

Flood Damage Mitigation Incentives for Municipalities under the New ERAF Rule

Overview

The Emergency Relief and Assistance Fund (ERAF) provides Public Assistance grants through the Federal Emergency Management Agency (FEMA) to Vermont cities and towns to repair damaged infrastructure after a presidentially declared disaster. The state typically contributes half of the required 25 percent non-federal match for approved projects. Under the new ERAF rule, which went into effect on October 23, 2012, municipalities have 24 months to adopt additional flood hazard mitigation measures to maintain the state cost share for FEMA Public Assistance grants. Municipalities that adopt higher standards can achieve a higher percentage of state funding for post-disaster repair projects – from 12.5 percent to 17.5 percent. Municipalities that adopt the standard set of hazard mitigation measures will continue to receive state funds to cover half of the required non-federal match, or 12.5 percent. Municipalities that have not adopted the basic set of measures will see a decrease in the state match, from 12.5 percent to 7.5 percent. Thus, the state contribution toward the local match requirement will vary from 7.5 percent to 17.5 percent of the total project costs, depending upon the level of adoption of recommended mitigation measures.

Why Change the Rule?

According to state officials, implementation of the new rule will result in long-term savings to both the state and to municipalities. After a natural disaster, many municipalities fail to implement much needed flood hazard mitigation measures that would minimize or eliminate future damages when rebuilding or repairing roads, bridges, culverts, and public buildings. Consequently, the municipality increases its exposure to future flooding, which may result in recurring and higher repair and maintenance costs. The intent of the mitigation measures required by the new ERAF rule is to minimize economic losses during floods by improving local resilience to future flooding. Additional advantages may include enhanced public safety, floodplain and river corridor protection, and improved water quality.

New ERAF Rule Provisions

Municipalities have 24 months to adopt four basic measures to ensure that the state matching funds for the non-federal share remain at 50 percent (or 12.5 percent of the project cost):

- adopt the most recent Agency of Transportation Town Road and Bridge Standards, which you can find at www.vlct.org/assets/News/Current/Town_Road_Bridge_Standards.pdf;
- adopt or take steps towards the adoption of a flood hazard bylaw adequate enough to secure participation in the National Flood Insurance Program (NFIP);
- adopt a local Hazard Mitigation Plan; and
- adopt a local Emergency Operations Plan.

When the new ERAF rule becomes effective in 24 months, municipalities can qualify for an increased state match of 70 percent for the non-federal share (or 17.5 percent of the total project cost) by either:

- maintaining an active rate classification under FEMA's NFIP Community Rating System (CRS) that includes activities that prohibit new structures in mapped flood hazard zones; or
- adopt a river corridor protection bylaw that meets or exceeds state model regulations and guidelines.

For example, a town has a FEMA approved Public Assistance project that costs \$100,000.

Scenario 1: The town has adopted the four basic mitigation measures and has adopted a river corridor protection bylaw that meets the state model guidelines.

Federal share = \$75,000

State share = \$17,500

Town share = \$7,500

Scenario 2: The town has adopted the four basic mitigation measures but has not adopted additional mitigation measures for the increased state match.

Federal share = \$75,000

State share = \$12,500

Town share = \$12,500

Scenario 3: The town has not adopted the four basic mitigation measures.

Federal share = \$75,000

State share = \$7,500

Town share = \$17,500

Information about NFIP enrollment, the Vermont Agency of Natural Resources' model flood hazard area regulations, and participation in the FEMA CRS program can be found at http://www.vtwaterquality.org/rivers/htm/rv_floodhazard.htm. For information about local Hazard Mitigation Plans, see http://vem.vermont.gov/local_state_plans or contact Vermont Emergency Management or your regional planning commission. Direct inquiries regarding local Emergency Operations Plans to Bob Weinert, Vermont Emergency Management, at 802-241-5243 or bob.weinert@state.vt.us.

If you have general questions regarding the new ERAF rule, contact Milly Archer, VLCT Water Resources Coordinator (marcher@vlct.org), or Ray Doherty, State Hazard Mitigation Officer at Vermont Emergency Management (ray.doherty@state.vt.us).

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