THE BIG EVENT IS OVER

NOW WHO PICKS UP THE CHECK?

H₂O PARTNERS

Taran Roddy
Dorothy Martinez, ANFI, CFM
FUNDING SOURCE EXAMPLES - POST DISASTER

FEMA PA and HMGP;

HUD Community Development Block Grant program for Disaster Recovery (CDBG–DR)

U.S Army Corps of Engineers (USACE)

U.S. Department of Agriculture (USDA)

Environmental Protection Agency (EPA)

Federal Highway Administration – Emergency Relief (FHWA–ER)

Federal Transit Administration– Emergency Relief (FTA–ER)
## FEMA/HUD Comparison

<table>
<thead>
<tr>
<th>Fundy Type</th>
<th>Available Post-Disaster</th>
<th>Available Annually</th>
<th>Declared Disaster Areas Only</th>
<th>Cost Share</th>
<th>Use for Local Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEMA PA</td>
<td>+</td>
<td></td>
<td>+</td>
<td>25/75</td>
<td></td>
</tr>
<tr>
<td>FEMA HMGP</td>
<td>+</td>
<td></td>
<td></td>
<td>25/75</td>
<td></td>
</tr>
<tr>
<td>HUD CDBG-DR</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>0/100</td>
<td>+</td>
</tr>
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</table>
MATCH OPTIONS

Cash (State/Local)

In-kind

Program Match

Global Match
GLOBAL MATCH

Leveraging funding sources to ensure that the “local match requirement” of a grant program is met, maximizing recovery without major local-level expenditures.
PRIMARY PRINCIPLES

“Local Match” is required by grant, NOT by project

**Traditional Match:**
Each locality pays 25% of a project to meet local match, using whatever funding they can come up with.

**Global Match:**
Local match is met using credit from other projects funding by different funding sources.
WHY MATCH?

Disasters are difficult at the local level....

- Tight budgets with limited ability to borrow
- Revenues weakened by a disaster, making project choices harder and further straining resources
- Paperwork burden is high for small communities

... But Global Match can ease local burden

- Allows match credit for programs already completed
- Creates efficiencies for local governments to receive multiple funding sources without added burden
- Lessens the need to cut corners or avoid necessary projects due to funding alone
HOW

View holistically
- By looking at all unmet disaster obligations
- By looking at multiple funding types
- By looking at the match as a grant match, not a project-by-project expenditure

Use traditional agencies
- Assemble departments/bureaus already administering programs
- Applicants often barely knew difference if done right

Focus on projects that meet multiple programs’ rules
- Know your programs and conduct eligibility reviews with many programs in mind
- Allows for flexibility of funding and the ability to move a project based on whole program needs

And mostly – ensure dialogue with state and federal partners
NOT ALWAYS EASY…
Programs have overlapping mandates and conflicting rules

- Requires subject-matter expertise
- Requires creativity in project types and funding decisions, as well as open-mindedness amongst partners
- Can create redundancies in administrative requirements

Inter-agency relationships are often complicated at best

- Relies on inter-agency cooperation and open dialogue
Example: CDBG-DR buyouts on Long Island, NY being used as a credit toward local share for HMGP projects throughout the State.

- The CDBG buyouts and HMGP projects were both going to occur either way

- Leveraging the two together has...
  - Allowed most HMGP projects to be funded 100% by federal dollars, avoiding local expenditures
  - Prevented locals from limiting their project decisions due only to match costs
  - Allowed the state to demonstrate the ability to meet match without concern over local match contribution viability

- Good program administration has...
  - Prevented homeowners in the buyout program from providing anything outside of what would already be required
  - Eliminated the need for multiple points of contact or additional administration by the locals
  - Leveraged each federal grants’ administrative funds to prevent excess cost to the state to run the program
INCREASED COST OF COMPLIANCE

Dorothy Martinez
WHAT IS INCREASED COST OF COMPLIANCE (ICC) COVERAGE?

1. If a building is damaged by a flood, it may be required to meet certain building requirements in the local community to reduce future flood damage before it is repaired or rebuilt.

2. The NFIP Standard Flood Insurance Policy (SFIP) provides coverage to cover the costs of meeting those requirements, subject to eligibility.
How Much Coverage is Available?

$30,000

Four Options

Elevation
Relocation
Demolition
Floodproofing
MITIGATION OPTIONS

Four Options Covered: Floodproofing, Relocation, Elevation, or Demolition (F.R.E.D.)

There are four options you can pursue to comply with your community’s floodplain management ordinance and help reduce future flood damage to your building. You may decide which of these options (F.R.E.D.) is best for you.

1. **Floodproofing.** This option is available primarily for non-residential buildings. It involves making a building watertight through a combination of adjustments or additions of features to the building that reduces the potential for flood damage.

2. **Relocation.** This moves your building out of harm’s way.

3. **Elevation.** This raises your building to or above the flood elevation level adopted by your community.

4. **Demolition.** This tears down and removes flood-damaged buildings.
How Much Coverage is Available?

$30,000

Four Options

1. Elevation
2. Relocation
3. Demolition
4. Floodproofing

When to File?

1. Determine substantial damage
2. Has repetitive provision
3. Contact insurance agent or company

How to File?

1. Separate claim process
2. Must have letter from local community
3. Contact insurance agent or company
IN CONJUNCTION WITH FEMA MITIGATION GRANTS

- Some can take advantage of Federal grant money to supplement cost
- Policyholders can assign their ICC benefits to their community
- ICC claim monies can serve as non-Federal match when applying for mitigation grants
A POLICYHOLDER'S PERSPECTIVE

Kristina Smith
COLLABORATION

It is extremely important for policyholders and community officials to work closely together at every stage of the process.
<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
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</table>
| Policyholder                  | • Obtain substantial damage letter  
• File ICC Claim  
• Get approval on mitigation option with community |
| Insurance Agent               | • Explain ICC benefit to policyholder  
• Report ICC claim to the insurance company |
| Adjuster                      | • Document substantial damage determination  
• Obtain floodplain management ordinance  
• Verify mitigation activity is in compliance |
| Floodplain Manager            | • Issue substantial damage Letter  
• Assess mitigation project is NFIP compliant  
• Ensure completed work is NFIP compliant |
RESOURCES

- Independent Study course at EMI:

- FEMA 301 (Sep 2003) ICC Guidance for State and Local Officials

- FEMA Bulletin w–15038 Extension to 6 years
QUESTIONS?