



Future-Proofing Disaster Recovery & Resilience

Innovative Funding & Policy Approaches to Expediting and Sustaining Long-Term Recovery & Resiliency



March 28, 2024

Key Conversation Points -

- Introductions— (5 minutes)
- The Siloed Suite of Traditional Federal Disaster Funds & Creative Approaches to Leveraging for Sustained Recovery & Resilience (20 minutes)
- Emerging Tactics for Expediting Recovery with Public-Private Partnerships & Dedicated Funds (20 minutes)
- Leveraging Recent Federal COVID and Infrastructure Funding (20 minutes)
- Audience Observations & Questions (throughout)

Panelists



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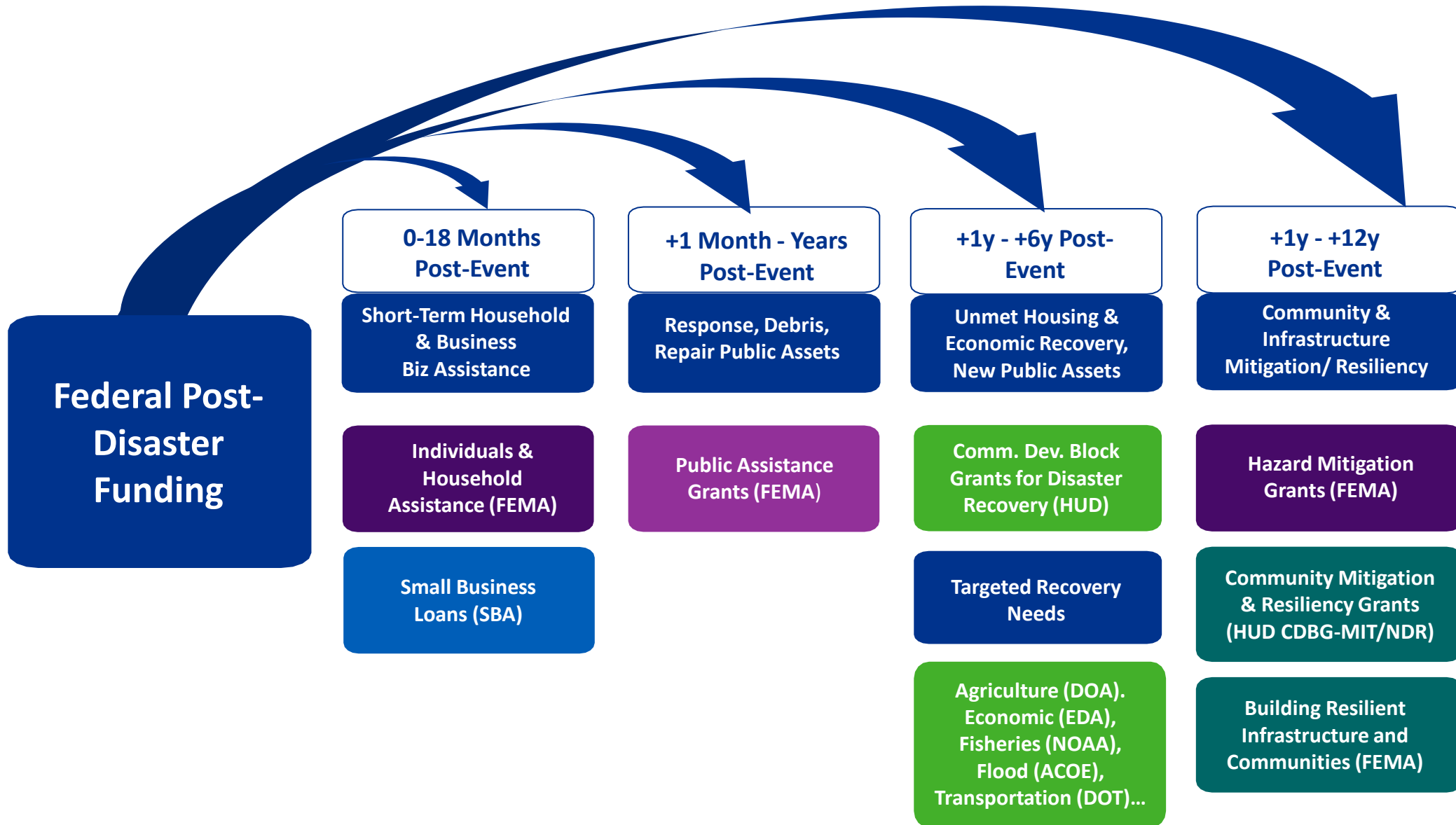
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Topic #1

Framing the Conversation

Creative Approaches to Using
the Siloed Suite of Traditional
Federal Disaster Funds

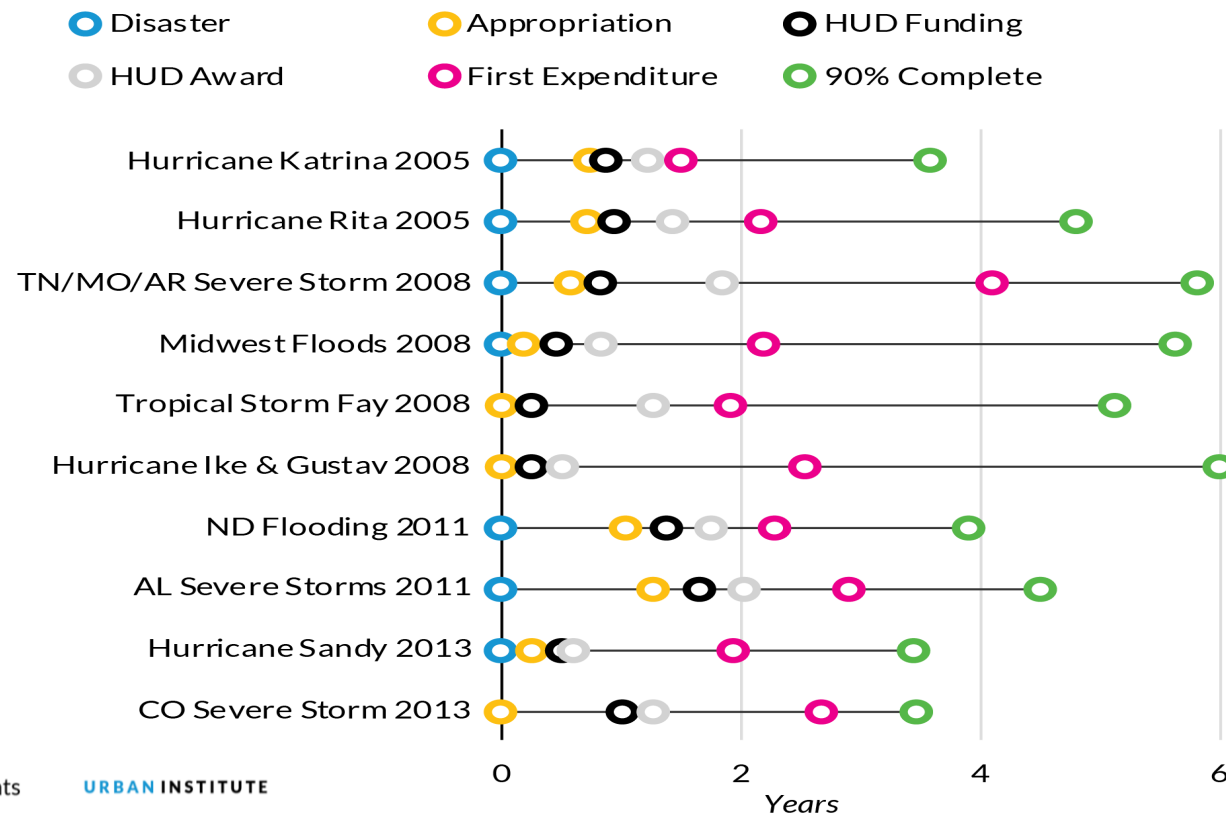
Funding in Focus: Prevailing Federal Disaster Related Funding, Timelines & Uses



Closing the Gap! The Need to Direct Innovative Funding into the Zone between Disaster and Long-Term Recovery Funding

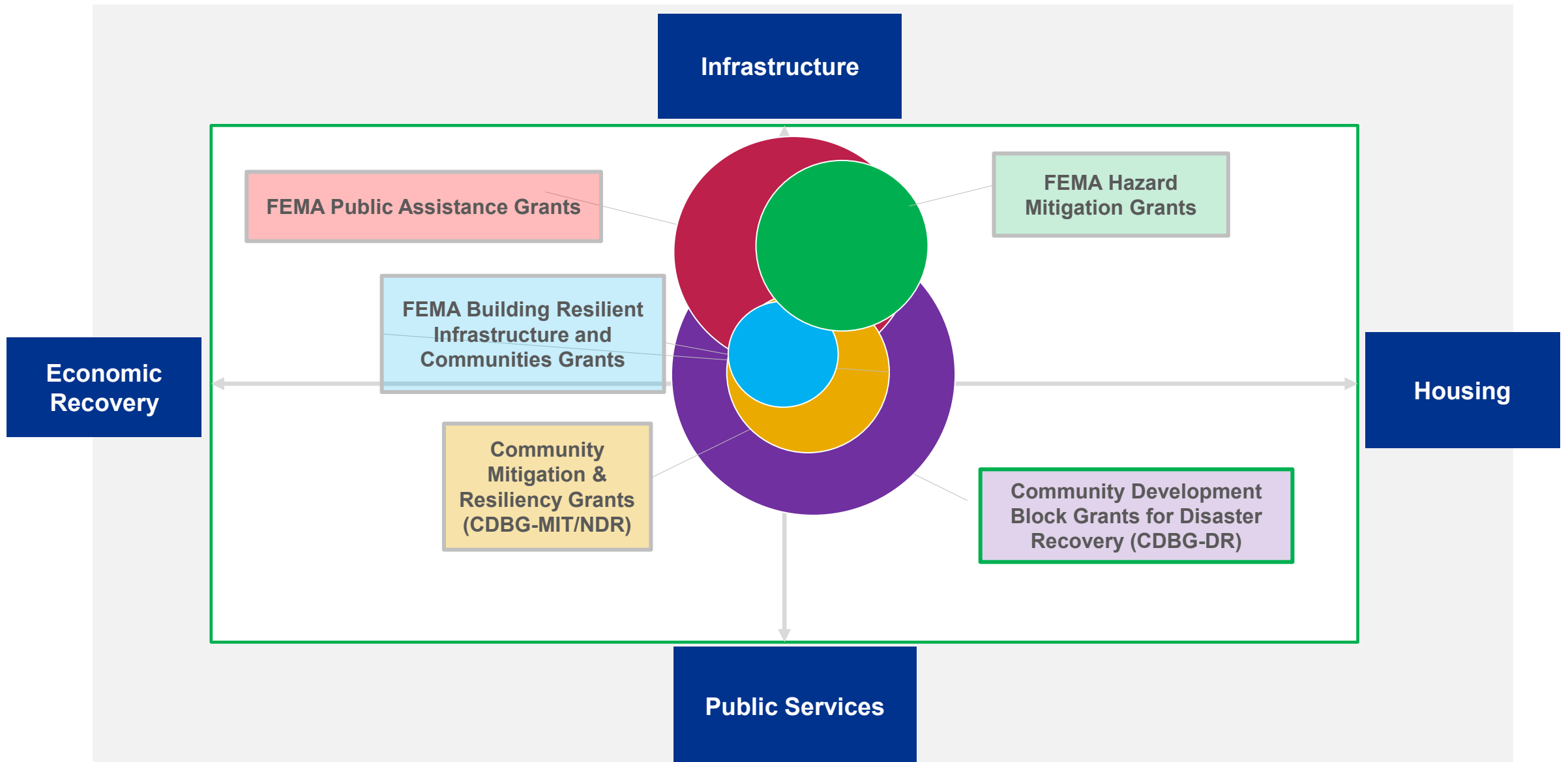
Most FEMA individual assistance ends after 18 months, while CDBG-DR for community “unmet recovery needs” is **not awarded to grantee until 10-12 months on average after a disaster** and grant execution (**distributing aid**) **not happening until 20 months after a disaster** and often extending two or more years after that.

Average Recovery Timeline by Selected Disasters, Weighted by Activity Expenditure



Source: HUD Disaster Recovery Grants Reporting data for grants that began or ended between FY2006–FY2015.

Funding in Focus: Mapping Traditional Funding Sources Relative to Recovery & Resilience Aims



Case Studies in Creative Investment

- ✓ Fresh Food Initiative, New Orleans (CDBG-DR)
- ✓ Olympia Fire Station Flood Proofing, Columbia, SC (CDBG-MIT)
- ✓ Isle de Jean Charles Resettlement / Strategic Adaptations for Future Environments, Louisiana (CDBG-NDR)
- ✓ City Revitalization Program, Puerto Rico (CDBG-DR)

Panel & Audience Discussion

What are other examples of communities creatively leveraging traditional recovery funding for longer-term investments in recovery and resilience?

Topic #2

Framing the
Conversation

Emerging Tactics for Expediting
Recovery with Public-Private
Partnerships & Dedicated
Government Funds

Don't Wait! Capitalizing on Allowances to Reimburse Jump-Starting Recovery Investments with Eventual CDBG-DR Funding



Beginning in 2022, HUD expanded the allowance of pre-CDBG-DR application costs for later reimbursement to “the pre-award and pre-application **costs of homeowners, renters, businesses, and other qualifying entities for eligible costs** these applicants have incurred in response to an eligible disaster covered under a grantees’ applicable Allocation Announcement Notice.”



“Preapplication Costs” are costs incurred by an applicant to CDBG–DR funded programs **before the time of application to a grantee or subrecipient**, and which further may be before or after the grantee signs its CDBG– DR grant agreement.

Case Studies in Jump Starting Recovery with Pre-CDBG-DR Funding

- ✓ Enterprise/Morgan Stanley *Disaster Recovery Accelerator Fund (\$25 Million)*
 - *Interest-Only Loans of up to \$3M to eligible multifamily property owners with a 3-year term*
- ✓ SBP's Recovery Acceleration Fund
 - *Social impact investment fund providing CDBG-DR reimbursable loan to homeowners at or below 50% AMI*
- ✓ State of Colorado Housing Recovery Program/ Impact Development Fund
 - *Public-Private Fund for traditional and forgivable loans towards housing rehab, mitigation, and home energy efficiencies*

Making it Happen! Key Implementation Measures & Compliance Risk Aspects to Consider in Using Bridge Financing Ahead of CDBG-DR Funding

- ✓ Pre-Award support must be included in Action Plans, along with indication that the grantee intends to reimburse or charge the costs to the grant.
- ✓ Grantees may reimburse pre-award support incurred on or after date of covered disaster but must comply with Environmental Review Procedures in 24 CFR 58 and applicable CDBG-DR statutory and regulatory provisions in effect when costs are paid with CDBG (See, 24 CFR 570.200(h)).
- ✓ Rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings, including commercial properties, are coverable before applying for CDBG-DR assistance so long as within one year after the date of the disaster.
- ✓ For rehabilitation and reconstruction costs, grantees may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area.
- ✓ Per 2 CFR 200.403(g), costs must be adequately documented; and a duplication of benefits check must be documented before providing assistance

Panel & Audience Discussion

What are other examples of communities using Public-Private funds to jump start long-term recovery or resiliency investments ahead of receiving federal funding?

Topic #3

Framing the
Conversation

Leveraging Recent Federal
COVID & Infrastructure Funding

Bypassing FEMA/HUD Funding. Directing State & Local Coronavirus Fiscal Recovery Funding (SLFRF) to Immediate & Unmet Disaster Needs



Since September 2023, gov't recipients of federal SLFRF can use the funding towards emergency relief and mitigation measures in response to **natural disasters that have occurred, are expected to occur imminently, or are threatened to occur.**



Emergency relief should reasonably and proportionally respond to actual or potential physical or negative economic impacts of the natural disaster but **does not need to comply with FEMA or CDBG-DR requirements that might otherwise apply for such activities if those funds were used.**

Bypassing FEMA/HUD Funding. Directing State & Local Coronavirus Fiscal Recovery Funding (SLFRF) to Immediate & Unmet Disaster Needs

SLFRF rules include the following **non-exhaustive list of emergency relief types** that may be provided using SLFRF funds:

- Temporary emergency housing (e.g., rental assistance, housing units, shelter)
- Food assistance
- Financial assistance from lost wages (based on specific circumstances, income, etc.)
- Other immediate needs
- Emergency Protective Measures (e.g., FEMA PA Category B)
- Debris Removal.
- Public Infrastructure Repair & Resiliency
- Mitigation Activities
- Increased operational and payroll costs.
- Cash assistance for uninsured or underinsured expenses caused by the disaster
- Home Repairs for Uninhabitable Primary Residences

Case Studies in Using SLFRF for Emergency Relief & Mitigation

- ✓ Randall County, TX *(Flooding Drainage)*
- ✓ Montgomery County, TX *(Storm Debris Removal)*
- ✓ Terrebonne Parish, LA *(Levee Construction)*
- ✓ Santa Barbara County, CA *(River Channel Realignment)*
- ✓ Will County, IL *(Flood Zone Property Buyouts)*
- ✓ Lexington County, SC *(Emergency Shelters)*

Making it Happen! Key Implementation Measures & Compliance Risk Aspects to Consider in Using SLFRF for Disaster Recovery & Mitigation

- ✓ SLFRF must be obligated by 12/31/24 (encumbered as customarily defined by grantee) and spent by 12/31/26 (unspent monies are returned to U.S. Treasury)
- ✓ Can serve as non-federal match (when taken from grantee's revenue loss allotment)
- ✓ Direct assistance to households, non-profits, and businesses, when targeted to low-income households or geographies impacted by a natural disaster, does not require a specific dollar threshold or set level of assistance
- ✓ Low-income households have (i) incomes at or below 185% FPG for the household size or (ii) income at or below 40% AMI for its county and household size. Low-income assistance is presumed eligible to such households.
- ✓ Comparable FEMA/HUD standards for assistance can be modeled but are not required
- ✓ Duplication of Benefits requirements under the Stafford Act, in addition to all relevant Uniform Guidance cost principles requirements apply
- ✓ Mitigation activities and other capital expenditures costing \$1 million or greater must complete a Written Justification for the capital expenditures

Topic #3

Framing the
Conversation

Leveraging Infrastructure
Investment and Jobs Act (IIJA)
Funding

Braiding Disaster Aid with IIJA. Understanding the Layered Opportunities



IIJA authorized \$1.2 trillion for transportation and infrastructure spending with \$550 billion of that figure going toward “new” investments and programs.

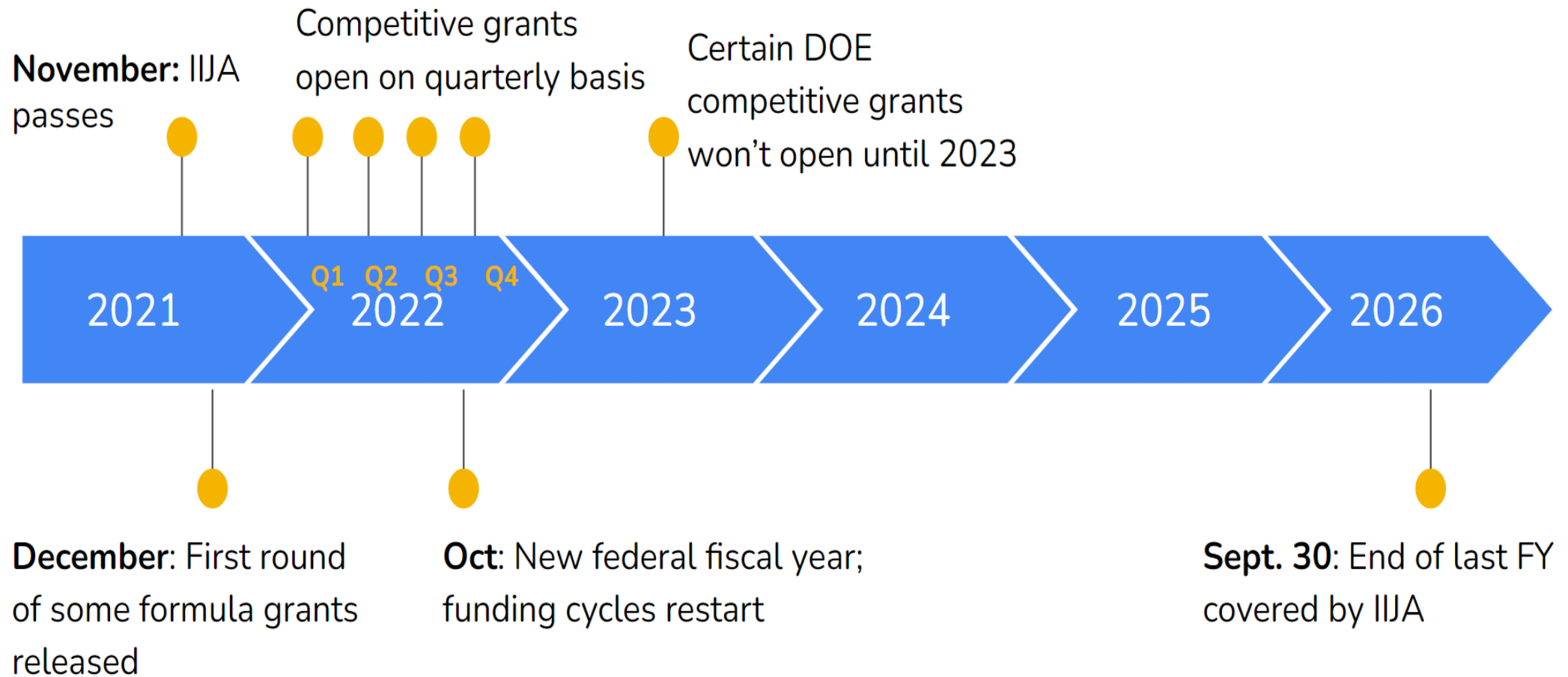
In all, funding is allocated to over 350 distinct programs across more than a dozen federal departments and agencies with initiative launches underway and continuing through 2027.



Over \$50 billion of IIJA programs are directly intended to support climate and disaster resiliency investments against droughts, heat, and floods – including investments in weatherization, community-scale resettlements, and infrastructure and grid hardening.

Intended to be used in concert with other federal, state, and local funding sources.

Braiding Disaster Aid with IIJA. Understanding the Layered Opportunities



Source: www.publicinput.com

Select IIJA Programs with Funding to Support Disaster Recovery & Resilience

Department of Energy

- Grid Innovation Program & Smart Grid Grants
- Weatherization Assistance Program Enhancement and Innovation Program

Department of Transportation

- Reconnecting Communities and Neighborhoods Program
- Rural and Tribal Assistance Pilot Program

Federal Highway Administration

- Promoting Resilient Operations for Transformative, Resilient & Cost Saving Transportation

National Oceanic and Atmospheric Administration

- Coastal Habitat Restoration and Resilience Grants for Tribes and Underserved Communities
- Transformational Habitat Restoration and Coastal Resilience Grants

United States Department of Agriculture (USDA)

- Watershed Protection and Flood Prevention Programs

DHS – FEMA

- Building Resilient Infrastructure and Communities Program
- Flood Mitigation Assistance Program & Hazard Mitigation Grant Program (HMGP)

Panel & Audience Discussion

What are other examples of communities using recent federal COVID, Infrastructure, and other funding for long-term recovery or resiliency investments?

Final Thoughts & Remarks



Thank You!



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