Agenda

- Introductions/Welcome Remarks
  - Speaker Introductions
  - Defining cost share, cost-matching, and true in-kind cost share
- HMA Programs and Cost Share
  - Overview
  - Cost Share Requirements & Eligible Sources
- Cost Share in Practice
  - Partner Presentations
- Open Panel/Q&A
- Closing/Polls
Hazard Mitigation Assistance (HMA) Cost Share Overview

- HMA defines the following terms for use across its grant programs:
  - **Cost share** – The portion of the costs of a federally assisted project or program borne by the Federal Government or a non-Federal government entity. Cost share is used interchangeably with the term match.
  - **In-kind contributions** – Non-cash donations provided by non-Federal third parties. These can be in the form of real property, equipment, supplies, services and other expendable property.
  - **Duplication of benefits (DOB)** – Used to describe the situation when assistance from more than one source is used for the same purpose or activity.
Building Public/Private Sector Partnerships

- **Example partners**
  - Federal agencies (i.e. any cost share funds must lose Federal identity to be eligible)
  - State, local, tribal, and territorial governments
  - Private sector and property owners
  - Non-governmental organizations

- **Examples of Partnerships Activities**
  - Outlining community planning processes leveraged during project conception and design
  - Identifying level of public support
  - Coordinating multi-jurisdictional projects
  - Contributing non-federal cost share
Early Coordination between Partners

Coordinate early with applicants, subapplicants, and community officials in order to address cost share requirements and all programmatic requirements.*

Applicants* determine their own mitigation priorities to mitigate natural hazards in their jurisdictions.

Community officials consider the public interest and specific mitigation strategies and projects beneficial to their communities.

Once a project is identified, a subapplication is assembled (i.e. includes the Scope of Work, budget, and schedule).

Identification of a cost share source is a major consideration, and any application should describe the extent of its partnerships, including cost share contributions, multi-jurisdiction projects, etc.

*Applicants and subapplicants include State, Local, and Tribal Territories (SLTT)
HMA Cost Share Requirements

Flood Mitigation Assistance (FMA) Program – Brandon Sweezea
Hazard Mitigation Grant Program (HMGP) – Anna Pudlo
Building Resilient Infrastructure and Communities (BRIC) Program – Camille Crain
Flood Mitigation Assistance (FMA) Program

- Provides funds to mitigate National Flood Insurance Program (NFIP)-insured properties funded by an annual user fee by the National Flood Insurance Fund.

- Provides funds to States, territories, federally-recognized tribes, and NFIP participating local governments.

- Individual Property Flood Mitigation - Not SRL or RL
- Project Scoping
- Community Flood Mitigation (Localized Flood Control)
- Flood Mitigation Plans
- Technical Assistance

- Individual Property Flood Mitigation – Repetitive Loss (RL)

- Individual Property Flood Mitigation – Severe Repetitive Loss (SRL)
Hazard Mitigation Grant Program (HMGP)

Provides funds to States, territories, federally-recognized tribes, local governments, and eligible private nonprofits following a Presidential major disaster declaration

**HMGP Global Match** – The non-Federal cost share for an applicant’s submitted projects combined must equal 25 percent for the overall disaster (see graphic).

- **Benefits**
  - Increased flexibility in the use of various cost share methods at the federal award level
  - Ability to utilize the cost share match from certain subawards to help alleviate the financial burden on other subawards

- **Considerations**
  - Need timely coordination among Applicant, FEMA, and any other entity that provides the match
BRIC provides funds to States, territories, federally-recognized tribes, and local governments.

- Small and impoverished communities eligible for 10 percent cost share requirement*

- A small and impoverished community is defined as
  - **Population** – A community of 3,000 or fewer individuals identified as a rural community that is not a remote area within the corporate boundaries of a larger city or boundary
  - **Economy** – Be economically disadvantaged, with residents having an average per capita annual income not exceeding 80 percent of the national per capital income

*Cost share opportunity for small and impoverished communities
## Eligible Sources of Cost Share Funds

### Non-Federal Cost Share Funds*

**Cash**
- can be from property owner, local or state government, or other donations. It is simple and ready to use.
- Examples include property owners’ savings or loans, tax revenues, bonds or other sources, force labor account, and community grants (from the state, tribe, territory, or local institutions own resources)

**Donated Resources**
- include professional services, labor, or materials donated by individuals or businesses, etc.
- Examples include donation of land, materials and/or labor, services from any non-Federal sources
- Consider partnership opportunities with community leaders and officials, and non-government organizations

**Increased Cost of Compliance (ICC) Funds**
- Property owners may be eligible for up to $30,000 from NFIP if the building is insured at the time of flood loss
- Community must declare at least 50 percent of the building substantially damaged or repetitively damaged by flood AND must be brought into compliance with the local ordinance
- Certain activities allowed under HMA are not eligible for ICC

### Federally-awarded Cost Share Funds*

**Government Loans**
- such as SBA, USDA, or EPA loans, may be available if those funds lose their Federal identify upon award.
- Applicants are responsible for ensuring no duplication of benefits and must check with the FEMA program office for eligibility
- Examples are not an exhaustive list of all eligible loan options

**HUD Rehab Mortgage Insurance Funds**
- Homeowners may be eligible for up to $5,000 for eligible improvements.
- Applications must be submitted through an FHA-approved lender
- Eligible renovations or improvements range from minor to major reconstruction

**HUD CDBG Funds**
- are available to help cities and countries recover from presidentially declared disasters.
- Subapplicants may be able to use these funds if the HMA projects are eligible under the HUD program
- Partner presenter will speak toward the partnership opportunities with this cost share option

* See Appendix A for definitions and/or description of acronyms
Example Project: Donated Cash and Services

**Project Description:** The subapplicant intends to purchase a property located next to Little River Creek in the standard flood hazard area (SFHA). The property will be turned into open space and deed restricted in perpetuity after acquisition. The city will utilize three different funding sources to provide the 25 percent non-federal cost share.

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**Project:** Acquisition and demolition of one repetitive loss house in the SFHA for a **total project cost of $114,000** using an HMGP award

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Federal Share</td>
<td>$85,500 (75 percent of the total federal award amount)</td>
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<tr>
<td>Non-federal Cost Share</td>
<td>$28,500 (25 percent non-federal cost share)</td>
</tr>
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**Sources of non-federal Cost Share**
- Donated in-kind resources from third party and subapplicant: $14,000 (49 percent)
- Cash from Applicant: $10,000 (35 percent)
- Cash from Property Owner: $4,500 (16 percent)
Cost Share in Practice: Partner Presentations

Marty Chester – Lead Grants Management Specialist, Region VI, FEMA
Clay Lloyd – Specialist, Disaster Recovery & Special Issues (DRSI) Division, U.S. Department of Housing & Urban Development (HUD)
Steve Crout – Director, Policy & Resilience Programs, Smart Cities Council Founder & Principal, CityTech Strategy Group, LLC
Local Drainage Improvement

Marty Chester – Lead Grants Management Specialist, Region VI, FEMA
Project Description

This project includes the expansion and realignment of an existing drainage channel. It will greatly reduce the flow velocities of the 100-year discharge, prevent storm water from overtopping the banks, eliminate the inundation of private property and structures, and eliminate the flow of storm water into low-lying public rights-of-ways. The realignment will also remove encroachments on private property.
Riprap (indicated in black lines) will be provided 3.5 feet below grade at the key locations of high shear stress identified on Figure 3.3 of HEC-15.

Channel and side slope will be lined with riprap to twice the depth of D50 size below grade (in gray).
Project Budget and Cost Share Specifics

- Federal Share: $395,603.76  
  (75 percent of the project cost)

- Non-Federal Share: $142,546.06  
  (25 percent of the project cost)

- Total Estimated Cost: $538,149.82

The budget consists of four overarching activities:
- Project Permitting
- Project Construction
- Construction Inspection and Certification
- Project Management and Administrative

The community offset some of the $142,546.06 by utilizing in-house force account labor.
## In-Kind Contributions

<table>
<thead>
<tr>
<th>Classification</th>
<th>Estimated Hours</th>
<th>Rate</th>
<th>Total</th>
<th>Responsible Party</th>
<th>Description</th>
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<tbody>
<tr>
<td>Construction Management Oversight</td>
<td>65.00</td>
<td>$65.14</td>
<td>$4,234.10</td>
<td>Local Jurisdiction</td>
<td>Project Manager- Engineer will oversee the completion of the project in accordance with approved design. Review / approve change request. Respond to requests for information</td>
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<tr>
<td>Construction Compliance</td>
<td>130.00</td>
<td>$47.26</td>
<td>$6,143.80</td>
<td>Local Jurisdiction</td>
<td>Engineer will attend all engineering compliance meetings. Coordination for permitting compliance. Coordination with contractor. Final competition certification.</td>
</tr>
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</table>

$10,377.90
Local Mitigation Planning

Natural Hazards
- Location
- Extent (Magnitude/Strength)
- Previous Occurrences
- Future Probability

Community Assets
- Population
- Built Environment
- Natural Environment
- Economy

RISK
Local Mitigation Planning

- Local Mitigation Plans form the foundation for a community’s long-term strategy to reduce disaster losses and breaks the cycle of disaster damage, reconstruction, and repeated damage.

Hazard Mitigation Assistance Grant Programs

1. Mitigation Planning
2. Grant Application

- Flood Mitigation Assistance Program
- Hazard Mitigation Grant Program
- Building Resilient Infrastructure and Communities Program
## Planning – Budget Sample

<table>
<thead>
<tr>
<th>Item Name</th>
<th>Cost Category</th>
<th>Unit Quantity</th>
<th>Unit Measure</th>
<th>Unit Cost ($)</th>
<th>Cost Estimate ($)</th>
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</thead>
<tbody>
<tr>
<td>Pre-Award Application Development</td>
<td>Personnel</td>
<td>20</td>
<td>Hours</td>
<td>$20.00</td>
<td>$400.00</td>
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<tr>
<td>Contracted Plan Development</td>
<td>Contractual</td>
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<td>Flat</td>
<td>$28,000.00</td>
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<td>Grant Administration</td>
<td>Personnel</td>
<td>36</td>
<td>Hours</td>
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<td>Hours</td>
<td>$20.00</td>
<td>$100.00</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$30,456.00</td>
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</table>

**IN-KIND - Sample**

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<thead>
<tr>
<th>Staff Position</th>
<th>Hourly wage</th>
<th>Hours</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Emergency Manager</td>
<td>$10.50</td>
<td>135</td>
<td>$1,417.50</td>
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<tr>
<td>Floodplain Manager</td>
<td>$23.50</td>
<td>70</td>
<td>$1,645.00</td>
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<tr>
<td>Government Relations</td>
<td>$28.00</td>
<td>125</td>
<td>$3,500.00</td>
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<tr>
<td>Finance Director</td>
<td>$32.69</td>
<td>65</td>
<td>$2,124.85</td>
</tr>
<tr>
<td>Procurement Officer</td>
<td>$23.00</td>
<td>70</td>
<td>$1,610.00</td>
</tr>
<tr>
<td>GIS Mapper</td>
<td>$24.25</td>
<td>65</td>
<td>$1,576.25</td>
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<tr>
<td></td>
<td></td>
<td>530</td>
<td>$11,873.60</td>
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</table>
Non-Federal Cost Share Ideas

- Cash
- Staff time for Project Management and Financial Management
- Staff and Volunteer time to conduct Community Outreach to develop the project
- In-kind donations – time is “in-kind” donation – services, materials
  - Careful documentation is required – time-tracking spreadsheets

Federal funds that can be used for non-federal share:
- HUD Community Block Grant funds
- Department of the Interior Bureau of Indian Affairs funds
- HUD Indian Health Service funds

Note: This list is not exhaustive of all potential federal funds that can be used for non-federal cost share. Additional information can be found in the HMA Cost Share Guide.
Community Development Block Grant (CDBG) Program

Non-Federal Cost Share between HUD and FEMA
### Overview

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Program</strong></td>
<td>HUD’s Community Development Block Grant programs</td>
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<tr>
<td><strong>Requirements</strong></td>
<td>CDBG Non-Federal Cost Share</td>
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<tr>
<td><strong>Entry Point</strong></td>
<td>Establishing a partnership with HUD CDBG funds</td>
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<tr>
<td><strong>Process</strong></td>
<td>Setting up the Non-Federal Cost Share between CDBG-DR and FEMA programs</td>
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<tr>
<td><strong>Implementing</strong></td>
<td>Executing a Non-Federal Cost Share program</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
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</table>
HUD – Community Development Block Grant Programs

- **State CDBG**
  - Regular State CDBG, with annual allocations to States across the country.

- **Entitlement CDBG**
  - Regular Entitlement CDBG, with annual allocations to eligible Local Governments across the country.

- **CDBG-CV**
  - CDBG COVID, with supplemental allocations for areas that are recovering from COVID19.

- **CDBG-MIT**
  - CDBG Mitigation, with supplemental allocations to both State and Local Grantees for the most impacted and distressed areas resulting from major disasters between 2015 and 2017.

- **CDBG-DR**
  - CDBG Disaster Recovery, with supplemental allocations to both State and Local Grantees for the most impacted and distressed areas resulting from major disasters (2001–present).
Requirements of CDBG-DR

Community Development Block Grant – DR

- **Award:** State and Local Governments Grantees
- **Admin:** Grantees submit an Action Plan that lists their programs and eligible activities
- **Purpose:** Develop viable communities through eligible activities, principally for low-and moderate-income persons

  - Housing
  - Economic Development
  - Infrastructure
  - Planning
  - Public Services

- Generally, 70% of total CDBG funds must benefit Low-Moderate Income Persons
Requirements of CDBG Non-Federal Cost Share

• Using CDBG funds for the Non-Federal Cost Share:
  ✓ Is a CDBG program
  ✓ Undertakes CDBG eligible activities
  ✓ Follows CDBG regulations
    ✓ Davis Bacon (where applicable), NEPA, Public Participation, etc.
  ✓ Is listed in plan (Action Plan or Annual Plan)
  ✓ Project costs are CDBG eligible costs (for $CDBG portion of project)
  ✓ Program Administration can be done by the FEMA subapplicant (established through an agreement like an MOU)
Entry Point and Process

✓ The new CDBG activity must be included in an approved Plan
✓ Write an MOU/Subrecipient Agreement between FEMA Subapplicant and CDBG Grantee
  • Designate responsible entities for work
  • Program Overview, Budget, Requirements
✓ Develop the CDBG Program policies and procedures
  • Include: explanation of how you plan to meet the match
  • Procedures for administering CDBG program
✓ FEMA Subapplicant follows procedures and MOU/Subrecipient Agreement
  • Submit documentation of eligible costs to Grantee, to approve and draw HUD funds
Implementation - Voluntary Buyout/Acquisition Example

- Identify if any tenants qualify for Relocation Assistance

**MOU Written**
- Action Plan Amendment
- Policies & Procedures
- Community Outreach: Identify and Select Interested Parcels
- Procurement for Work
  - Title
  - Env. Review Demo
- Environmental Review on Parcels
- Close with Beneficiaries on Sale of Property
- Demolition Removal and Green Space

State/Local Employee

Grantee

2020 Webinar
Implementation

- Memorandum of Understanding (MOU)/ Subrecipient Agreement

  - Why?
    - HUD considers its Grantee’s department as the responsible entity.
    - Therefore, any partnership where program administration and implementation is passed to another department requires a formal agreement to ensure role and responsibilities are clear.

  - Contract Contents
    - Grant Award Amount, Goals and Objectives, Scope of Work, Budget, Program Costs, Performance, Payment, Documentation/Records, Procurement, and other Cross-Cutting requirements.
Resources

- CDBG Programs Info:
  - [https://www.hudexchange.info/programs/cdbg/](https://www.hudexchange.info/programs/cdbg/)

- Grantee Lookup for CDBG-DR and CDBG-MIT funds
  - [https://www.hudexchange.info/programs/cdbg-dr/cdbg-dr-grantee-contact-information/#all-disasters](https://www.hudexchange.info/programs/cdbg-dr/cdbg-dr-grantee-contact-information/#all-disasters)

- Grantee Lookup for CDBG State funds
  - [https://www.hudexchange.info/programs/cdbg-state/](https://www.hudexchange.info/programs/cdbg-state/) then select “Contact a Grantee”.

- Grantee Lookup for CDBG Entitlement or CDBG-CV funds
  - [https://www.hudexchange.info/grantees/](https://www.hudexchange.info/grantees/) then select “by Program” CDBG, and filter for your state.

- CDBG Non-Federal Cost Share Example (Voluntary Acquisition/Buyout)
Resources

2020 Implementation Guidance on Non-Federal Cost Share between FEMA PA and HUD CDBG-DR:

Cost Share Webinar
October 29, 2020

Steve Crout
Founder, CityTech Strategy Group
&
Director, Policy and Resilience Programs
Smart Cities Council

Steve.Crout@citytechstrategy.com
“Supporting communities through capability- and capacity-building; encouraging and enabling innovation; promoting partnerships; enabling large projects; maintaining flexibility; and providing consistency.”
Readiness for Resilience Program

Partnerships Work

Core Partners (comms, cities, energy)
- Qualcomm Foundation
- Smart Cities Council
- Business Council for Sustainable Energy
- National Association of State Energy Officials

Local Partners (academia, government, non-government organizations)
- Texas A&M AgriLife
- Governor’s Commission to Rebuild Texas
- Texas Community Watershed Partners
- Government of Puerto Rico

Capability & Capacity Building
Readiness for Resilience Program

Technology Neutral Trusted Advisor Forum for Resilience Stakeholders

Three Phase Program

1) Discovery phase – learn of local rebuilding needs
2) Develop Resilience Roadmap – pair community needs with smart technology best practices
3) Rebuilding Proposals – community-based projects, PPPs, funding source
Readiness for Resilience Program

Partner Contributions

Core Partners

Qualcomm Foundation – Grant funding, technical expertise, management, planning/strategy


National Association of State Energy Officials – Planning/Strategy Governance, Technical Expertise, Roadmapping

Local Partners


Governor’s Commission to Rebuild Texas – Planning/Strategy, Roadmapping

Texas Community Watershed Partners – Research
### Smart Cities Approach

- A region-wide approach – as opposed to a single city or community approach

- A multi-purpose platform that connects all infrastructure – as opposed to single purpose systems

- Real-time data about all public amenities and infrastructure – as opposed to systems with historical data only

- Public-private partnerships that can collaborate to create a total solution

### Scalability

### Best Practices
Funding & Financing

- Capital staking by bundling together financing approaches
- Project pooling by bringing together stakeholders under a single umbrella
- Repurposing existing budgets to pay for some of the project and the ongoing operations
- Using cost savings to pay for some of the project – energy savings, procurement savings, operations and maintenance savings, and head count reductions by eliminating redundant positions
Resources

Private sector participation in public sector financing: An introduction Deloitte Center for Government Insights. This 74-page document is an excellent overview of the ways cities can access private-sector capital.

Smart Cities: A Toolkit for Leaders Wharton School at the University of Pennsylvania. A well-written 46-page overview of smart city issues, including a short chapter on financing.

Smart Cities Readiness Guide Smart Cities Council. With more than 400 pages and 100 case examples, the Readiness Guide is a comprehensive framework for a smart city.

SmartCityPHL Roadmap City of Philadelphia. This 24-page report sets out a compelling vision for Philadelphia’s smart city future. Describes the inclusive planning process, lists the city’s existing assets, describes outcomes and impacts and discusses funding options.

Ten Principles for Successful Public/Private Partnerships Urban Land Institute. This 42-page document explains 10 common-sense approaches to improve the outcomes from public-private partnerships.

Panel Session

Ryan Janda – Branch Chief, Hazard Mitigation Assistance Division, FEMA
Questions?
Appendix A: List of Acronyms

- **HMA Division** – Hazard Mitigation Assistance Division
- **SLTT** – State, Local, and Tribal Territories
- **FMA** – Flood Mitigation Assistance
- **RL** – Repetitive loss
- **SRL** – Severe repetitive loss
- **HMGP** – Hazard Mitigation Grant Program
- **BRIC** – Building Resilient Infrastructure and Communities
- **HUD CDBG** – U.S. Department of Housing and Urban Development, Community Development Block Grant Program
- **SBA** – Small Business Administration
- **USDA** – U.S. Department of Agriculture
- **EPA** – Environmental Protection Agency
- **ICC Funds** – Increased Cost of Compliance Funds
- **FHA** – Federal Housing Administration
- **NFIP** – National Flood Insurance Program
Appendix B: Terms and Definitions

- **Applicants** – the entity, such as a State, territory, or federally-recognized tribe, applying to FEMA for a Federal award that will be accountable for the use of the funds. Once funds are awarded, the Applicant becomes the Recipient or pass-through entity or both.

- **Subapplicants** – a State-level agency, federally-recognized tribe, local government, or other eligible entity that submits a subapplication for FEMA assistance to the Applicant. Once funds are awarded, the subapplicant becomes the subrecipient.

- **Public-Private Sector Partnerships** – a contractual agreement between a public agency (federal, state, or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility (National Council for Public-Private Partnership)