

Community Flood Preparedness Fund Draft Guidelines Priorities and Approach

Preparing for Administration of the Community Flood Preparedness Fund

The purpose of this document is to establish guidelines for implementation of the Community Flood Preparedness Fund (the Fund) as required by the Clean Energy and Community Flood Preparedness Act (the Act), which Governor Northam signed on July 1, 2020. The Department of Conservation and Recreation (DCR) will accept public comment on this draft from December 7, 2020 to January 31, 2021. After reviewing public comment and making any necessary and appropriate amendments to the draft, DCR will finalize the guidelines no later than March 1, 2021.

The finalized guidelines will inform the development of annual requests for proposals (RFPs), a grant manual, and scoring criteria for grant and loan applications.

Overview of the Fund

Under the Act, forty-five percent of revenues from the sale of Regional Greenhouse Gas Initiative (RGGI) carbon allowances accrue to the Fund to be used “for the purpose of assisting localities and their residents affected by recurrent flooding, sea level rise, and flooding from severe weather events,” through a grant and loan program administered by DCR and the Virginia Resources Authority (VRA).

By statute, DCR is to develop and issues guidelines for fund distribution “in consultation with the Secretary of Natural Resources and the Special Assistant to the Governor for Coastal Adaptation and Protection.” The Act also allows for funds to be used to “support flood prevention or protection studies of statewide or regional significance.” The fund is intended to address identified issues on a statewide basis, and the guidelines and review of proposals submitted will necessarily take in to account differences in the various physiographic regions and varying types of flood risks across the Commonwealth.

While the statute establishes baseline purposes and requirements, more specific strategic approaches are necessary to effectively and efficiently meet the objectives of the Act. As implementation begins and lessons are learned, DCR will revisit the guidelines periodically to incorporate new science and other information. We expect that as the program matures, localities will be better equipped to develop and implement effective programs and projects, necessitating additional revisions to the guidelines. We also anticipate that the adoption of the Coastal Resilience Master Plan will inform future iterations of the guidelines to address needs, projects and priorities identified in that plan.

Statutory Requirements for the Fund (§ 10.1-603.25.)

All expenditures from the fund will be guided by these specific statutory requirements:

1. Moneys in the Fund shall be used solely for the purposes of enhancing flood prevention or protection and coastal resilience.
2. Priority shall be given to projects that implement community-scale hazard mitigation activities that use nature-based solutions to reduce flood risk.
3. No less than 25 percent of the moneys disbursed from the Fund each year shall be used for, or set aside for projects in low-income geographic areas.
4. Localities shall use moneys from the Fund primarily for the purpose of implementing flood prevention and protection projects and studies in areas that are subject to recurrent flooding as confirmed by a locality-certified floodplain manager.

Commonwealth Resilience Planning Principles

In order to fulfill the statutory requirements of the Act, and as a starting point in the development of the guidelines, we also expect to prioritize funding for activities and projects that are representative of the core principles from the [Virginia Coastal Master Planning Framework](#) that was released by the Governor on October 22, 2020. As previously noted, the Fund is statewide in its coverage. However, the principles of the Master Plan, even with the obvious geographic differences across the state, can for the most part be applied to the Commonwealth as a whole. As expressed in the Virginia Coastal Master Planning Framework the guiding principles are:

- Acknowledge climate change and its consequences, and base decision making on the best available science.
- Identify and address socioeconomic inequities and work to enhance equity through coastal adaptation and protection efforts.
- Recognize the importance of protecting and enhancing green infrastructure like natural coastal barriers and fish and wildlife habitat by prioritizing nature-based solutions.
- Utilize community and regional scale planning to the maximum extent possible, seeking region specific approaches tailored to the needs of individual communities.
- Understand fiscal realities and focus on the most cost-effective solutions for protection and adaptation of our communities, businesses and critical infrastructure.

Program Goal for the Community Flood Preparedness Fund

The Virginia Community Flood Preparedness Fund will provide support for regions and localities across Virginia to reduce the impacts of flooding, including flooding driven by climate change. The Fund will prioritize projects that are in concert with local, state, and federal

floodplain management standards, local resilience plans and the Virginia Coastal Resilience Master Plan. The Fund will empower communities to complete vulnerability assessments and develop and implement action-oriented approaches to bolster flood preparedness and resilience.

Priority Elements of the Community Flood Preparedness Fund

Project Grants

The primary purpose of the Fund is to reduce the impact of flooding across the Commonwealth of Virginia through tangible flood reduction projects. Whether it is the preservation of open space, the construction of levees and flood walls, updating stormwater or septic systems, strategically relocating homes, businesses, or infrastructure, or alternative solutions to flood risk reduction, the Fund will provide a long-term, consistent funding source to promote flood resilience in Virginia.

The Fund will be used to provide grants and loans to deliver flood control and resilience projects that are in accordance with local and regional resilience plans, statewide guidance on freeboard standards and sea level rise projections pursuant to Executive Order 24 (2018), or the Virginia Coastal Resilience Master Plan. In administering the Fund, the Commonwealth will strive to ensure that as much funding as possible is allocated to flood reduction projects that will provide an appreciable flood mitigation benefit.

Planning Grants

While certain localities and regions have taken major steps in developing and implementing comprehensive approaches to flood preparedness and resilience, many areas have yet to establish the necessary foundation for such activities, often because of a lack of resources. Therefore, it will be Commonwealth's policy to encourage and assist in funding locality level flood resilience plans.

The Fund will provide planning grants to help any locality that does not yet have such a plan develop one, to help address its flooding or resilience needs in a comprehensive manner. Existing plans or plans in progress that meet minimum criteria will be accepted. A completed plan will be required before a locality can apply for and receive funding from the Project category. Planning and study grants (as described below) will be available to any locality prior to adoption of a resilience plan.

More details on the minimum criteria for a qualified local resilience plan will be detailed in the first Grant Manual for the Fund, to be issued in early 2021. Generally, it should be expected that plan criteria will encourage the themes encompassed in the Master Planning Framework including the incorporation of nature based or green infrastructure solutions. Plans should also inventory critical infrastructure that may be at risk from flooding events including water supply, transportation, schools, health care, dams, levees, and other vital assets of a community and including options for adaptation, protection, or relocation.

Study Grants

While the ultimate objective of the Fund is to provide financial support for projects that reduce flooding, the Commonwealth and localities will need additional information to support project planning and prioritization, including vulnerability assessments, economic impact analysis, and environmental forecasting. The Fund will also prioritize these studies and research projects over the next several years.

Grants Applicability

With the above elements as a baseline, the Fund will prioritize support for activities listed within the categories detailed below.

Projects:

- Conservation and restoration of floodplains, coastal barriers, and other natural capital, including through protection or acquisition of flood-prone properties consistent with local or regional flood preparedness and resilience plans and guided by the *ConserveVirginia* model.
- Construction of new infrastructure, or modification of existing infrastructure, necessary to reduce flooding or mitigate flood damage or risk.
- Stream restoration or stabilization to reduce flooding.
- Increasing public outreach efforts related to flood risk, such as creating and distributing educational materials, creating and installing signs, developing web pages, or conducting community open houses.

Planning:

- Flood preparedness and resilience plan development, or incorporation of flood protection and resilience elements to existing comprehensive or land use plans or ordinances. More details on minimum resilience plan requirements will be provided and updated in upcoming Grant Manuals. Minimum requirements will incorporate the five Commonwealth Resilience Planning Principles established by the Virginia Coastal Resilience Master Planning Framework, as well as the Virginia Flood Risk Management Standard and other elements established by EO24.
- New or updated delineations of areas of recurrent flooding, stormwater flooding and storm surge vulnerability in coastal areas that include projections for future conditions based on sea level rise, more intense rainfall events or other relevant flood risk factors.
- Local or regional flood studies in riverine communities that may include watershed scale evaluation, updated estimates of rainfall intensity, or other information.
- Local or regional flood studies needed to help identify future impact areas.
- Impact maps for structures or other infrastructure that may need relocation.

- Detailed mapping and analysis to support updates to comprehensive plans, capital improvement plans, floodplain management plans, hazard mitigation plans, zoning and subdivision ordinances.
- Revising floodplain maps (not to include regular map updates) to incorporate higher standards to reduce the risk of flood damage.
- Plan and implement an education and outreach strategy for communities that have been traditionally underserved or particularly vulnerable to current and future flood risk to ensure residents understand opportunities for resources and support and allow for full discussion of options that respect community perspective while enhancing protection and resilience.
- Costs associated with staff training in the National Flood Insurance Program (NFIP), floodplain management, and Certified Floodplain Manager (CFM) designation.

Studies and Data Collection of Statewide and Regional Significance:

- Conducting hydrologic and hydraulic studies of floodplains.
- Precipitation modeling on a state or regional basis, such as Atlas 14 and IDF information (rain intensity, duration, frequency estimates).
- Regional relative sea level rise projections for use in determining future impacts and address eligibility requirements.
- Impact analysis either statewide or regionally on state transportation, water supply, water treatment, impounding structures, or other significant and vital infrastructure.
- Regional analysis of dams, levees, or other structures in the context of their potential impact to flooding or flood protection.
- Statewide or regional stream gauge monitoring and the creation, maintenance and updating of stream gauge networks.

Grant Award Criteria

- While the statute requires that 25% of available funds be reserved for “low income areas” there are also issues related to the capacity of local governments or groups of local governments to participate effectively in this program. The grant awards, in particular, should consider the fiscal capacity of the applying localities and look to fund full project costs where necessary and examine the feasibility of using a sliding scale, based on fiscal health metrics, to determine the final amount of a grant award.
- In other circumstances, where a community is able to self-fund or draw from existing state and federal funding sources, grants will be considered to cover partial project or planning costs as part of a mix of local, federal or private funding.
- Grants will only be considered for projects that are part of a locality’s resilience plan, or determined to be of local, regional or statewide significance by the Commonwealth.
- In the coastal zone, projects will be prioritized by the Coastal Resilience Master Plan.

- Each year, the Fund’s Grant Manual and scoring criteria will set cost share ratios for various types of projects. Grants will prioritize green infrastructure and community scale projects through a sliding cost share. Projects that have other dedicated funding sources (such as stormwater systems upgrades) will receive a lesser cost share.
- Minimum grant awards by category will be as follows: Projects \$50,000; Studies \$25,000; Plans \$25,000. Project grants will not be capped.
- Total expenditure per grant round will be determined by DCR in consultation with the Commonwealth Chief Resilience Office and the Special Assistant for Coastal Adaptation.

Timing

The Fund will hold two grant rounds per year. The Round 1 application window will run from April 1- June 1, with August grant awards. Round 2 will run from August 1-December 1 with December grant awards.

Eligible Entities

The following entities may apply for grants from the Fund

- Localities
- PDCs (on behalf of localities)
- Soil and Water Conservation Districts
- Tribal Governments

Application Process

To be determined by annual grant manual and RFP.

Project Selection

Project selection and grant awards will be determined by DCR in consultation with the Commonwealth Chief Resilience Office and the Special Assistant for Coastal Adaptation.

Public Comment

DCR will collect public comment on these draft guidelines with a deadline of January 31, 2021. The comment period will begin upon publication on the Virginia Town Hall (<https://townhall.virginia.gov/>) on December 7, 2020.

The public is invited to comment on all aspects of these guidelines and use of the Fund. In particular, DCR invites commenters to comment on:

- Allowable uses of grant funds
- Local Resilience Plan minimum criteria
- Grant timing
- Grant award minimum and maximum award amounts