

2017 Home Elevation/Buyout Program

Jersey Village

How It Works

- ▶ FEMA set aside \$90 million in grant funding for FY17 to implement measures to reduce flood losses, including acquisition and demolition and elevations.
- ▶ They anticipate to make 120 awards.
- ▶ FEMA will pay 75% of the costs to elevate or buyout homes that are in the floodplain.
- ▶ FEMA will pay 90% of the costs if the home is a Repetitive Loss.
- ▶ FEMA will pay 100% of the costs if the home is a Severe Repetitive Loss.

Repetitive Loss

- ▶ A Repetitive Loss property is a structure that:
- ▶ **Is covered by an NFIP Flood Insurance Policy**
- ▶ Has incurred flood related damage -
 - ▶ Has incurred flood-related damage on 2 occasions, in which the cost of the repair, on the average, equaled or exceeded 25 percent of the market value of the structure at the time of each such flood event; and
 - ▶ At the time of the second incidence of flood-related damage, the contract for flood insurance contains increased cost of compliance coverage

Severe Repetitive Loss

- ▶ A severe repetitive loss property is a structure that:
- ▶ **Is covered by an NFIP flood insurance policy**
- ▶ Has incurred flood related damage -
 - ▶ For which 4 or more separate claims payments (building and contents) have been made with the amount of each such claim exceeding \$5,000, or
 - ▶ For which at least 2 separate claims payments (building only) have been made, with the cumulative amount of such claims exceeding the market value of the insured structure (High Priority)

Elevations

- ▶ One of the most common retrofitting methods is elevating
- ▶ When a house is properly elevated, the living area will be at least 18 inches above the base flood elevation
- ▶ The base flood elevation is the 1 percent or 100 year flood
- ▶ Almost any home can be elevated
- ▶ Project must be cost-effective
 - ▶ Prior flood loss or depth in the flood plain determine benefit
 - ▶ Method of elevation drives cost

Buyouts

- ▶ Buyouts are another way to eliminate flood loss.
- ▶ In a buyout the home would be purchased by the city at the fair market value.
- ▶ Fair market value is determined as the result of an appraisal conducted by a certified appraiser using sales of comparable homes sold.
- ▶ Once the home is demolished and the land becomes public property, designated via deed-restriction as open space.
- ▶ The city is responsible for maintaining the property.
- ▶ There is a strong preference for buyout properties to be contiguous, rather than a checkerboard type.

Eligibility

- ▶ In order to be eligible for this grant program home owners must have flood insurance
- ▶ That is a FEMA Requirement

Benefit Cost Analysis

- ▶ BCA: A quantitative procedure that assesses the cost effectiveness of a hazard mitigation measure by taking a long-term view of avoided future damages as compared to the cost of a project.
- ▶ Benefit-Cost Ratio (BCR): A numerical expression of the cost effectiveness of a project calculated as the net present value of total project benefits divided by the net present value of total project costs.
- ▶ The sum of all projects must have a positive benefit cost ratio.
- ▶ This is a very competitive national grant program. The higher the benefit cost ratio the more competitive we will be.
- ▶ THERE IS NO GUARANTEE OF AN AWARD.

Eligible Costs

- ▶ Architectural and engineering fees
- ▶ Permitting
- ▶ Clearing necessary vegetation
- ▶ Excavation around the dwelling
- ▶ Lifting or jacking building
- ▶ Temporary support cribbing
- ▶ Disconnecting, extending, elevating and reconnecting utilities
- ▶ Constructing a compliant foundation
- ▶ Cost associated with elevating the building to the required height
- ▶ Restoring the lawn, walks, driveways, and other surfaces outside the perimeter exterior walls, if damaged by the elevation process

Ineligible costs

- ▶ Elevating structures that were not in compliance with current NFIP standards at the time of construction
- ▶ Costs related to building additions or auxiliary structures
- ▶ Construction of new decks or porches
- ▶ Any improvements for purely aesthetic reasons, unless required by the EHP compliance review
- ▶ Costs to replace or repair utility service components that are undersized, inadequately designed, or unsafe, unless required by code
- ▶ Exterior finish on the exposed foundation of the elevated building, unless required by environmental and historical preservation compliance
- ▶ Additional landscaping for ornamentation beyond what existed on the site prior to construction of the project (e.g., trees, shrubs)

Timeline

- ▶ The City has to make application to the Texas Water Development Board (TWDB) by September 28.
- ▶ TWDB will review the applications, and make sure they are all complete and work with the city on any additional information that may be needed from the 28th to October 12th.
- ▶ TWDB will package all the applications they receive from around the state and submit a state grant application to FEMA by November 14th.
- ▶ Award announcements from FEMA are not expected until February or March at the soonest.
- ▶ We estimate construction projects likely would not start until June 2018.

Buyouts or Elevations In Jersey Village

- ▶ The Long Term Flood Recovery Plan identified approximately 60 homes that would be candidates for buyouts or elevations.
- ▶ These homes were used as the starting point for which homes to target.
- ▶ Staff looked at the contiguous nature of the identified homes and homes that were impacted previously and added a few to the list to send questionnaires to.
- ▶ In order to be eligible for either of these the homes must be covered by flood insurance.

Buyouts or Elevations In Jersey Village (Continued)

- ▶ 76 homes received the questionnaires
- ▶ Of those 41 people responded to the questionnaire (54%)
 - ▶ 24 are open to elevation and buyout
 - ▶ 10 want buyouts
 - ▶ 6 want elevations
 - ▶ 1 want neither
- ▶ Given the number of homes that responded it is not feasible to do all of these homes in one grant cycle. We must take a phased approach to this project.

Staff recommendations

- ▶ Staff recommends that the Council authorize a grant application to apply for elevations of homes that responded to the questionnaire located on Jersey Drive from Lakeview west to Elwood, Elwood Drive, Acapulco Drive, Juneau Lane and St. Helier Street.
- ▶ This would be 17 homes.
- ▶ 7 homes are Severe Repetitive Loss
- ▶ 4 homes are Repetitive Loss
- ▶ 6 homes are neither
- ▶ This would be a grant application of an estimated \$2,791,000.
- ▶ It would require a match of approximately \$342,000.

Staff Analysis

- ▶ In looking at the Cost Benefit Analysis, and the Cost Benefit Ratio these homes allow for a good mix of benefits, while giving us a high Cost Benefit Ratio better than 1.
- ▶ We feel this will allow for the best bang for the buck.
- ▶ With the homes being in close proximity it allows for easier mobilization and demobilization for the companies, which lowers costs.
- ▶ It would not be practical to do elevations/buyouts of homes in the Wall Street/Crawford Street neighborhoods this grant cycle with the road and drainage work likely happening in the same time frame.

Staff Analysis

- ▶ Elevations are preferable to buyouts.
- ▶ A buyout means the city would have to own and maintain the property as green space. That means lost property tax revenue and new maintenance costs.
- ▶ Elevations would likely mean an increased home value for owners.
- ▶ It also means their flood insurance costs would be greatly reduced.
- ▶ Elevation techniques are well known, and qualified contractors are often readily available.
- ▶ Elevation reduces the physical, financial, and emotional strain that accompanies floods.

Other Things To Note

- ▶ This is a very competitive grant process
- ▶ The city may not receive the award in full
- ▶ It's possible FEMA could award funds for fewer homes than we apply for

Future Years

- ▶ At this junction staff recommends next year (2018) the city apply for a grant to elevate the homes that responded to the questionnaire on Jersey Drive east to Equador St, Philippine St, Zilonis Court, Hamilton Cir, and Equador Street from Philippine St to the Bayou. This is 20 homes.
- ▶ If some homes this year are not funded for elevations, we would look at that to reapply for next year.
- ▶ In looking out to future years, 2019 and beyond, the city could continue the grant program for remaining homes that are Repetitive Loss or Severe Repetitive Loss or that would remain in the flood plain.

Questions?

After the meeting you may contact Austin Bleess, City Manager,
with any questions.

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