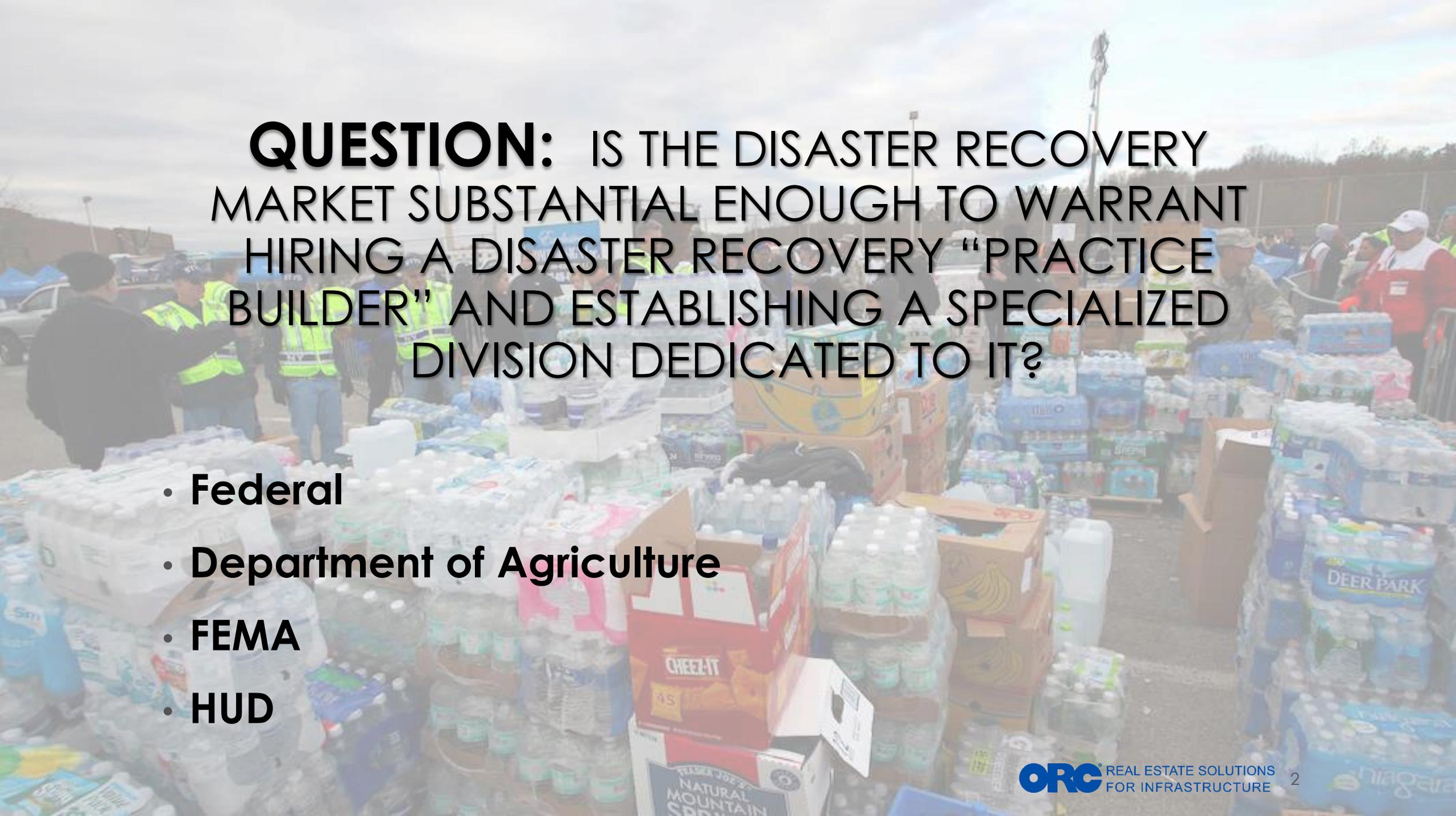




ORC[®] REAL ESTATE SOLUTIONS
FOR INFRASTRUCTURE

DISASTER RECOVERY

Research Synopsis



QUESTION: IS THE DISASTER RECOVERY MARKET SUBSTANTIAL ENOUGH TO WARRANT HIRING A DISASTER RECOVERY “PRACTICE BUILDER” AND ESTABLISHING A SPECIALIZED DIVISION DEDICATED TO IT?

- **Federal**
- **Department of Agriculture**
- **FEMA**
- **HUD**

FEDERAL

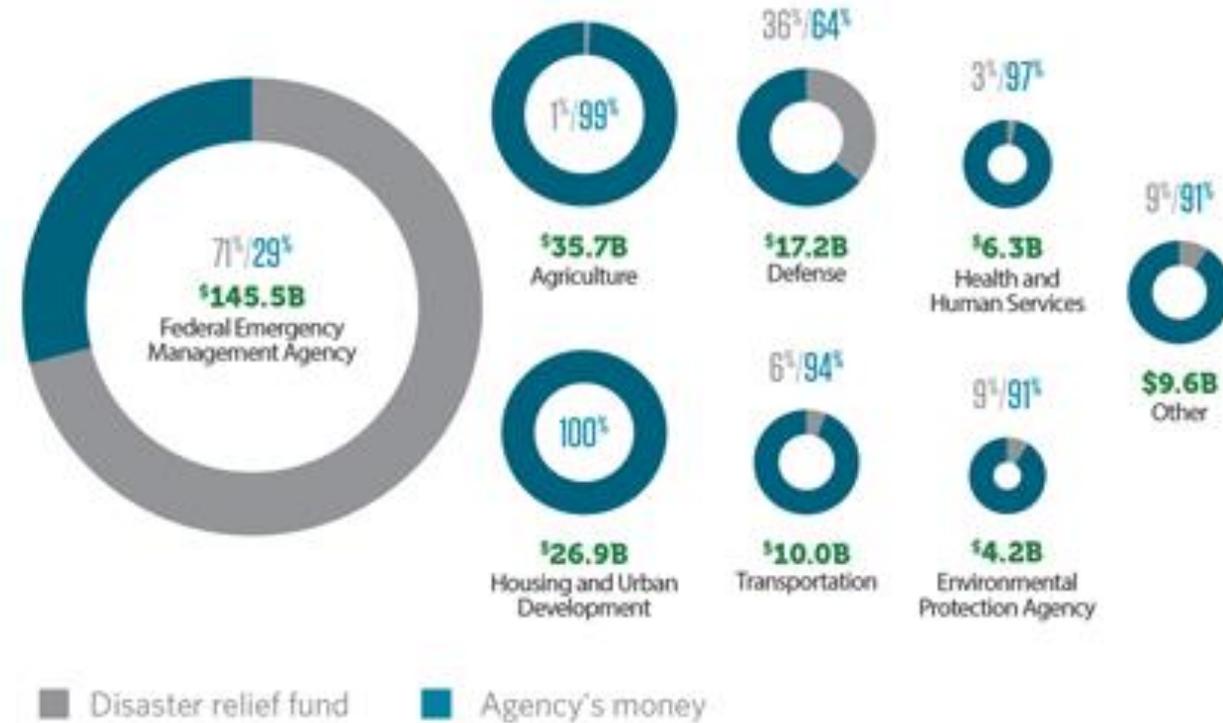


- There are 17 public agencies (Federal) responsible for leading and coordinating disaster assistance and funding, including HUD; FEMA; the SBA; and the Departments of Labor, the Interior, Agriculture, the Treasury, and Education (among others).

Figure 1

Agencies Predominantly Use Own Funding For Disaster-Related Activities

Inflation-adjusted spending by funding source and entity, federal FY 2005-14



Notes: Data reflect expenditures. Mission-assignment spending from the Disaster Relief Fund (expenditures for specific actions and tasks delegated by the Federal Emergency Management Agency [FEMA] to agencies) is shown within each associated entity. "Other" includes \$1.5 billion in spending by the Department of Homeland Security for agencies other than FEMA and total spending by the departments of Commerce, Education, Energy, Interior, Justice, Labor, Treasury, and Veterans Affairs, as well as the General Services and Small Business administrations. Source: Pew's analysis of data from Government Accountability Office, "Federal Disaster Assistance" (September 2016)

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As illustrated by Figure 1, three agencies:

1. FEMA
2. Agriculture
3. HUD

They account for 81% of total federal disaster spending.

DEPARTMENT OF AGRICULTURE



- Offers programs and services to help communities, farmers, ranchers, and businesses that have been hard hit by natural disasters.
- These programs include the Livestock Forage Program; the Livestock Indemnity Program; the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish program; and the Tree Assistance Program.
- The DOA also provides loans for losses to crops, trees, livestock, farm land and farm property; farm land damage; and crop losses.
 - ❖ **By and large, these programs do not represent a significant opportunity for O. R. Colan Associates, LLC.**

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)



FEMA

FEMA represents the largest contributor of Federal funding for disaster relief program and efforts.

- 71% of FEMA funds come from the **Disaster Relief Fund (DRF)**. Although vital, the fund is but part of the federal government's "all hands on deck" approach to disaster response.

(See Figure 1)

FEMA

FEMA oversees DRF spending. The majority of these expenditures, 73%, were for grants and other direct financial assistance that FEMA provided to state and local governments and individuals affected by disasters from fiscal 2005-14. (See *Figure 2*.)

- **These grants included public assistance grants to state and local governments to repair and replace public infrastructure, and housing and crisis counseling aid to disaster victims through the individual assistance program.**



Figure 2

Almost Three-Quarters of FEMA's Disaster Relief Fund Supports Its Grants Programs

Inflation-adjusted DRF expenditures by category, federal FY 2005-14

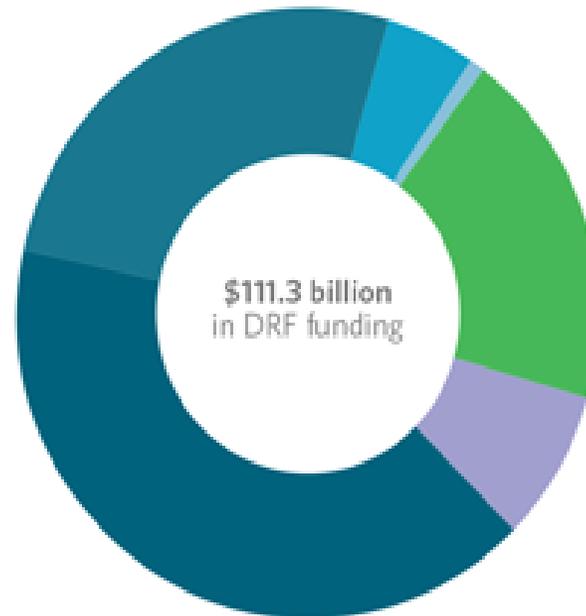
73% FEMA grants and other direct financial assistance
10-year total: \$81.5 billion

41% public assistance grant program

26% individual assistance programs

5% Hazard Mitigation Grant Program

1% Fire Management Assistance Grant Program



19% administration
10-year total: \$21.3 billion

8% mission-assignment reimbursements (agencies outside of FEMA)
10-year total: \$8.5 billion

Notes: When possible, figures reflect actual expenditures, rather than amounts obligated, with the exception of the Hazard Mitigation Grant Program (\$5.9 billion), which reported only obligations because of data limitations.

Source: Pew's analysis of data from Government Accountability Office, "Federal Disaster Assistance" (September 2016)

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FEMA

While FEMA tracks DRF spending related to major disasters and emergencies declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, **there has not been a systematic effort to account for federal obligations for disaster assistance outside of the DRF.**

- The U.S. Government Accountability Office (GAO) found that more than half of the 17 departments and agencies in the scope of this review reported that **obligations for certain disaster assistance programs or activities during this time frame are not separately tracked or are unavailable, for various reasons.**
- **This underscores the difficulty in identifying specific hazard mitigation, acquisition, temporary relocation (etc) expenditures per agency / program.**



DISASTER RELIEF FUND

FEMA - FUNDING

EACH YEAR CONGRESS SENDS TWO POTS OF MONEY TO FEMA'S DISASTER RELIEF FUND.

1. The first pot of money is generally for FEMA's regular daily operations and routine events. In fiscal year 2017, that base funding was \$615 million.

2. The second pot of money Congress gives FEMA is bigger. Known as Major Declarations, this pot amount is based on the amount that was spent on disaster relief in the past decade. In fiscal year 2017, that funding was \$6.7 billion.

FEMA – FUNDING

FROM GREATEST
TO LEAST, THE
FOLLOWING ARE
CURRENTLY TOP
FUNDED FEMA
ACTIVITIES:



Category B: Emergency Protective Measures - Measures taken before, during, and after a disaster to eliminate / reduce an immediate threat to life, public health, or safety, or to eliminate / reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.



Category A: Debris Removal - Clearance of trees and woody debris; certain building wreckage; damaged / destroyed building contents; sand, mud, silt, and gravel; vehicles; and other disaster-related material deposited on public and, in very limited cases, private property.



Category C: Roads and Bridges - Repair of roads, bridges, and associated features, such as shoulders, ditches, culverts, lighting, and signs.

FEMA NOTABLE 2018 MARKETS / GRANTEEES:

MARIA

- Hurricane Maria relief is FEMA's biggest recipient of funds with a 2018 baseline at **\$14,896M** with a \$980M change from the baseline as of March 2018. The primary cause of changes was a \$652M net increase for Virgin Islands Water and Power Authority and Shelter and Temporary Essential Power (STEP) program costs.

HARVEY/IRMA

- FEMA's 2nd and 3rd grantees for 2018 – Harvey at **\$3,807M** and Irma at **\$3,533M** (baselines). Changes for Harvey that occurred cumulatively until March were primarily due to reduced projections for disaster housing and other assistance. Changes for Irma involved mostly increases for acceleration of projects.

SANDY

- Hurricane Sandy relief is FEMA's 4th biggest recipient of funds with a 2018 baseline at **\$1,347M** for Public Assistance and Hazard Mitigation. In March 2018, changes from the baseline include: \$3M net increase for scope of work change and \$13M net decreases for public assistance, delayed and reduced costs for phased projects and other activities.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)



FROM 2005 (HURRICANE KATRINA) THROUGH 2014, HUD DISTRIBUTED NEARLY \$27 BILLION IN FEDERAL DISASTER-RELATED FUNDING.

- In FY 2008, Congress appropriated an additional \$6.7B in funding for the CDBG-DR program. This was the last time Congress earmarked general funding for the program.
- Since 2014, HUD has distributed an additional \$20B in Federal disaster-related funding, primarily in CDBG-DR grants. (See Figure 1 and the table found at <https://www.hudexchange.info/resources/documents/CDBG-DR-Financial-Report-2018-02-01.pdf>).

❖ **This represents a total of over \$47.7B of CDBG-DR grants since 2005.**

❖ **Of this total issuance, only \$11.06B remain.**

HUD - FUNDING

Thus far, in fiscal year 2018, HUD reports that Congress has appropriated a total of \$28B to assist recovery from events occurring from 2014 through 2017. This is a cumulative figure that represents **the greatest amount of appropriated funding for specific disasters within a four-year period.**

MOST RECENTLY:

- In 2017, the State of Florida received \$616M for recovery from Harvey, Irma, and Maria.
- In 2017, the State of Texas received over \$5B for recovery from Harvey.

LIKewise, SINCE HURRICANE SANDY IN 2012, \$16 BILLION HAVE BEEN PAID OUT FOR ASSOCIATED RECOVERY EFFORTS:

- The state of New Jersey received \$4.17B.
- The state of New York received \$4.42B.
- New York City alone received \$4.21B.

RECENT SOLICITATIONS FOR SERVICES IN SUPPORT OF DISASTER RECOVERY – CDBG-DR FUNDING

Of late, we have seen a spike in disaster recovery / mitigation RFP's. Most of the following have been published within the last **6 months**.

- Middleborough and Wheeling were “one-off” solicitations not associated with any of the recent hurricanes but that fit within the funding model we have illustrated here.
- Town of Wrightsville (Matthew)
- City of Durham, NC (Matthew)
- Mecklenburg County Storm Water Services (Matthew)
- North Carolina Department of Public Safety (Matthew)
- Brazoria County, TX (Harvey)
- Houston-Galveston Area Council (Harvey)
- Texas General Land Office (Harvey – At least 2 RFP's in the last 3 months)
- City of Beaumont, TX (Harvey)
- City of Middleborough, MA FEMA project (Woloski Park)
- Village of Wheeling, IL (Mobile home park relocation)



CDBG-DR NOTABLE MARKETS/GRANTEES:

- The state of Arkansas has \$7.8M remaining of \$90.4M grant.
- Columbia, SC is a **first-year** recipient (2017) of CDBG-DR funding and has \$25.6M remaining.
- Houston, TX is also a **first-year** recipient (2017) and has \$87M remaining.
- The state of North Carolina is a **first-year** recipient (2017) and has nearly \$237M in available funding.
- The state of Louisiana has **7 on-going CDBG-DR grants totaling almost \$18 BILLION**. Of this total, only \$2.14B remains.
- Of \$3.9 BILLION in CDBG-DR funding (5 grants), the **Texas GLO** has \$801.4M remaining.
- The **City of Minot, ND** has nearly \$75M in remaining CDBG-DR funding. This is represented by one project – the Fargo-Moorhead Diversion Program.
- **The state of New York** has 3 grants in place, representing a balance of nearly \$1.6B.
- The state of West Virginia, a **first-year** recipient (2017), has one grant of nearly \$150M.

DISASTER RECOVERY / FLOOD MITIGATION CONFERENCES

Organization	Title	Website	2018 Dates	2018 Location	Overview
National Hurricane Center	National Hurricane Conference	http://hurricanemeeting.com/	Mar 26-29	Orlando, FL	The primary goal of the National Hurricane Conference is to improve hurricane preparedness, response, recovery, and mitigation to save lives and property in the United States and the Caribbean / Pacific tropical islands. In addition, the conference serves as a national forum for federal, state, and local officials to exchange ideas and recommend new policies to improve Emergency Management.
Association of State Floodplain Managers	ASFM	http://www.asfpmcconference.org/2018/	Jun 17-24	Phoenix, AZ (2019 is in Cleveland)	ASFPM seeks Concurrent Sessions and Workshops to address the issues and problems associated with flood mitigation, managing flood risk, resiliency, sustainability, and protecting floodplain and fragile natural resources for our 2018 National Conference.
Governor's Hurricane Conference (FL)	Governor's Hurricane Conference	http://flghc.org/	May 13-18	Palm Beach, FL	This year marks the 32nd anniversary of the conference, where we come together as partners and industry peers. We enrich our professional knowledge to enhance interagency coordination and cooperation; to work together to connect our communities' expertise and resources to ensure that we are ready to withstand hurricane events, and to recover from them with proficiency and flexibility. The Governor's Hurricane Conference® is the largest forum in the nation that offers cutting-edge sessions to expand our readiness capacity to effectively enhance collaboration.
Floodplain Management Association (CA)	2018 FMA Annual Conference	http://floodplain.org/annual-conference	Sept 4-7	Reno, NV	FMA promotes the development of principles and tools for effective federal, state, and local floodplain management programs and participates in an advisory role in numerous statewide and regional planning efforts.

DISASTER RECOVERY / FLOOD MITIGATION CONFERENCES

Organization	Title	Website	2018 Dates	2018 Location	Overview
FEMA	Hazard Mitigation Stakeholder Workshop	https://www.fema.gov/hazard-mitigation-stakeholder-workshop	Mar 12-16	Emmitsburg, MD	Invitation only; the purpose of this workshop is to provide an environment for information exchange and discussion of success stories and challenges associated with the delivery of the Hazard Mitigation Assistance (HMA) programs. The workshop will also promote enhanced understanding and capacity to address floodplain management and HMA program requirements, as well as provide tools and guidance to support decision-making at all levels.
SC Association of Hazard Mitigation	SCAHM 2018 Annual Conference	http://www.scahm.org/events.html	Mar 12-14	Hilton Head, SC	Each year, the South Carolina Association for Hazard Mitigation (SCAHM) brings together hazard mitigation professionals in engineering, planning, all levels of government, private business, academia, conservation organizations, and concerned citizens to learn about and share the latest research, techniques, and programs designed to better understand and manage the many problems caused by disasters.
USACE/Silver Jackets	USACE Interagency Flood Risk Management Workshop	http://frmpw.nfrmp.us/2017/index.cfm (This is last year's in St. Louis; no site yet for this year's)	Apr 13 – May 4	Indianapolis, IN	The annual U.S. Army Corps of Engineers Flood Risk Management and Silver Jackets workshops focus on integrating and leveraging programs to reduce flood risk. Sessions provide opportunities to share successes and challenges; learn about flood risk management programs and activities in other states and federal agencies; and further develop the knowledge and skills key to managing flood risks effectively.
Silver Jackets		https://silverjackets.nfrmp.us/State-Teams (State Teams site)			Silver Jackets teams in states across the country bring together multiple state, federal, and sometimes tribal and local agencies to learn from one another and apply their knowledge to reduce the risk of flooding and other natural disasters in the United States, and enhance response and recovery efforts when such events do occur. There are a growing number of states applying the Silver Jackets approach – the ultimate goal is a state-led interagency team in every state.