

UNIFIED HAZARD MITIGATION ASSISTANCE (HMA) GRANTS



FEMA



What is Mitigation?

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- “sustained actions taken to reduce or eliminate long-term risk to people and property from hazards and their effects...”
- Build better/stronger – don’t simply restore to pre-disaster conditions
- Looking for upgrades, improvements & enhancements over existing conditions
- Mitigation breaks the cycle of damage/repair/damage

FEMA Hazard Mitigation Grants

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- ❑ Property owners must apply to Town; property owners cannot apply direct to MEMA/FEMA
- ❑ Elevation and acquisition grants are strictly voluntary on the part of the homeowner
- ❑ FEMA-funded; administered by MEMA/DCR at State level
- ❑ Not 'emergency' type program (the grant process takes time)
- ❑ Cannot fund work that has already been completed
- ❑ PDM and FMA programs are annual programs that are nationally competitive. Each year FEMA will indicate the amount of funding available nationwide for these programs.
- ❑ HMGP is funded following a presidentially declared disaster

Important Factors

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□ **This is a reimbursement grant**

- Meaning the homeowner pays first and submits bills, checks, etc. and is then reimbursed for actual eligible costs incurred
- Partial reimbursements are allowable, and recommended
- 10% of total grant is withheld by MEMA until after final inspection by MEMA/FEMA

□ **There is a cost share to these grants**

- Grant funds are typically funded with 75% Federal share, 25% non-federal match (non-federal match for residential acquisitions and structural elevations is generally provided by property owner)
- Properties included in a project sub-application for **FMA** funding must be NFIP insured at the time of the application submittal
- The non-federal share must be directly related to the proposed activities and must be identified in the application
- Some specific properties are eligible for more than 75% federal share; those are SRL or RL properties under the NFIP (not a published list)

SRL/RL Definitions (1 of 2)

The Biggert-Waters Act of 2012 (BW-12) established definitions of repetitive loss property and severe repetitive loss property for cost-sharing purposes in the FMA Program. (Note: BW-12 also eliminated the SRL program and integrated it into FMA).

- **A RL property** (potentially eligible for 90% Fed. funding) is a structure (covered by a contract for flood insurance made available under the NFIP) that:
 - (a) *Has incurred flood-related damage on 2 occasions, in which the cost of the repair, on the average, equaled or exceeded 25 percent of the market value of the structure at the time of each such flood event; and*
 - (b) *At the time of the second incidence of flood-related damage, the contract for flood insurance contains increased cost of compliance coverage.*
- **A SRL property** (potentially eligible for 100% Fed. funding) is a structure (covered by a contract for flood insurance made available under the NFIP) that:
 - (i) *Has incurred flood related damage – for which 4 or more separate claims payments have been made under flood insurance coverage with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or*
 - (ii) *For which at least 2 separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the insured structure.*

SRL/RL Definitions (2 of 2)

- There is a longstanding definition in the National Flood Insurance Program (NFIP) for repetitive loss property. That is a property with 2 or more flood insurance claims paid under the NFIP of over \$1,000 each, within any 10-year period. This definition is used for most aspects of the NFIP, including describing areas of repetitive flooding in a community's hazard mitigation plan.

Types of Eligible Activities

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- ❑ **Elevation of structures**
- ❑ **Acquisition of structures (conversion to open space)**
- ❑ **Elevation of utilities**
- ❑ Wind Retrofit
- ❑ Drainage Improvements (culvert upgrades, etc.)
- ❑ Stormwater Management (detention/retention)
- ❑ Backflow prevention

Facts on Structural Elevation

- ❑ Elevate existing structure above Base Flood Elevation (BFE)
- ❑ Construction must be in conformance with all federal, state, and local permitting/design requirements (building permit, Notice of Intent, etc.)
- ❑ Must also meet ASCE/SEI 24-05 criteria
- ❑ Elevation Certificate before and after elevation will be required
- ❑ Benefit-Cost Analysis (BCA) documentation
- ❑ Maintain flood insurance in perpetuity after project completion (recorded via deed restriction)
- ❑ Cannot increase square footage of home; elevation of existing structure only

Elevation – Application Requirements

- Following items are needed for an application:
 - Detailed Scope of Work – usually provided by a contractor or engineer/architect hired by the homeowner
 - Elevation certificate
 - Cost estimate (3 bids from contractors)
 - Photos (at least one of each side)
 - Physical address and property owner's name
 - Flood Insurance Rate Map (FIRMette)
 - Tax Assessors Card

Facts on Acquisition

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- Fair Market Value (FMV) for the land & home are determined by an appraisal
- The federal grant will pay for usually up to 75% of the FMV; the remaining 25% is usually absorbed by homeowner or through another non-federal funding source
- The community buys private property, acquires title to it, and then demolishes the building and removes utilities
- The deed is then recorded as permanent open space and no building can occur in the future. The town will maintain the land in the future
- Buyouts are strictly voluntary (both on the part of the Town & property owner). No homeowners are ever forced to relinquish their property
- Participation or inclusion in an application for funds, does not obligate a homeowner to sell home
- Reference HMA Guidance Addendum for additional details regarding Property acquisition

Acquisition – Application Requirements

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- Following items are needed for an application:
 - Detailed Scope of Work and total budget
 - Benefit cost information (more details later in presentation)
 - Statement of Assurances
 - Deed Restriction Language (drafts)
 - Property Owner Documentation
 - Owner must be a US Citizen or qualified alien
 - Letter of Voluntary Interest
 - Estimate of fair market value (official appraisal is not needed for the application)

Other Types of Mitigation Activities...

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- Mitigation Reconstruction
 - Pays up to \$150,000 to elevate building on the same site where an existing building and/or foundation has been partially or completely destroyed
 - Only permitted for structures outside of the regulatory floodway or coastal high hazard area (Zone V)
- Utility Elevation (non-structural retrofitting)
 - Modifications to existing utilities to raise them to a higher level in the home (above BFE)
 - Will not pay for new appliances/equipment
- Wind Retrofit
 - Storm Shutters, impact resistant glass, in conformance with *Retrofit Guide for Residential Buildings (FEMA P-804)*

Benefit-Cost Analysis (BCA)

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- A BCA is required for all mitigation projects
- For Acquisitions and Elevations in the Special Flood Hazard Area (Flood Zone) there is a BCA waiver in place
 - If your acquisition project costs less than \$276,000 the waiver may apply
 - If your elevation project costs less than \$175,000 the waiver may apply
- BCA looks at damages twice; before mitigation & after mitigation
 - Benefits = damages and/or losses avoided with project implementation
 - damages to buildings, infrastructure, contents;
 - economic impacts of loss of building, public services, net business income and costs for temporary quarters;
 - avoided emergency response costs (security, temp. protective measures, etc.)
- Typically the homeowner provides all the data to the town and the town conducts the BCA analysis in FEMA Software

Roles & Responsibilities

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- FEMA:
 - Review and evaluate sub-applications submitted by State;
 - Approve federal funding for selected projects
- State (Grantee):
 - Provide Assistance & solicit for project applications;
 - Conduit for applications and funding to locals;
 - Responsible for project management and accountability of funds at State level
- Local (Sub-Grantee):
 - Work with property owners/businesses to develop mitigation applications;
 - Primary responsibility for developing project applications and Benefit-Cost Analyses (BCA);
 - Project management, implementation and local accountability of project funds

Summary

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- ❑ MEMA is conduit for applications and funding to/from FEMA
- ❑ Town is the sub-grantee and the POC/conduit for local residents
- ❑ The Town will work with homeowners to ensure all terms and conditions of the grant are being met
- ❑ Projects must be cost effective

Grant Guidelines & Resources

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- FEMA Unified HMA Program Guidance (2 PDF's)
 - <https://www.fema.gov/media-library/assets/documents/33634>
- Homeowner's Guide to Retrofitting Second Edition (FEMA 312)
 - <http://www.fema.gov/library/viewRecord.do?id=1420>
- Protect Your Property from Flooding
 - <http://www.fema.gov/library/viewRecord.do?id=3262>
- Above the Flood: Elevating your Flood Prone House (FEMA 347)
 - <http://www.fema.gov/library/viewRecord.do?id=1424>