

AGENDA ITEM MEMO

BOARD MEETING DATE: October 5, 2023

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Ashely Harden, General Counsel
Rebecca Trevino, Chief Financial Officer
John T. Dupnik, P.G., Deputy Executive Administrator, Water Science and Conservation

FROM: Saul Nuccitelli, PE., Director, Flood Science and Community Assistance
Kathy Hopkins, Manager, Grant Coordination

SUBJECT: Fiscal Year 2021 Flood Mitigation Assistance grant program

ACTION REQUESTED

Consider authorizing the Executive Administrator to execute contracts as approved and directed by the Federal Emergency Management Agency in a total amount not to exceed \$65 million for subgrants from the Fiscal Year 2021 Flood Mitigation Assistance grant program upon notification of award.

BACKGROUND

The Texas Water Development Board (TWDB) administers the Federal Emergency Management Agency's (FEMA) Flood Mitigation Assistance (FMA) grant program in Texas and serves as the point of contact for the distribution of these federal grants for mitigation planning and project implementation. The TWDB administers, manages, and provides technical assistance to Texas communities during all phases of the grant cycle to ensure successful flood mitigation outcomes. The goal of the FMA grant program is to provide federal funding to political subdivisions to mitigate flood damages and prevent future losses associated with Severe Repetitive Loss, Repetitive Loss, substantially damaged, or other types of structures insured under the National Flood Insurance Program (NFIP) through mitigation projects and long-term comprehensive mitigation planning.

Grant applications funded for FMA must meet several eligibility requirements and follow specific funding criteria:

- Sub-applicants must be participants in the NFIP, and properties included in project proposals must have and maintain NFIP flood insurance.

- FEMA may contribute up to 100 percent of the total eligible cost for mitigation of Severe Repetitive Loss¹ structures through acquisition, relocation, demolition, elevation, mitigation reconstruction, and flood-proofing of historical structures.
- FEMA may contribute up to 90 percent of the total eligible cost for mitigation of Repetitive Loss² structures or if the structure(s) being mitigated has a Centers for Disease Control and Prevention's (CDC) Social Vulnerability Index (SVI)³ of 0.7501 or higher through acquisition, relocation, demolition, elevation, mitigation reconstruction, flood-proofing of historical structures, project scoping, or community flood mitigation projects (e.g. localized flood or stormwater management).
- FEMA may contribute up to 75 percent of the total eligible cost for mitigation of all other structures insured through the NFIP, project scoping, community flood mitigation projects, or for mitigation planning grants.
- Projects require a Benefit-Cost Ratio of 1.0 or higher as determined by FEMA's Benefit-Cost Analysis software or other FEMA-approved methodology.

The Fiscal Year (FY) 2021 FMA Notice of Funding Opportunity identified the availability of \$160 million nationally in funding. Pursuant to federal regulations and current FEMA guidance, the TWDB is responsible for administering the grant program on behalf of FEMA and Texas communities. The TWDB submits all eligible sub-applications to FEMA to compete nationwide for final approval and funding authorization. Contracting responsibilities and implementation oversight through agreement closeout are then performed by the TWDB once funding approval is received from FEMA.

KEY ISSUES

For this round of funding, the TWDB received 20 FMA project and planning grant sub-applications. After eligibility and administrative review, the TWDB forwarded 13 of the 20 sub-applications to FEMA for a total federal funding request of \$94.02 million (Attachment 1). FEMA notified the TWDB that 9 of the 13 sub-applications (Attachment 2), totaling \$51.53 million in federal funding with a community match requirement of \$9.95 million for a total project cost of \$61.48 million, were "Identified for Further Review." FEMA defines "Identified for Further Review" as the sub-applications that have been selected for funding (award) once all pre-award activities are completed.

Staff addressed all of FEMA's required pre-award activities by October 2022, but issues with FEMA's system caused a year-long delay in issuing awards. Staff delayed bringing this before the Board until now because of the system issues and without knowing when it would be resolved. Furthermore, the long delay caused Staff to submit updated pre-award documents prior to the

¹A Severe Repetitive Loss property is a structure that has incurred either (i) four or more claim payments exceeding \$5,000 per claim, and with a cumulative amount exceeding \$20,000, or (ii) two separate building claim payments with a cumulative amount exceeding the market value of the insured structure.

²A 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.

³The FMA program also aims to promote equity in delivery of funds in line with the Federal Administration's Justice40 Initiative. In implementing the Justice40 Initiative, the FMA program is prioritizing assistance that benefits disadvantaged communities as referenced in Executive Order 14008. Individual structures or a benefit area with a CDC's SVI at the census tract level with a threshold of 0.7501 can receive a higher federal cost share up to 90% of the total project cost.

awards. As a result, TWDB received the first award of three sub-applications on August 10, 2023, and the second award of additional three sub-applications on September 15, 2023. The remaining three sub-applications are drainage projects and FEMA requires Environmental Assessment be completed prior to award. The FEMA's Environmental Assessment process takes approximately one year to complete.

A total of 3,590 flood prone structures, from 7 of the 9 selected sub-applications, are proposed to be mitigated through either elevation, drainage, or acquisition projects. The remaining two sub-applications are project scoping studies to develop the necessary data needed to implement flood mitigation projects. In addition to the nine selected sub-applications, FEMA also selected TWDB's Management Cost sub-application in the amount of \$4,513,629 in federal funds with a required state general revenue match of \$759,007 over the grant's three-year period of performance. Management costs contribute to TWDB staff salary, travel, and other administrative costs.

FEMA may award increases in federal funds due to overruns caused by inflation or increased costs. Staff is requesting \$65 million instead of the \$61.48 million to allow the Executive Administrator flexibility to execute contract amendments due to cost overruns as awarded by FEMA.

RECOMMENDATION

The Executive Administrator recommends approval to execute contracts as approved and directed by FEMA in a total amount not to exceed \$65 million for sub-grants from the FY 2021 FMA grant program upon notification of award.

Attachments:

1. Flood Mitigation Assistance Fiscal Year 2021 sub-application status
2. Fiscal Year 2021 Flood Mitigation Assistance sub-applications identified for further review by FEMA.

ATTACHMENT 1
Flood Mitigation Assistance Fiscal Year 2021 sub-application status

This summary from the Federal Emergency Management Agency (FEMA) of the Fiscal Year 2021 Flood Mitigation Assistance (FMA) nationwide disposition announcement of selection (Table A.1) shows the status of the 13 Texas sub-applications along with the TWDB Management Cost sub-application for the Fiscal Year 2021 FMA application cycle. FEMA selected nine sub-applications from Texas as “Identified for Further Review.”

For Fiscal Year 2021, \$160 million was appropriated nationally for the FMA grant program. In August of 2021, FEMA posted the Notice of Funding Opportunity on www.grants.gov for FMA grants with an application period from September 30, 2021, through January 28, 2022. FEMA received 194 FMA sub-applications submitted by 25 states requesting over \$554 million in federal funding. FEMA completed their eligibility review to ensure compliance with Hazard Mitigation Assistance Guidance and made selections based on the agency’s priorities and available funding. FEMA identified 83 FMA sub-applications from 19 state applicants for further review: 1 Hazard Mitigation Planning, 39 individual property mitigation projects, 6 flood control drainage projects, 15 project scope, 3 technical assistance, and 19 applicant management costs for \$160 million in federal funds.

Table A. Status of 19 TWDB-submitted sub-applications and the TWDB Management Cost sub-application

(Data below was originally submitted in the application process and may change during pre-award)

Applicant	Type	Number of structures	Amount (\$)	Status
Athens, City of	Project scoping	NA	544,092.74	Identified for Further Review
Jefferson County Drainage District No. 7	Project scoping	NA	900,000.00	Identified for Further Review
Jefferson County Drainage District No. 6	Drainage	2491	9,885,942.86	Identified for Further Review
Jefferson County Drainage District No. 6	Drainage	832	10,178,196.46	Identified for Further Review
Jefferson County Drainage District No. 6	Drainage	167	3,432,907.50	Identified for Further Review
Montgomery County	Acquisition	32	13,066,320.27	Identified for Further Review
Orange County	Elevation	38	7,125,313.50	Identified for Further Review
Houston, City of	Elevation	24	5,122,958.47	Identified for Further Review
Conroe, City of	Elevation	7	1,358,125.50	Identified for Further Review
Texas Water Development Board	Management cost	NA	4,513,692.30	Identified for Further Review
Jersey Village	Elevation	NA	NA	Not selected
Nassau Bay	Elevation	NA	NA	Not selected
Harris County Flood Control District	Acquisition	NA	NA	Not selected
Harris County	Drainage	NA	NA	Did Not Meet HMA Requirements

Source: Flood Mitigation Assistance FY 2021 Sub-application Status, <https://www.fema.gov/grants/mitigation/floods/after-you-apply/previous-fiscal-year-subapplication-statuses/fy2021-status#highlights>

Attachment 2
Fiscal Year 2021 Flood Mitigation Assistance sub-applications identified for further review by FEMA

Community name	Mitigation type	Number of structures	Period of performance (# of years)	Benefit cost analysis	Federal funding (%)	Federal funding (\$)	Local share (\$)	Total (\$)	Project descriptions
Athens, City of*	Project Scoping	NA	3	NA	75	544,092.74	181,364.24	725,456.98	The City of Athens seeks to complete a scoping project which will result in identifying and developing future flood mitigation projects within the City. The primary goals of this scoping project is to enable the City to identify flood prone areas, develop effective and cost beneficial Drainage projects in those areas, update the Local Hazard Mitigation Plan to include these projects, and to initiate the process of providing critically important, life-saving, rain-event information to the City.
Jefferson County Drainage District No. 7*	Project Scoping	NA	3	NA	75	900,000.00	300,000.00	1,200,000.00	Jefferson County Drainage District No. 7 seeks to complete a scoping project which will result in the District updating its Master Drainage Study that was completed in 2002. The District applied for FMA funding to perform the data collection, field surveying, hydrologic and hydraulic modeling, project identification and the benefit-cost analysis (BCA) on all of the proposed projects that are identified from the updated Master Drainage Study. The updated Master Drainage Study will include several proposed improvement projects to help alleviate the flooding and drainage issues.
Jefferson County Drainage District No. 6	Drainage	2491	4	4.08	75	9,885,942.86	3,295,314.29	13,181,257.15	Jefferson County Drainage District No. 6's Delaware Detention Project seeks to divert flow from mainstem Hillebrandt Bayou into large sub-regional detention basins. The detention basins provide increased capacity to the system and critical storage during extreme rainfall events where Hillebrandt Bayou is overwhelmed. The additional storage will allow for Hillebrandt bayou to divert water near Delaware Street so that contributing drainage areas have a better opportunity to drain out. Once implemented, this project will reduce flooding to approximately 2,491 structures of which 1,025 are insured, 77 are repetitive loss, and 8 are designated as severe repetitive loss.
Jefferson County Drainage District No. 6	Drainage	832	4	2.79	75	10,178,196.46	3,392,732.15	13,570,928.61	Jefferson County Drainage District No. 6's Virginia Detention Project seeks to provide detention storage connections between the contributing storm sewer systems and the DD6 outfalls into channel 106 and 104-B. The detention basins provide increased capacity to the system and critical storage during extreme rainfall events where the DD6 channel capacities are exacerbated and drain times are excessive. The storm sewer upgrades provide more efficient conveyance towards the proposed basins to limit roadway flooding and structural flood risk. Once implemented this project will reduce flooding to 832 structures of which 164 are insured, 26 are repetitive loss, and 1 is a severe repetitive loss designated property.
Jefferson County Drainage District No. 6	Drainage	167	4	1.68	75	3,432,907.50	1,144,302.50	4,577,210.00	Jefferson County Drainage District No. 6's Borley Heights Relief Project seeks to address shallow and moderate home flooding that has or will occur, if not addressed, to 167 properties of which 82 are NFIP insured structures. The Borely Heights Addition drains into a tributary of Griffing Ditch through a single box culvert under the Lower Neches Valley Authority Beaumont Irrigation Canal (BI Canal). Since there only exists a single outfall culvert, the flood runoff must flow along the canal levee in small weep ditches from the flooded streets to the outfall. This problem will be eliminated with this project by constructing a new canal crossing at each street which will be adequately sized to properly drain the streets under the BI Canal.
Montgomery County*	Acquisition	29	3	1.17	94	12,989,312.69	782,789.51	13,772,102.20	Montgomery County seeks to mitigate 29 structures: 14 Severe Repetitive Loss structures and 15 Repetitive Loss structures by acquisition, demolition, and the conversion of land to open green space. The structures are single-family residential, and the owners have voluntarily committed to the acquisition and demolition.
Orange County	Elevation	37	3	1.00	94	7,125,313.50	455,976.50	7,581,290.00	Orange County seeks to mitigate 37 structures: 26 Severe Repetitive Loss structures, three Repetitive loss structures, and eight are at risk of continual and future flooding by elevating the structures two feet above the base flood elevation or the known high-water mark, whichever is higher, to reduce or eliminate National Flood Insurance Program claims, economic loss, and disruption that results from the repeated flood of residential structures. These structures are single-family residential, and the owners have voluntarily committed to the elevation of their structure by Orange County.
Houston, City of	Elevation	27	3	1.01	94	5,122,958.47	317,300.01	5,440,258.48	The City of Houston seeks to mitigate 27 structures: 14 Severe Repetitive Loss structures, 11 Repetitive Loss structures, and two other structures that are at risk of continual and future flooding. All structures will be mitigated two-feet above the 500-year flood level to reduce or eliminate further National Flood Insurance Program Claims, economic loss, and disruption that results from the repeated flood of residential structures. These structures are single-family residential, and the owners have voluntarily committed to the elevation of their structure by the City of Houston.
Conroe, City of	Elevation	7	3	1.07	94	1,358,125.50	80,744.50	1,438,870.00	The City of Conroe seeks to mitigate seven structures: five Severe Repetitive Loss structures; one Repetitive Loss structures, and one structure is at risk of continual and future flooding. All structures will be mitigated three-feet above the base flood elevation or the known high-water mark whichever is higher to eliminate National Flood Insurance Program claims, economic loss, and disruption that results from the repeated flood of residential structures. These structures are single-family residential, and the owners have voluntarily committed to the elevation of their structure by the City of Conroe.
Totals		3,590				51,536,849.72	9,950,523.70	61,487,373.42	

*These are the sub-applications that have been awarded by FEMA. The remainder are still pending award.