



**Combined HMGP-1957-1993-4020-4031**



# **Public Outreach – Hazard Mitigation**

**February 2, 2012  
Town of Middletown  
Town Hall**





## Meeting Purpose

- Explain hazard mitigation, particularly as it relates to private property owners
- Explain federal mitigation grant programs, particularly the current HMGP opportunity
- Explain elevations and acquisitions
- Discuss property owner, municipal, county and state obligations
- Answer questions and address concerns



# What is Hazard Mitigation?

*“Mitigation” -*

*Sustained action taken to reduce or eliminate long-term risk to life and property from a hazard event*

*-Or-*

*Any action taken to reduce future disaster losses*





## Hazard Mitigation Planning

- FEMA requires that local governments develop, adopt and maintain Hazard Mitigation Plans (HMPs) in order to access federal mitigation grant funding

***“provides the blueprint for reducing the potential losses identified in the risk assessment, based on existing authorities, policies, programs and resources, and local ability...” (44 CFR 201)***

***A Local Mitigation Plan demonstrates a jurisdiction’s commitment to reducing risks from natural hazards and serves as a guide for decision makers as they commit resources to minimize the effects of natural hazards.***

- Delaware County and 29 Municipalities developed their original HMP in 2005/6.
- By regulation, local HMPs must be formally updated, approved by FEMA, and adopted by all jurisdictions every 5 years.

*Delaware County (through the Planning Department and Emergency Services) is currently facilitating the plan update process for the County and all municipalities in the County.*



## Federal Mitigation Grant Programs

### Hazard Mitigation Assistance (HMA) Grant Program

- Pre-Disaster Mitigation (PDM) Program
- Flood Mitigation Assistance (FMA) Program
- Repetitive Flood Claims (RFC) Program
- Severe Repetitive Loss (SRL) Program
  
- Annually funded by Congress
- Application period opens each June, grant awards announced early in the following year
- Generally nationally competitive programs

### Hazard Mitigation Grant Program (HMGP)

- Available after a declared disaster in the state (disaster-driven)
- Generally funded at 15% of the “cost” of the disaster
- Subject to state priorities



## Mitigation Grant Programs – General Requirements

Can fund projects on both public and private property

Generally require a 25% non-Federal “local match”

The State is the “applicant” to FEMA, while the local government is the “sub-applicant”...private property owners may not apply on their own

Private property mitigation projects generally include –  
Flood-proofing and retrofits  
Structural Elevations  
Acquisitions

Acquisitions the preferred option in the case of the most flood vulnerable properties as it completely eliminates flood risk for that structure.

Elevation and flood-proofing reduces vulnerability but not exposure...there is always some level of flood severity after which damage will occur.



## Grant Award Requirements and Criteria

- Project must be identified in your HMP. Elevations and acquisitions have been generally identified in the current DC HMP.
- Project must be an “eligible” activity under the specific grant programs
- Project must meet State priorities if established (HMGP)
- Project must be “cost-effective”, as either:
  - Documented through a formal Benefit-Cost Analysis
  - Assumed based on certain criteria (e.g. “Substantially Damaged” and located in the NFIP SFHA)



## Current HMGP Opportunity

On December 22, 2011, NYSOEM announced a combined HMGP opportunity resulting from four declared disasters, starting with Irene and ending with the Oct. 29 severe winter storm and snowstorm.

The State has established the following priorities –

- Projects located in the counties most impacted by the four disasters, particularly focused on flooding (DC is one of these identified)
- Projects that realize permanent flood mitigation solutions (e.g. removing properties from a floodplain)
- Projects that significantly reduce a property's risk from flooding (e.g. structural elevation)





## Current HMGP Opportunity – Project Funding

After Planning Grants, the State will use remaining HMGP funds for projects in the following three categories –

- Acquisition Projects that demolish (or relocate) substantially damaged properties from a 100-year floodplain (the NFIP Special Flood Hazard Area or “SFHA”)
- Elevation Projects that raise properties in the 100-year floodplain (note: the State will not fund elevations in the regulatory floodway)
- All other project types, if funds remain after acquisition and elevation requests are addressed.



## Property Acquisition Under the HMGP

- Regardless of the condition of your property at this time the sponsor will offer you Fair Market Value (FMV) of your property prior to most recent flood damage.
- A NYS licensed appraiser commissioned by the project sponsor will appraise each property using the following tools:
  - Inspections
  - Public records
  - Comparison to similar properties in the same market.
- Property owners may appeal the appraisal and/or fund a second appraisal
- Once owned in title, the public agency is required to clear all structures and place protective deed restrictions and easements to ensure future structures cannot be built on the site.



## Property Acquisition Under the HMGP

- For this HMGP offering, the State will process only “Substantially Damaged” properties in the acquisitions category, with few exceptions
- For HMGP property acquisition projects only: For structures identified in a currently mapped NFIP riverine SFHA (100-year floodplain), and declared “Substantially Damaged” due to the impacts of flooding by a local authority having jurisdiction, the project is considered “cost effective” and BCA is not required.
- Voluntary participation
  - No property owner will be forced to sell their property under this program.
  - By law only properties that the owner voluntarily agrees to sell will be purchased.
  - There is no power to use eminent domain in this program.



## Substantial Damage

“Substantial damage occurs when a property sustains damages that equal or exceeds 50% of its Fair Market Value (FMV) prior to the event, as determined by a local authorized official.”

Standard NFIP definition –

“damage of any origin is sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred.”

Market Value:

$$\frac{(\text{Assessed Value of Property} - \text{Assessed Value of Land})}{\text{State Equalization Rate}}$$

Or an Independent Appraisal



# Substantial Damage Determinations

## Advantages:

- Makes your property eligible for this HMGP offering, if you are located in an NFIP SFHA
- If you are NFIP insured, may allow certain policy benefits to defray or cover the 25% “local share” through the Increased Cost of Compliance (ICC)

## Disadvantage:

- Triggers conformance with your community’s local floodplain ordinance and the floodplain provisions of the NYS Uniform Fire Prevention and Building Code if the property is ultimately repaired.



## Increased Cost of Compliance (ICC)

- Additional insurance payout that could be awarded for substantially damaged properties
- Maximum pay out of \$30,000.00 to be used for
  - Elevation
  - Relocation
  - Acquisition/Demolition
  - Flood proofing (non-residential)



## Exceptions

“For this HMPG offering, it may be possible to acquire repetitive damage properties, and structures not substantially damaged if they are contiguous to a group of substantially damaged properties, and damage and benefit calculation produce a passing BCA.”

Such projects must be discussed with NYSOEM before Letters Of Intent (LOIs) are submitted.



## Property Acquisition Under the HMGP

### Costs paid by sponsor:

- First Appraisal
- Title search
- Lot survey, if necessary
- Closing costs
- Demolition
- Site Restoration

### Costs paid by property owner:

- Mortgages
- Liens
- Taxes and back taxes
- Any other outstanding balances on the property
- Moving costs
- Costs associated with purchasing a new home





## Property Acquisition Under the HMGP

### Duplication of Benefits

- FEMA will require the project sponsor to subtract from the purchase price the amount of other federal assistance you might have received for the same purpose. This includes any flood insurance pay outs.
- If you have receipts to verify any moneys received from the federal government were used for repairs to make your home livable these costs will not be subtracted from the value of your home. Eligible repairs include any items that will stay with the home upon purchase such as structural repairs and furnaces.



## Structural Elevations

- Structural Elevation involve elevating the “first finished floor” at least 2’ above the local NFIP Base Flood Elevation.
- Elevation grants cover the elevation of the structure and utilities, as applicable.
- The space below the regulatory “first floor” cannot be used for active occupancy...it may only be used for parking and storage



## Structural Elevations

- Eligible costs for reimbursement
  - Foundation work
  - Structure elevation
  - Groundwork to mitigate elevation impacts and make the property aesthetically pleasing (in compliance with local floodplain law)
  - Reseeding of grass and/or replacement of landscaping
  - Tree limb/shrub removal directly necessary for elevation
  - Relocation/raising of utilities (excluding non-essential utilities: i.e. washer/dryer)
  - Construction of utility room - if deemed necessary
  - Elevation/extension of connected stairs, decks, additions, etc...
  - Construction of new stairs - if deemed necessary for access



## Structural Elevations

- Ineligible costs
  - Expansion/addition of any deck, room, etc...(unless a necessary utility room)
  - Tree removal not necessary for elevation
  - Elevation of any structure not connected to the HOME
  - Interior modifications to the HOME (unless part of a necessary utility room)
  - Replacement of existing damaged/worn/missing siding, sheathing, shingles, windows, shutters, flooring, utilities, etc...



## Other Project Types

- In many circumstances, elevations or acquisitions will not be feasible and/or cost-effective
- In this case, local flood control projects may be the preferred solution, implemented on a local, county, state (incl. NYSDOT), or Federal (e.g. USACE) basis
- Regardless of the mitigation grant program, in order to receive Federal Mitigation Grant funds, the project must be
  - Eligible
  - Identified in your local Hazard Mitigation Plan
  - Cost-Effective



## Local Match

- How can the 25% Local Match be met?
- Property owner directly
- In certain circumstances, through:
  - NFIP policy through Increased Cost of Compliance (up to \$30,000)
  - Through state or county programs such as Open Space
  - State directly, as was the case after the 2006 flooding, however it is not apparent that this will be offered in this instance, and the future is uncertain



## How do we Identify Project Costs?

- For LOIs and Preliminary Benefit-Cost Analysis we may use estimated costs from similar projects
- For full applications, we will need formal estimates from elevation or demolition contractors

## How do we Identify Benefits?

- History of Events and Losses
  - Date of Events, tied to Return Periods and specific high-water levels
  - Claim history and/or other documented expenses
- Anticipated Future Losses – based on first floor elevation and local BFE or high water levels associated with events of known return period



## Property Owner Obligations

- Attend all public meetings
- Provide a Notice of Voluntary Interest (available today)
- Make decisions in a timely manner
- Provide necessary data about your property in a timely manner
- Keep appointments
  
- Provide an “elevation certificate”, if needed
  - Provide if already available (may already be on file with your local municipality)
  - Contract with a Licensed Professional Surveyor who knows how to prepare NFIP Ecs (we can provide names)
  - Work directly with DC Planning to have one prepared under our on-going program





## Timeline

Letters of Intent (LOIs) must be prepared and submitted by your local jurisdiction (sponsor) according to the following deadlines:

- February 29, 2012 - Acquisition and Elevation Projects (Phase 1)
- April 30, 2012 - Acquisition and Elevation Projects (Phase 2)
- June 30, 2012 - Acquisition and Elevation Projects (Phase 3)
  
- Schedule for full applications has not been established, but estimated to be 1-2 months after LOIs are received
  
- Grant award announcements estimated to be late spring, early summer
  
- Projects to start after all grant agreements between the State and FEMA are complete



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# General Questions, Issues and Concerns



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