



# Hazard Mitigation Buyouts

Roxanne Gray

State Hazard Mitigation Officer

Wetlands, Wildlife Habitat, & Flood Hazards in the  
Rock River Basin

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# What is Mitigation?

**“Mitigation is any sustained action taken to eliminate or reduce the long-term risk to human life and property from natural and technological hazards”**



Photo from Kenosha County



Photo from Soldiers Grove, WI





# Value of Mitigation



Gays Mills, WI

**For every \$1 spent on mitigation,  
\$4 is saved in future damages.**

**(Per the National Institute of Building Sciences -2005)**



# Loss Avoidance

## Wisconsin, Property Acquisition and Structure Demolition, September 2009

- Jefferson County
- 18 properties
- Project Costs: \$2,190,900
- Losses Avoided: \$2,345,728
- Return on Investment: 107%



# HAZARD MITIGATION PROGRAMS



# Public Assistance Program



Incorporate cost-effective mitigation measures when repairing damaged public facilities.



Black River Falls, WI





# Unified Hazard Mitigation Assistance Program






**Hazard Mitigation Grant Program**

**Pre-Disaster Mitigation Program**

**Flood Mitigation Assistance Program**



# Eligible Sub-Applicants

Entity	Program Name		
	 HMGP HAZARD MITIGATION GRANT PROGRAM	 PDM PRE-DISASTER MITIGATION	 FMA FLOOD MITIGATION ASSISTANCE
State Agencies	✓	✓	✓
Tribal Governments	✓	✓	✓
Local Governments	✓	✓	✓
Private Non-Profit Organizations (PNPs)	✓		





# Cost Sharing

Programs	Mitigation Activity Grant (Percent of Federal/Non-Federal Share)	Management Costs (Percent of Federal/Non-Federal Share)	
		Grantee	Sub-Grantee
HMGP	75/25	100/0	-/- *
PDM	75/25	75/25	75/25
PDM – Sub-grantee is a small impoverished community	90/10	75/25	90/10
PDM – Tribal grantee is small impoverished community	90/10	90/10	90/10
FMA	75/25	75/25	75/25
FMA – repetitive loss property	90/10	90/10	90/10
FMA – severe repetitive loss property	100/0	100/0	100/0



# Funding Availability



## Hazard Mitigation Grant Program

- Post-Disaster
- 15% (20% with Enhanced Plan) of the total federal funds allocated for Public and Individual Assistance Programs for each disaster



# Funding Availability (Continued)



## Pre-Disaster Mitigation Program

- Annual, national competition
- Subgrants projects capped at \$3 million federal share; Planning \$800,000 million for new plan, \$300,000 plan update
- FFY13 \$23.7 million nationwide
- Program reauthorized through 9/30/13





# Funding Availability (Continued)



## Flood Mitigation Assistance Program

- FFY13 \$120 million
  - Repetitive Loss Properties
  - Severe Repetitive Loss Properties
  - NFIP insured properties
- Flood Mitigation only
- Mitigation to NFIP insured structures



# Funding Availability (Continued)



## Flood Mitigation Assistance Program

- Planning
  - Only for flood hazard component of a plan
  - \$50,000 Applicant
  - \$25,000 Subapplicant



# Funding Availability (Continued)

## Repetitive Loss Properties

- 90/10 cost share
- Definition (significantly different):
  - Incurred flood-related damage on 2 occasions that equaled or exceeded 25% of the market value at the time of each event; and
  - At the time of second event of flood-related damage, the flood insurance policy includes ICC coverage.
- 26 properties (4 mitigated)





# Funding Availability (Continued)

## Severe Repetitive Loss Properties

- 100% funding
- Definition:
  - At least 4 NFIP claim payments over \$5,000 each, and cumulative exceeds \$20,000; or
  - 2 payments exceeds the market value of the structure
- 8 “validated” properties in WI
  - 1 mitigated



# Local Match

- Can be provided by any source as long as not federal dollars
- CDBG is pass through money and loses federal identity
- ICC (Increased Cost of Compliance) funds
- Will coordinate with agencies on the Wisconsin Hazard Mitigation Team and Wisconsin Recovery Task Force



# Eligible Projects

Eligible Activities			
<b>Mitigation Projects</b>	✓	✓	✓
Property Acquisition & Structure Demolition	✓	✓	✓
Property Acquisition & Structure Relocation	✓	✓	✓
Structure Elevation	✓	✓	✓
Mitigation Reconstruction			✓
Dry Floodproofing of Historic Residential Structures	✓	✓	✓
Dry Floodproofing of Non-Residential Structures	✓	✓	✓
Minor Localized Flood Reduction Projects	✓	✓	✓
Structural Retrofitting of Existing Buildings	✓	✓	





# Eligible Projects (Continued)

Eligible Activities			
<b>Mitigation Projects (Continued)</b>	✓	✓	✓
Non-Structural Retrofitting of Existing Bld. & Facilities	✓	✓	
Safe Room Construction	✓	✓	
Infrastructure Retrofit	✓	✓	✓
Soil Stabilization	✓	✓	✓
Wildfire Mitigation	✓	✓	
Generators	✓	✓	
Post-Disaster Code Enforcement	✓		
5% Initiative Projects	✓		
Advance Assistance	✓		
<b>Hazard Mitigation Planning</b>	✓	✓	✓
<b>Management Costs</b>	✓	✓	✓



# Requirements

- Participating in the NFIP and in good standing
- Cost-Beneficial
- Environmentally Sound
- Considered other alternatives
- Best alternative
- Solve the problem
- Plan requirement





# Mitigation Program Priorities

- Acquisition/Demolition
  - Substantially Damaged Properties
  - Severe Repetitive Loss and Repetitive Loss Properties
  - Flood damaged
  - Floodway
  - Flood Fringe
  - Non-floodplain
- Elevation in flood fringe
  - Substantially Damaged
  - Less than 50% damaged







# Mitigation Program Priorities

- Floodproofing or retrofitting
- Structural projects that protect improved property
- Development or update of all hazard mitigation plans





# Acquisition Structure Priorities

- Primary Residents
- Residential Rental
- Critical Facilities
- Commercial
- Secondary/recreational





# “Buyout” Process

- Property owners *voluntarily* participate; cannot use power of condemnation
  - Must sign the “Notice of Voluntary Interest” and “Model Statement of Voluntary Participation”
- Offered pre or post-flood FMV based on an appraisal
- Property owner may obtain a second appraisal
- Cannot duplicate other benefits



# “Buyout” Process

- Renters (tenants) are entitled to relocation assistance
- Property owners protected by the federal privacy act
- Structure demolished and property deed restricted as open space in perpetuity
- Relocate outside of the floodplain



# Statement of Assurances for Property Acquisition

- Certify will comply with 44 CFR Section 206.434(e) and Section 80 (open space uses)
- Voluntary participation
- Will offer FMV for property
- Accept FEMA's deed restrictions
- Land unavailable for construction
  - Levees & other incompatible purposes
  - Not intended, planned or designated project area where the land has to be acquired by a certain date





# Statement of Assurances for Property Acquisition

- Consult with USCOE and USDOT
- Certification participants are US National or qualified alien (for pre-flood FMV)
- Demolish structures within 90 days of acquisition
- Must get FEMA approval to convey property to another public entity or qualified conservation organization
- Certify every 3 years property is maintained consistent with grant provisions (deed restrictions)
- No future disaster assistance for the properties



# Statement of Assurances for Property Acquisition

- Exhibit A: Warranty Deed Restrictions
  - Has to be attached to the warranty deed for each property and filed with the Register of Deeds office.
  - Restrictions in perpetuity



# Warranty Deed Restrictions

- Open space, recreational, or wetlands management" (44 CFR 206.434(e) & Part 80)
  - Parks
  - Nature reserves
  - Cultivation
  - Camping (with adequate warning)
  - Unimproved permeable parking lots
- Structures
  - Open on all sides (park shelter)
  - Public rest room (2' above the BFE)





# Warranty Deed Restrictions

- Not Allowed
  - Walled buildings
  - Flood control structures such as levees, dikes, or floodwalls
  - Paved surfaces
  - Bridges
  - Cemeteries
  - Pumping stations or storage tanks



# Warranty Deed Restrictions

- No future disaster assistance
- Transfer only with FEMA Regional Director approval
  - Public entity
  - Qualified conservation organization
- Easement or lease with FEMA Regional Director approval
  - Compatible with open space uses
  - Agriculture





# Warranty Deed Restrictions

- Right for inspection
- Monitoring and Reporting
  - Every 3 years
  - Maintained per grant conditions
- Enforcement if not maintained



# Eligible Costs

- Title Searches and Title Insurance
- Surveys if required
- Appraisals
- Purchase of real property
- Legal Fees and Closing Costs
- Relocation assistance for tenants
- Demolition and Site Restoration



# Cost Effectiveness

- Project benefits must be greater than the project costs of at least 1 to 1 ratio
- Can aggregate properties in a project
- If determined substantially damaged by local floodplain coordinator, BCA is waived; automatically cost-effective
- Lowest finished floor critical information to the benefit-cost analysis
- If BCA is .75, can look at counting environmental benefits (economic value for green open space and riparian area)



# Questions?

<http://emergencymanagement.wi.gov/mitigation>

<http://www.fema.gov/hazard-mitigation-assistance>



## Contact Info:

**Roxanne Gray**

**State Hazard Mitigation Officer**

**(608) 242-3211**

**[Roxanne.Gray@Wisconsin.gov](mailto:Roxanne.Gray@Wisconsin.gov)**