

Acquisitions & Elevations Grants Basics for Local Decision Makers

On September 6, 2021, President Biden approved Major Disaster Declarations for New Jersey, authorizing FEMA to provide federal disaster assistance to impacted areas. As a result, disaster-related grant funding became available in addition to annual non-disaster grants for the NJ Office of Emergency Management (NJOEM) grant program to administer. Available grants will have different eligibility requirements and application process.

The 2019 NJ State Hazard Mitigation Plan (HMP) identifies six (6) priorities to fund elevation and buyouts projects ([link](#)) shown on diagram 1. In all cases of application review, other factors and extenuating circumstances may affect eligibility and scoring.

A glossary of terms and grant cost shares shown on next page.

The Importance of Substantial Damage (SD) Determinations

Breaking the cycle of flooding is a top objective of FEMA and NJ. Many high-risk buildings have been flooded, repaired, only to be flooded again. Helping these properties starts with bringing them into compliance with current codes through SD provisions in local Floodplain Damage Prevention Ordinances. They authorize officials to direct structures undertaking major rebuilding or improvements to be mitigated. SD determination benefits are:

1. Seizes opportunity to reduce a building’s flood risk while major work is being undertaken (improvement or rebuild) that costs more than 50% of the market value.
2. Buildings brought into compliance or built to a higher standard will provide additional protection from flooding, subsequently leading to lower flood insurance costs.
3. Mitigated homes may see higher market values compared to similar homes that are not mitigated.
4. Increases chances of grant awards.
5. Eligibility for Increased Cost of Compliance (ICC) funds.

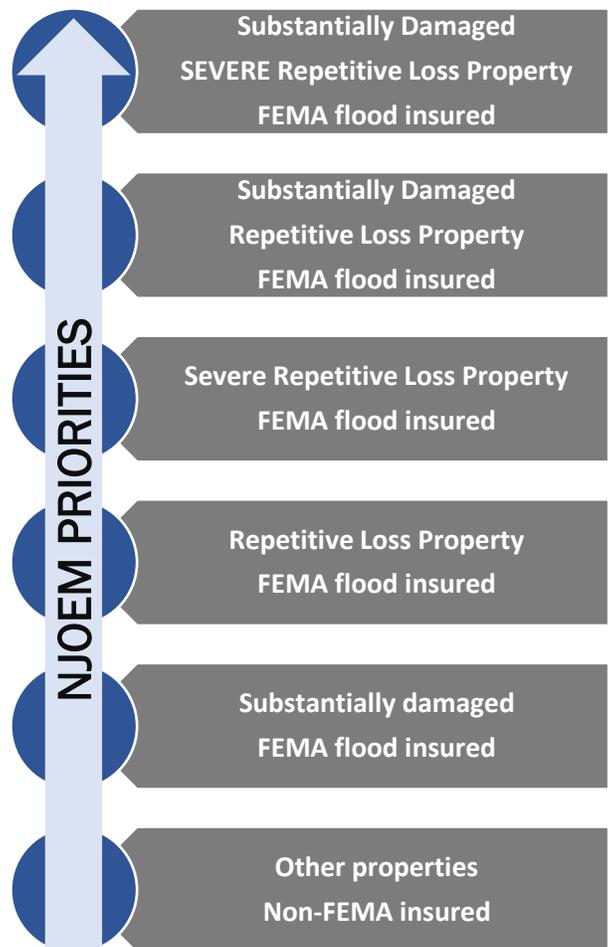


Diagram 1: 2019 NJ State HMP Chapter 8.2.1



FEMA

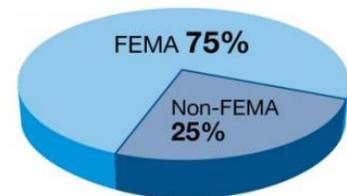
Glossary

- **Substantial Damage (SD):** structure in a Special Flood Hazard Area for which the total cost of repairs is 50% or more of the structure's market value before the disaster occurred, regardless of the cause of damage. Substantial Damage determinations are made at the local-government level, generally by a building-department official or floodplain manager.
- **Increased Cost of Compliance (ICC):** Flood insurance policyholders in Special Flood Hazard Areas may receive up to \$30,000 to help offset the costs to bring their home or business into compliance with their local community's floodplain management ordinance or regulations. To file an ICC claim, the community must determine the home or business has been substantially damaged.
- **Severe Repetitive Loss** (note slightly different than flood insurance definition): NFIP-insured residential property that has had four separate flood insurance claim payments, each greater than \$5,000, for a cumulative total over \$20,000 or Two (2) or more separate payments (building payments only) where the total of the payments exceeds the current value of the structure.
- **Repetitive Loss** (note slightly different than flood insurance definition): NFIP- insured residential property that has suffered flood damage on two occasions for which the average cost of the repairs has exceeded 25 percent of the market value of the structure.

FEMA Hazard Mitigation Assistance Grant Programs for Acquisitions & Elevations

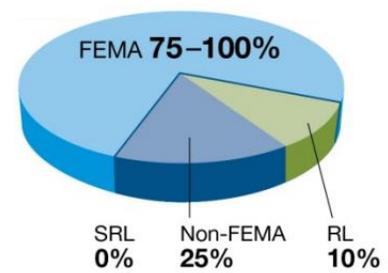
Hazard Mitigation Grant Program (HMGP): Provides funding to rebuild communities in a way that mitigates future disaster losses in those communities. Funding is made available after the President issues a major disaster declaration. It is based on up to 15% or 20% of the estimated federal assistance provided.

Hazard Mitigation Grant Program or HMGP (Disaster-related)



Flood Mitigation Assistance (FMA): A competitive grant program that provides funding to states, local communities, tribes, and territories. Funds can be used for projects that reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program (NFIP). The program is funded by an annual congressional appropriation.

Flood Mitigation Assistance or FMA (non-disaster)



FEMA pays 100% for SRL properties