

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Robert E. Mace, Ph.D., P.G., Deputy Executive Administrator, Water Science and Conservation
Les Trobman, General Counsel

FROM: Kathy Hopkins, Mitigation Specialist, Flood Mitigation Planning

DATE: October 6, 2016

SUBJECT: Federal Fiscal Year 2016 Flood Mitigation Assistance Grant

ACTION REQUESTED

Consider authorizing the Executive Administrator to negotiate and execute contracts as approved and directed by the Federal Emergency Management Agency in a total amount not to exceed \$54,214,266.72 for subgrants from Flood Mitigation Assistance upon notification of award.

BACKGROUND

The Texas Water Development Board (TWDB) administers the Federal Emergency Management Agency’s (FEMA) Flood Mitigation Assistance grant program in Texas and, as such, serves as the point of contact for assistance and the distribution of federal grants for mitigation planning and project implementation. The goal of the Flood Mitigation Assistance grant program is to provide federal funding to political subdivisions in order to mitigate flood damages and prevent future losses associated with Severe Repetitive Loss, Repetitive Loss, or substantially damaged structures insurable under the National Flood Insurance Program through mitigation projects and long-term comprehensive mitigation planning.

Grant applications funded for Flood Mitigation Assistance follow several criteria:

- Sub-applicants must be participants in the National Flood Insurance Program, and properties included in project proposals must have and maintain flood insurance through the program.
- A Severe Repetitive Loss property is a structure that has had either four or more claim payments exceeding \$5,000 per claim or a total of four claim payments with a cumulative

amount exceeding \$20,000 or has had two separate building claim payments with a cumulative amount exceeding the market value of the insured structure. FEMA may contribute up to 100 percent of the total eligible cost for mitigation of these structures.

- A Repetitive Loss property is a structure that has incurred flood-related damage on two occasions in which the cost of the repair, on average, equaled or exceeded 25 percent of the market value of the insured structure at the time of each flood event. FEMA may contribute up to 90 percent of the total eligible cost for mitigation of these structures.
- FEMA may contribute up to 75 percent of the total eligible cost for mitigation of all other structures insured through the National Flood Insurance Program or for mitigation planning grants.
- Implementation projects require a Benefit Cost Ratio of 1.0 or higher as determined by FEMA's Benefit Cost Analysis software or a FEMA approved methodology. The analysis estimates future flood damage avoidance by mitigation type.

The Fiscal Year 2016 Flood Mitigation Assistance Notice of Funding Opportunity (DHS-16-MT-029-000-99) provided an application period of March 15–June 15, 2016, and established the funding availability, funding priorities, and period of performance. As provided in Title 44 of the Code of Federal Regulations (CFR) Part 78 (44 CFR 78) and in current FEMA guidance, the TWDB's responsibilities include the review of sub-applications submitted by political subdivisions. Eligible applications are forwarded to FEMA for final approval and authorization to fund. Contracting responsibilities are then performed by the TWDB once funding approval is received from FEMA.

KEY ISSUES

For the Fiscal Year 2016 funding opportunity, the TWDB received 20 Flood Mitigation Assistance project grant sub-applications. After eligibility and administrative review, the TWDB forwarded 16 of the 20 sub-applications to FEMA for a total funding request of \$98,835,524.56. A list of the 16 sub-applications is in Attachment A.

On August 30, 2016, FEMA notified the TWDB that 9 of the 16 sub-applications were "identified for further review", totaling \$49,329,501.60 in federal funding with a community match requirement of \$4,884,765.12 for a total of \$54,214,266.72. Table 1 lists the selected sub-applications, and Attachment B provides a project summary for each. FEMA defines "identified for further review" as the subapplications have met the requirements specified in the Notice of Funding Opportunity and the Hazard Mitigation Assistance Unified Guidance. TWDB will be working with FEMA Region 6 Office to complete the pre-award activities for these sub-applications prior to FEMA making the official award.

In addition to the 9 selected sub-applications, FEMA also selected TWDB's management cost grant sub-application in the amount of \$1,542,045.44 in federal funds with a required state match of \$152,079.67.

Table 1. Sub-applications identified by FEMA for further review.

Sub-applicant	Project Type	Total Project Cost	Federal Share	Community Share
Brazoria Drainage District No. 4	Drainage	\$6,790,691.52	\$5,093,018.52	\$1,697,673.00
City of Bevil Oaks	Acquisition/ Demolition	\$887,709.72	\$821,337.63	\$66,372.09
City of Cedar Park	Acquisition/ Demolition	\$498,124.00	\$410,802.90	\$87,321.10
City of Houston – 1	Elevation	\$12,921,032.15	\$12,364,111.50	\$556,920.65
City of Nassau Bay	Elevation	\$5,853,081.00	\$4,965,129.60	\$887,951.40
City of New Braunfels	Acquisition/ Demolition	\$1,078,215.84	\$1,038,834.68	\$39,381.16
City of Port Aransas	Elevation	\$173,678.00	\$173,678.00	\$0.00
Harris County Flood Control District	Acquisition/ Demolition	\$16,938,354.52	\$15,660,745.97	\$1,277,608.55
Montgomery County	Acquisition/ Demolition	\$9,073,379.97	\$8,801,842.80	\$271,537.17
Total		\$54,214,266.72	\$49,329,501.60	\$4,884,765.12

The remaining 7 out of 16 sub-applications were either identified as “not selected” or “did not meet Hazard Mitigation Assistance requirements”. The sub-application that was identified as “not selected” met all program requirements, but was not selected due to limited program funds. The six sub-applications identified as “did not meeting Hazard mitigation Assistance requirements were not considered for funding. FEMA Region 6 has provided an explanation as to why the sub-application did not meet the Hazard Mitigation Assistance requirements. TWDB staff and sub-applicants have reviewed the explanations, but respectfully disagree. TWDB is in the process of filing a motion of reconsideration to FEMA on behalf of the sub-applicants.

RECOMMENDATION

The Executive Administrator recommends approval to negotiate and execute contracts as approved and directed by the Federal Emergency Management Agency in a total amount not to exceed \$54,214,266.72 for subgrants from Flood Mitigation Assistance upon notification of award.

The recommendation has been reviewed by legal counsel and is in compliance with applicable statutes and Board rules.

ATTACHMENTS

- Attachment A: Flood Mitigation Assistance Fiscal Year 2016 Sub-application Status
- Attachment B: Summary of FEMA Selected Flood Mitigation Assistance Applications

Attachment A

Flood Mitigation Assistance Fiscal Year 2016 Sub-application Status

As provided by the Federal Emergency Management Agency (FEMA), below is a status of the Fiscal Year 2016 Flood Mitigation Assistance grant applications, including the sub-applications that were submitted by the Texas Water Development Board. Table A.1. provides a list of the 16 sub-applications submitted by the TWDB for Fiscal Year 2016 Flood Mitigation Assistance.

For Fiscal Year 2016, \$200 million was appropriated by Congress for Flood Mitigation Assistance of which \$199 million was available during this grant cycle. FEMA received 216 Flood Mitigation Assistance sub-applications submitted by 30 states and territories totaling over \$380 million. The sub-applications submitted included at least 9 planning, 167 project, 8 technical assistance, and 28 applicant management cost sub-applications. FEMA has completed eligibility reviews to ensure compliance with Hazard Mitigation Assistance Guidance and made selections based on priorities and available funding. The priorities for Fiscal Year 2016 Flood Mitigation Assistance were:

1. Projects that mitigate at least 50 percent of structures included that are defined as Severe Repetitive Loss properties which have had at least two separate National Flood Insurance Program claim payments where the cumulative amount exceeds the market value of the insured structure.
2. Projects that mitigate at least 50 percent of structures included that are defined as Repetitive Loss properties which have incurred flood-related damage on two occasions, in which the average cost of repairs equaled or exceeded 25 percent of the market value of the structure at the time of each flood event.
3. Projects that mitigate at least 50 percent of structures included that are defined as Severe Repetitive Loss properties which have had four or more separate National Flood Insurance Program claims payments that have exceeded \$5,000 per claim and cumulative payments exceeding \$20,000.00.
4. Projects that will mitigate the largest number of National Flood Insurance Program insured properties at the neighborhood level.

FEMA selected 148 Flood Mitigation Assistance sub-applications totaling \$198 million from 23 applicants as “identified for further review”, which included 8 planning, 108 project, 8 technical assistance, and the associated applicant management cost applications. Of the 148 sub-applications FEMA selected as “identified for further review”, nine (9) were from TWDB’s state application. This selection, however, does not guarantee a notification of award, but rather indicates that the sub-application has met the program and application requirements. Prior to receiving an award, applicants must work with a FEMA Regional Office to complete pre-award activities for sub-applications. TWDB’s management costs are awarded based on the planning and project sub-applications that are “identified for further review” and do not exceed 10 percent of the total grant award.

Seven Texas sub-applications were not selected based on one of two reasons. Sub-applications that were selected as “not selected” met program requirements but funding was not available to

support the project. Sub-applications that were selected as “did not meet Hazard Mitigation Assistance requirements” were not considered for funding. FEMA Region 6 has provided an explanation as to why the sub-applications did not meet the Hazard Mitigation Assistance requirements. TWDB staff and sub-applicants have reviewed the explanations but respectfully disagree. TWDB will file a motion of reconsideration to FEMA on behalf of the sub-applicants.

Table A.1. Status of 16 sub-applications submitted by the TWDB as recommended by FEMA on August 30, 2016.

SUB-APPLICANT/PROJECT TYPE	PROPOSED FEDERAL SHARE	STATUS
Brazoria Drainage District No. 4, Mykawa St./Cherry St. Drainage Project	\$5,093,018.52	Identified for Further Review
City of Bevil Oaks, Acquisition and Demolition Project	\$821,337.63	Identified for Further Review
City of Cedar Park, Acquisition and Demolition Project	\$410,802.90	Identified for Further Review
City of Houston - 1, Elevation Project	\$12,364,111.50	Identified for Further Review
City of Houston - 2, Elevation Project	\$17,113,175.80	Did not meet Hazard Mitigation Assistance requirements
City of Houston - 3, Elevation Project	\$8,850,170.63	Did not meet Hazard Mitigation Assistance requirements
City of Houston - 4, Elevation Project	\$6,730,388.36	Did not meet Hazard Mitigation Assistance requirements
City of Kingsville, Acquisition and Demolition Project	\$104,170.00	Did not meet Hazard Mitigation Assistance requirements
City of Nassau Bay, Elevation Project	\$4,965,129.60	Identified for Further Review
City of New Braunfels, Acquisition and Demolition Project	\$1,038,834.68	Identified for Further Review
City of Port Aransas, Elevation Project	\$173,678.00	Identified for Further Review
Hardin County Texas, Acquisition and Demolition Project	\$2,964,577.42	Not Selected
Harris County Flood Control District, Acquisition and Demolition Project	\$15,660,745.97	Identified for Further Review
Jefferson County Drainage District 6, Drainage Project	\$3,926,261.25	Did not meet Hazard Mitigation Assistance requirements
Montgomery County, Acquisition and Demolition Project	\$8,801,842.80	Identified for Further Review
Taylor's Bayou, Drainage Project	\$9,817,345.50	Did not meet Hazard Mitigation Assistance requirements

Attachment B

Summary of FEMA- Selected Flood Mitigation Assistance Applications

**Brazoria Drainage District No. 4: Drainage Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$5,093,018.52
Local Share: \$1,697,673.00
Total Project Cost: \$6,790,691.52

Participants: Brazoria Drainage District No. 4

Period of Performance: 3 years

Project Description: Brazoria Drainage District No. 4 proposes the following improvements: 3,960 linear feet of dual 6’ x 10’ reinforced concrete boxes along Mykawa Street to enclose the existing open ditch. The reinforced concrete boxes outfall into the existing Town Ditch Bypass via an existing 7’ x 25’ arch pipe. The project also includes two detention ponds. The upstream pond will be located along Cherry Street and will have 4.6 acre-feet of storage. The larger pond is located downstream of the proposed improvements and provides 50 acre-feet of storage. The improvements lower the water-surface elevation in the study area. The project has a positive benefit cost ratio of 3.08. The Federal Emergency Management Agency will award \$5,093,018.52 in federal funds with a local cost share requirement of \$1,697,673.00 for a total project cost of \$6,790,691.52.

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**City of Bevil Oaks: Acquisition and Demolition Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$821,337.63
Local Share: \$66,372.09
Total Project Cost: \$887,709.72

Participants: City of Bevil Oaks

Period of Performance: 3 years

Project Description: The City of Bevil Oaks seeks to mitigate 1 insured, 1 repetitive loss, and 2 severe repetitive loss structures by acquisition, demolition, and the conversion of the land to open space. The structures are single-family residential structures, and the owners have voluntarily committed to the acquisition and demolition by the City of Bevil Oaks. The National Flood Insurance Program has paid over \$1,099,556.53 in claims for these structures. The project has a positive benefit cost ratio of 1.98. The Federal Emergency Management Agency will award \$821,337.63 in federal funds with a local cost share requirement of \$66,372.09 for a total project cost of \$887,709.72.

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**City of Cedar Park: Acquisition and Demolition Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$410,802.90

Local Share: \$87,321.10

Total Project Cost: \$498,124.00

Participants: City of Cedar Park

Period of Performance: 3 years

Project Description: The City of Cedar Park seeks to mitigate 1 severe repetitive loss structure and 1 insured structure by acquisition, demolition, and the conversion of the land to open space. The structures are single-family residential structures, and the owners have voluntarily committed to the acquisition and demolition by the City of Cedar Park. The National Flood Insurance Program has paid over \$269,991.28 in claims for these structures. The project has a positive benefit cost ratio of 1.11. The Federal Emergency Management Agency will award \$410,802.90 in federal funds with a local cost share requirement of \$87,321.10 for a total project cost of \$498,124.00.

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**City of Houston-1: Elevation Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$12,364,111.50

Local Share: \$556,920.65

Total Project Cost: \$12,921,032.15

Participants: City of Houston

Period of Performance: 3 years

Project Description: The City of Houston seeks to mitigate 25 severe repetitive loss and 14 repetitive loss structures by elevating the structures at or above the base flood elevation plus the City’s freeboard requirement or to the known high water marks. These are single-family residential structures, and the owners have voluntarily committed to the elevation of their structures by the City of Houston. The project has a positive benefit cost ratio of 1.01. The Federal Emergency Management Agency will award \$12,364,111.50 in federal funds with a local cost share requirement of \$556,920.65 for a total project cost of \$12,921,032.15.

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**City of Nassau Bay: Elevation Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$4,965,129.60
Local Share: \$887,951.40
Total Project Cost: \$5,853,081.00

Participants: City of Nassau Bay

Period of Performance: 3 years

Project Description: The City of Nassau Bay seeks to mitigate 6 severe repetitive loss, 2 repetitive loss, and 11 insured structures by elevating the structures at or above the base flood elevation plus the City’s freeboard requirement or to the known high water marks. These are single-family residential structures, and the owners have voluntarily committed to the elevation of their structures by the City of Nassau Bay. The project has a positive benefit cost ratio of 1.094. The Federal Emergency Management Agency will award \$4,965,129.60 in federal funds with a local cost share requirement of \$887,951.40 for a total cost of \$5,853,081.00.

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**City of New Braunfels: Acquisition and Demolition Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$1,038,834.68
Local Share: \$39,381.16
Total Project Cost: \$1,078,215.84

Participants: City of New Braunfels

Period of Performance: 3 years

Project Description: The City of New Braunfels seeks to mitigate 4 severe repetitive loss structures by acquisition, demolition, and the conversion of the land to open space. The structures are single-family residential structures, and the owners have voluntarily committed to the acquisition and demolition by the City of New Braunfels. The project has a positive benefit cost ratio of 1.15. The Federal Emergency Management Agency will award \$1,038,834.68 in federal funds with a local cost share requirement of \$39,381.16 for a total cost of \$1,078,215.84.

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**City of Port Aransas: Elevation Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$173,678.00

Local Share: \$0.00

Total Project Cost: \$173,678.00

Participants: City of Port Aransas

Period of Performance: 3 years

Project Description: The City of Port Aransas seeks to mitigate 1 severe repetitive loss structure by elevating the structure at or above the base flood elevation plus the City’s freeboard requirement or to the known high water marks. This is a single-family residential structure, and the owner has voluntarily committed to the elevation of their structure by the City of Port Aransas. The project has a positive benefit cost ratio of 1.01. The Federal Emergency Management Agency will award the total project cost of \$173,678.00 in federal funds with no local cost share requirement.

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**Harris County Flood Control District: Acquisition and Demolition Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$15,660,745.97

Local Share: \$1,277,608.55

Total Project Cost: \$16,938,354.52

Participants: Harris County Flood Control District

Period of Performance: 3 years

Project Description: Harris County Flood Control District seeks to mitigate 33 severe repetitive loss, 49 repetitive loss, and 7 insured structures by acquisition, demolition, and the conversion of the land to open space. The structures are single-family residential structures, and the owners have voluntarily committed to the acquisition and demolition by the Harris County Flood Control District. The project has a positive benefit cost ratio of 1.45. The Federal Emergency Management Agency will award \$15,660,745.97 in federal funds with a local cost share requirement of \$1,277,608.55 for a total cost of \$16,938,354.52.

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**Montgomery County: Acquisition and Demolition Project
Federal Emergency Management Agency–Flood Mitigation Assistance**

Proposed Project Funding:

Federal Share: \$8,801,842.80

Local Share: \$271,537.17

Total Project Cost: \$9,073,379.97

Participants: Montgomery County

Period of Performance: 3 years

Project Description: Montgomery County seeks to mitigate 27 severe repetitive loss and 10 repetitive loss structures by acquisition, demolition, and the conversion of the land to open space. The structures are single-family residential structures, and the owners have voluntarily committed to the acquisition and demolition by Montgomery County. The project has a positive benefit cost ratio of 1.05. The Federal Emergency Management Agency will award \$8,801,842.80 in federal funds with a local cost share requirement of \$271,537.17 for a total project cost of \$9,073,379.97.
