

RESILIENT NORTHEASTERN NEW JERSEY

ACTION PLAN – APPENDIX C – FUNDING SUPPLEMENT

Grant and loan highlights by source and by funding bucket

Funding Bucket	Federal Funding Sources	State Funding Sources
Physical and Nature Based Solutions	<ul style="list-style-type: none"> • Post-disaster: FEMA Public Assistance (PA) - grants that provides reimbursement for disaster related expenses. Often used for repairs, restorations, reconstruction or replacement of public facilities or infrastructure damaged or destroyed by a disaster. Public Assistance has elements, in the form of 406 or Alternate Procedures funding, that can be used for resilience improvements in the wake of a disaster to reduce risk to damaged infrastructure from similar future events. • Post-disaster: Community Development Block Grants – Disaster Recovery or Mitigation (CDBG-DR or CDBG-MIT) – In the wake of a major presidential disaster declaration, Congress will typically appropriate funds through HUD’s CDBG program to support unmet needs. These funds have significant flexibility in how they can be used and require that the State submit an Action Plan to outline intended uses. A predominant share of funds must benefit the most impacted areas and low income populations. • Post-disaster: FEMA Hazard Mitigation Grant Program (HMGP) - funding to state, local, tribal and territorial governments to develop hazard mitigation plans and rebuild in a way that reduces, or mitigates, future disaster losses in their communities. Dependent on presidentially declared disaster. • American Rescue Plan Act (ARPA) – Municipalities and counties, as well as the State receive direct 	<ul style="list-style-type: none"> • Grant: NJDEP Natural Climate Solutions Grant - offered through NJDEP, funded through Regional Greenhouse Gas Initiative, provides grant funding for on-the-ground implementation of projects that create, restore, and enhance New Jersey’s natural carbon sinks, such as salt marshes, seagrass beds, forests, urban parks and woodlands, and street trees. • Loan: New Jersey Infrastructure Bank (I-Bank) - Independent state financing authority responsible for providing and administering low interest rate loans to qualified municipalities, counties, regional authorities, and water purveyors in NJ. Eligible projects include green infrastructure and stormwater management.



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	<p>allocations. Funds can be used to Invest in water, sewer, and broadband infrastructure, including making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.</p> <ul style="list-style-type: none"> • FEMA Building Resilient Infrastructure and Communities (BRIC) – Competitive grants of up to \$50 M for hazard mitigation projects, reducing or eliminating the risks from future disasters and natural hazards. Funds are made available annually, usually in summer. • National Fish and Wildlife Foundation (NFWF) America the Beautiful Grant – Goal of this program is to connect and restore the lands, waters, and wildlife of the US through cooperative agreements with other federal agencies. Funding is focused on mitigating flooding and storm threats, and improve resilience to fire and drought • NOAA / NFWF National Coastal Resilience Fund – Grant program that funds the planning, design, and restoration of natural and nature-based solutions to help protect coastal communities from impacts of storms, floods, and other natural hazards and enable them to recover more quickly and enhance habitat for fish and wildlife. 	
Outreach and Education and Capacity Building	<ul style="list-style-type: none"> • Funders Network (TNF) and Urban Sustainability Directors Network, Partners for Places Mini Grants- Helps local governments, place-based funders, and frontline community groups build relationships, align around project ideas — and ideally develop a proposal that centers racial equity in water, sustainability, and/or climate action work in order to develop a full Partners for Places matching grant proposal 	<ul style="list-style-type: none"> • NJDEP Community-Based Art Grant Program: Grants for 5 community-based organizations (CBOs) to be paired with an artist team and then hosting / promoting art installations through the community they serve; Purpose of grants is to increase public awareness of how individuals will be impacted by climate change and what they can do about it



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	<ul style="list-style-type: none"> • FEMA BRIC, Capability and Capacity Building – FEMA, through NJOEM, offers grants to help communities build whole community resilience. This could include hosting a forum to share best practices and lessons learned or conducting mitigation-related tabletop exercises to build relationships or pursuing opportunities for knowledge transfer between partners 	<ul style="list-style-type: none"> • Sustainable Jersey, Sustainable Communities Grant Program - The Environmental Stewardship Grants are intended to help municipalities plan for, protect and improve public spaces such as local parks, natural areas, and recreation resources. In addition, grants can be used in combination with other funding sources to cover a portion of the expenses associated with developing and/or supporting their open space programs not otherwise covered by state or county programs. Resiliency Grants support projects that enhance a municipality's capacity to prevent and respond to catastrophic events and emergencies.
Recommended Changes to Policy and Governance	<ul style="list-style-type: none"> • FEMA BRIC – FEMA's annual grant program funds capability and capacity building activities such as evaluating and adopting updated building codes, partnership network analysis, partnership development activities, and other planning activities 	<ul style="list-style-type: none"> • NJDEP Water Quality Restoration Grants, Nonpoint Source Pollution – State funding available for water quality / watershed planning.
Service and Program Development	<ul style="list-style-type: none"> • EPA Brownfields Job Training Program – Program from to recruit, train, and place unemployed and under-employed residents from communities impacted by brownfield. Funding can be used for hazardous waste training, green remediation technologies, stormwater management training, emergency response training, enhanced environmental health & safety related to site remediation, energy efficiency and alternative energy technologies • US Department of Energy, Building Codes Implementation for Efficiency and Resilience – Bipartisan Infrastructure Law funded competitive grant program to enable States or regional partnerships to provide sustained, cost-effective 	<ul style="list-style-type: none"> • NJEDA Brownfields Impact Fund – provides loans and grant on a first come, first serve basis to assist with cleanup of brownfield sites throughout New Jersey • NJDEP / NJEDA Hazardous Discharge Site Remediation Fund (HDSRF) - Loans or grants for remediation and /or cleanup of contaminated and underutilized sites. Funding can cover preliminary assessments, site investigation, remedial investigation and remedial action • Garden State Commercial Property Assessed Clean Energy (C-PACE) – This program will provide financing of eligible commercial renewable energy, water



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	implementation of updated building energy codes to save customers money on their energy bills.	<p>efficiency projects in participating municipalities</p> <ul style="list-style-type: none"> • NJDEP Blue Acres – State-run, voluntary buyout program of homes subject to repeated flooding or heavily. Homes are demolished and the property can be used as open space or flood storage • NJDEP Green Acres – State administered program dedicated to protecting open space and providing outdoor recreational facilities through land acquisition and funding to local governments and nonprofits.
Emergency Response and Preparedness	<ul style="list-style-type: none"> • FEMA Emergency Management Performance Grant (EMPG): The Emergency Management Performance Grant (EMPG) provides state, local, tribal and territorial emergency management agencies with the resources required for implementation of the National Preparedness System and works toward the National Preparedness Goal of a secure and resilient nation • USDOT PROTECT: Funded through the bipartisan infrastructure law, provides formula funding to states and national competitive grants that local governments can apply to for resilience improvements to surface transportation assets, including make transportation resilient to future weather and natural disasters, assess vulnerability and plan emergency response strategies, and protecting coastal infrastructure at risk from sea level rise 	



Funding Approach Descriptions

APPROACH	DESCRIPTION/ EXAMPLE OF APPLICATION	EXAMPLE OF APPLICATION	PAYERS	POTENTIAL DOLLAR VALUE	STRUCTURE AND GOVERNANCE	CHALLENGES TO IMPLEMENTATION	NEXT STEPS
Grants	Grants are a common funding source for resilience projects, provided without interest or repayment. Awards from federal, state (some re-granted from federal awards), and regional sources can vary in size. Most grant funding to design and construct long-term projects is from the Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (USACE), or the U.S. Department of Housing and Urban Development (HUD), with largest grants available after a major presidential disaster declaration and / or through congressional appropriation. Grants require a sometimes complex application process, as well as adherence to specific grant requirements, long term management. A benefit cost analysis is often required, and can be developed using data gathered through <i>Resilient New Jersey</i> .	Annual competitive FEMA BRIC mitigation grants are available for projects, such as nature-based drainage improvements, flood barriers, and other resilience projects (typically less than \$50 million per project). Philanthropic and state grants can be used for further planning and possibly for engineering activities. Large congressional allocations have, in the past, funded projects in the hundreds of millions of dollars. FEMA's post disaster Public Assistance 406 Mitigation funding has been used to fund large public facility and infrastructure mitigation.	Grants are typically cost-reimbursable but might also come in the form of an advance. Under a cost reimbursable program, the project-governing entity would expend the funds and then submit to the Grantor for reimbursement. The Grantor might be a federal or state agency, or philanthropic organization. The largest resilience grants are typically federal in nature and come through Congressional allocations post-presidential disaster declaration. The largest community resilience grants in recent years have come through HUD's Community Development Block Grant Disaster Recovery Program (CDBG-DR).	High with congressional allocation or competition and IJJA funding.	Grant programs require administration throughout the life of the project, and typically after for a period in which the grant could be subject to audit or maintenance confirmation. One agency should coordinate and administer grant programs to design and implement the projects.	Without Congressional funding appropriations, large allocations of grant funding for resilience projects are difficult to come by. Several municipalities have been successful in leveraging multiple sources of grant funding for project implementation. Leveraging multiple sources toward large projects requires close coordination with all appropriate stakeholders and funding gatekeepers, as well as a clear governance process.	<p>FEMA provides annual pre-disaster mitigation grants which may be applicable for near-term proposed projects. The application period for these grants typically opens in late summer and closes in late fall. Requirements and priorities are subject to change each year and it is not uncommon for applications to wait multiple cycles for funding. As such, early coordination and submittal is needed.</p> <p>Federal and state elected officials can help communicate the need for large resilience funding grants appropriations and competitions at the state and national level.</p> <p>The RNJ NENJ has experienced multiple flood events in recent months, including the presidentially-declared disaster Hurricane Ida. This report will facilitate funding conversations and help the region prepare to allocate any large appropriations that could come as the result of congressional actions tied to Ida.</p>
Leverage Capital Improvement and Development Plans	Municipalities and infrastructure agencies can support a region-wide resilience plan by incorporating improvements into their regular capital plans, or into new development or substantial improvement plans and redevelopment. Interagency coordination to		Owning/operating agencies for systems infrastructure, including transportation, water and wastewater, parks, and others.	Low - Medium	Similar to the grants approach, one agency should coordinate the region-wide resilience plan to align multiple ongoing capital improvements plans.	Each municipality has different priorities and plans and space for future development are limited.	



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	leverage capital improvements can optimize spending of existing capital funding.						
Memorandum of Agreement to Establish a Sinking Fund	<p>Municipalities can establish a sinking fund through a memorandum of agreement for known resilience expenditures, which may cover annual operations and maintenance costs, debt repayment, or direct capital investment, depending upon timing of project implementation.</p> <p>A sinking fund is a fund formed by periodically setting aside money for use over time or at a future date, or an agreement to fund actions once certain criteria are met.</p>		<p>City</p> <p>Developers</p> <p>Property Owners</p>	Medium - High		<p>The framework to set up a resilience sinking fund is in place. Nevertheless, buy-in from payers may be a challenge if the mechanism for exacting contributions is not perceived as fair (based on stakeholder feedback)</p>	
Surcharge(s) or Fee(s)	<p>A surcharge can be applied to one or any number of activities, such as parking or insurance and be used to contribute toward a sinking fund for resilience investment (debt repayment, direct capital investment, operations and maintenance). A surcharge related to carbon emissions may be appropriate as a link to adaptation costs.</p>	<p>New York has been considering a proposed insurance-based surcharge on all property and casualty insurance policies to generate funding for an Adaptation Trust Fund for the New York metropolitan region. This fund can then be used for a variety of municipal-level resilience investments (source, UMass Boston).</p>	<p>Payers would depend on the application of the surcharge, but would likely be residents and / or visitors</p>	Medium - High		<p>A surcharge will require significant due diligence, public engagement, and political buy-in, as well as a public vote. Establishment of a transparent process for using the funds might support this process.</p>	



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Service Fee	Fees present an opportunity to generate revenue to maintain or upgrade existing infrastructure and provide related services (e.g., flood mitigation and maintenance). Fees must be tightly connected to services and users, and calibrated to the expenditures required to provide the service. The new revenue stream can support regional programs or projects, and back ongoing operations and maintenance activities. Many stormwater management programs charge fees for control and treatment services. Similarly, fees could be connected to resilience improvements and their ongoing maintenance and operations.		Service users. In this case, those who would see risk reduction as a result of the improvement. Payment could be risk adjusted, established based on the relative share of risk reduction experienced by the payer over time. Individual risk reduction measures could be incentivized by reducing cost share. Nevertheless, payers would also need to consider relative share of infrastructure (i.e., transportation) risk reduction and so property-specific measures would not reduce payment to zero.	Medium-High	Many municipalities have levied stormwater fees tied to impervious surface as a new revenue stream for infrastructure maintenance and improvements. A fee program can be administered by an existing agency, such as the Boston Water and Sewer Commission (BWSC), to address stormwater issues and establish a Paygo program for coastal resilience efforts. Alternatively, a new agency or entity may be created to administer a resilience fee program – like a watershed protection utility (WPU), which is designed to use public funds to address local stormwater issues. Fees could also be levied through the creation of a Resilience Improvement District or District Resilience Improvements (DRI) approach as described in <i>Mid-Term Financing and Governance Options for South Boston Coastal Resilient Design Strategies</i> below.	Nearly every New England state has a legal basis for collecting stormwater fees. BWSC proposed a stormwater fee in 2015, but the effort was not successful. ¹ A strong public education program would be critical throughout the fee development process in order to convey the benefits the system provides.	Conduct a feasibility study, including evaluation of the potential mechanism by which risk share is calculated and contributions made.
Private Investment in Private Property / Public Private Partnership and cost share agreements	Private property owners have incentive to act to reduce risk to their properties in the near, mid, and long term. Through coordination and refinement of private plans, private investment could contribute to a broader district vision and increase the resilience of individual properties (particularly with regard to egress).	are a commonly applied to infrastructure improvements. Cost sharing is another possible mechanism by which the private property owner could contribute one part of the cost, and the City another.	Individual property owners. The municipalities could additionally contribute for costs over and above private plan that would benefit the public realm	Low-Medium	Direct coordination between the Boston Planning and Development Agency (BPDA) / the City and property owners in some cases. A governance structure, such as a memorandum of agreement, is needed in the case of ties to adjacent properties or shared maintenance, or in the case that public and	There may be misalignment of project implementation timing among adjacent property owners that could stall or complicate coordination. The perception of fairness and assurance of risk reduction through collective action will be critical to maintain.	Possible areas of application include Fort Point Channel in the area of the 100 Acre Master Plan, the Marine Industrial Park, and the base of the Reserved Channel. The area around the Fan Pier Civic Park and Seaport Boulevard are already built out, but some cost sharing agreement could incentivize private collective action in these areas.



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					private investment is shared.		
Insurance with Risk-Adjusted Premiums	Rather than stabilizing insurance premiums through reinsurance, risk adjustment stabilizes premiums by incentivizing action. Insurance with risk-adjusted premiums would price actual risk, which is reduced through implementation of resilience projects and policies. As improvements are made and risk is reduced, cost savings from reduced premiums are realized. For large-scale projects that require loans to implement, cost savings from reduced premiums can be captured and used to repay loans. This could be combined with a condominium model or other shared agreements to generate a shared insurance policy.	The State of Alabama has mandated insurance credits for the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED program. According to the Alabama Center for Insurance Information and Research (ACIIR), FORTIFIED homes receive approximately a 7% discount in premiums. ¹	Risk-adjusted policyholders, including private property owners and the region municipalities, for example	Medium-High	States and municipalities may partner with third parties to combine finance, construction, and insurance of home retrofits in a program that incentivizes resilience-based standards that result in insurance savings, as in the example of FORTIFIED. An alternative to a state or municipal program is to purchase an umbrella insurance policy for a district or group of properties and use reductions in losses and payouts to fund loan repayment for resilience measures. An agency could be assigned to govern this. Private property owners may also be able to engage in collective action through a condominium model, for example, and share the policy and premiums.	Many state insurance commissions prohibit risk-adjusted premiums, effectively subsidizing particularly risky properties. Instituting a program similar to FORTIFIED requires state action, such as writing construction standards and retrofit programs into legislation as qualifying standards for insurance mitigation credits.	In the near-term, conduct a feasibility study for a group financing model and pilot the program for municipal structures.

