

June 13, 2022

The Honorable Shalanda Young
Director
United States Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Young:

As organizations representing the design and construction industry, the Building Resilient Action Coalition (BRAC), we believe it is critical for the federal government to help communities at risk of natural disasters become more resilient. We recognize and support the premise that pre-disaster mitigation works. In fact, a widely quoted study by the National Institute of Business Sciences (NIBS) found that mitigation efforts, such as adopting latest editions of building codes and standards, can save up to \$13 per \$1 investedⁱ. These savings can and should be promoted in communities across the country.

To that end, the Federal Emergency Management Agency's (FEMA) Building Resilient Infrastructure and Communities (BRIC) Program is a promising tool for improving pre-disaster resilience for at-risk communities. We applaud FEMA's continued emphasis on pre-disaster planning and mitigation, instead of waiting for disaster to strike, as well as the agency's efforts to further improve resilience-building programs. The BRIC program is critical to prevent damage and loss of life from future natural disasters. However, additional reforms to the BRIC program would further improve resilience for low-income and disadvantaged communities, inland areas, and communities experiencing seismic risks.

To enact critical improvements to the BRIC Program, the Office of Management and Budget (OMB) must align new policy guidance to address gaps in federal resilience support to key at-risk communities. The benefits associated with pre-disaster mitigation improvements for new construction and existing built environments should also be classified as a clear long-term benefit that saves not only property and taxpayer dollars, but more importantly, lives. We submit the following recommendations regarding FEMA's BRIC program for the Office of Management and Budget's (OMB) consideration to further support FEMA in their efforts to improve pre-disaster mitigation planning.

FEMA's Technical Criteria point-based system for determining BRIC awards should be revised by OMB to more accurately capture key criteria to prioritize pre-disaster mitigation assistance for low-income and socially vulnerable communities. Otherwise, historically disadvantaged and under-invested communities may continue to be isolated from vital federal assistance, as only 29 percent of funds requested by small and impoverished communities were selected by FEMA for BRIC grants in FY2020ⁱⁱ. FEMA's Technical Criterion 8: *Designation as an Economically Disadvantaged Rural Community (EDRC)* provides up to 15 points to an applicant if they can document their status as an EDRC.ⁱⁱⁱ We recommend increasing the maximum number of points for Technical Criterion 8, as

well as providing more opportunities for urban and suburban disadvantaged communities, in addition to EDRCs.

We also urge the OMB to support BRIC programmatic changes to quantify immediate and long-term benefits for pre-disaster mitigation efforts for new construction as well as existing built environments by updating the cost-benefit assessments OMB makes available for FEMA's use. A successful example at the State-level is a pilot program in California called Prepare California – Building More Resilient Communities^{iv}. The program awards grants to communities who have both high hazard risk and a high social vulnerability index. A cost-benefit analysis of a project is not required as long as the communities meet both established criteria. This approach could be a model for the Office of Management and Budget (OMB) in its efforts to expand BRIC allocations to benefit disadvantaged communities, particularly those without the resources to perform detailed and often costly cost-benefit analyses.

By adjusting the cost-benefit analysis and adjusting the technical criterion at OMB, we believe these changes will improve the likelihood that inland communities will qualify for BRIC allocations in future grant cycles. In FY2020, 94 percent of FEMA's BRIC grant allocations went to projects located on the East Coast or in Pacific Coast States^v. This left only 6% of BRIC funds to support resilience efforts in all other regions^{vi} combined. To be sure, many coastal areas within the U.S. need greater pre-disaster mitigation improvements to strengthen their communities, but many risks persist for inland areas as well (such as wildfires, earthquakes, flooding, and winter storms). Updated guidance from OMB would allow FEMA to better address this discrepancy.

In a similar way, seismic and earthquake-related pre-disaster mitigation improvements could also be further prioritized through FEMA's BRIC award processes if OMB adjusts their existing cost-benefit analysis. The United State Geological Survey (USGS) estimates that 143 million Americans live in areas at risk of a seismic event^{vii}, though just 0.17% of FY2020 BRIC allocations were allocated to support seismic-related improvements^{viii}. OMB and FEMA should partner together to ensure that existing guidance does not inadvertently disadvantage applicants seeking to make seismic mitigation improvements.

Additional efforts for OMB to enact a common standard for estimating damages to real property between agencies relevant to resilience planning would assist in national efforts to improve community resilience. It is particularly important to standardize damage estimate calculations between FEMA and the U.S. Army Corps of Engineers (USACE), given disparities between the two agencies in terms of using replacement costs as a key determinate, which FEMA uses, and USACE's approach focused instead on depreciated value. Standardizing competing approaches between federal agencies will serve communities to better understand and address resilience planning according to the priorities defined by the federal government, especially for low-income communities with less technical expertise and financial resources.

Thank you for your careful review of the Building Resilient Action Coalition's (BRAC) recommendations to further improve community and infrastructure resilience for disadvantaged communities, inland areas, and areas experiencing seismic-related risks. We look forward to working with you, FEMA, and Congress to support the success of the BRIC program.

Sincerely,

American Council of Engineering Companies

American Institute of Architects (AIA)

Building Owners and Managers Association (BOMA) International

Community Associations Institute (CAI)

EPDM Roofing Association

Flood Mitigation Industry Association

National Society of Professional Engineers

U.S. Resiliency Council

ⁱ http://2021.nibs.org/files/pdfs/ms_v4_overview.pdf

ⁱⁱ <https://headwaterseconomics.org/natural-hazards/bric-funding/>

ⁱⁱⁱ https://www.fema.gov/sites/default/files/2020-08/fema_bric_fy-2020_nofa_fact-sheet.pdf

^{iv} <https://news.caloes.ca.gov/preparecalifornia/>

^v <https://headwaterseconomics.org/natural-hazards/bric-funding/>

^{vi} Ibid.

^{vii} <https://www.usgs.gov/news/featured-story/nearly-half-americans-exposed-potentially-damaging-earthquakes#:~:text=of%20all%20Americans-,More%20than%20143%20million%20Americans%20living%20in%20the%2048%20contiguous,nearly%20half%20of%20all%20Americans.>

^{viii} <https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities/after-apply/fy-2020-subapplication-status>