-date model building codes. Be sure the content of the code is the focus and not just the date of the code. It can be very expensive for small communities to update entire codebooks.
   f. Provide less funding for cost-share for structural solutions to encourage nature-based mitigation.
g. Implement pre-disaster recovery planning. It is far more effective for a community to plan ahead for recovery decisions than to make those decisions post-disaster when the world is in chaos around them.

The ASFPM thank you for your consideration of our thoughts and comments.

Tim Trautman, PE, CFM
ASFPM Mitigation Committees Coordinator