



COLORADO

Division of Homeland Security & Emergency Management

Department of Public Safety

August 4, 2016

Ms. Nancy J. Dragani
Acting Regional Administrator, Region VIII
Federal Emergency Management Agency
U.S. Department of Homeland Security
Denver Federal Center, Building 710
P.O. Box 25267
Denver, CO 80225-0267

RE: Utilization of HMGP DR-4145-CO Funding in Support of Critical Acquisitions in DR-4229-CO

Dear Ms. Dragani:

Thank you for your letter dated May 6, 2016 to former DHSEM OEM Director Reynolds regarding the reallocation of DR-4145-CO funding. This letter responds to your request for information regarding the scope of work to be completed, the work schedule, and budget for this reallocation.

As you are aware, the State of Colorado has been approved for Hazard Mitigation Grant Program (HMGP) funding in connection with DR-4145-CO and DR-4229-CO. Your office has worked with DHSEM in reviewing the potential for the utilization of the remaining HMGP funding in DR-4145-CO to support critical property acquisitions resulting from landslide activity within the City of Colorado Springs. The City's HMGP application for property acquisitions submitted for the DR-4229-CO HMGP program on June 15, 2016 contains the details of the project we are formulating for the reallocation. The City's application indicates a total project cost of \$16,208,257 with a 75 percent federal share of \$12,156,193 for landslide property acquisitions. We anticipate this federal share to be comprised of a strategic combination of HMGP-DR-4145, HMGP-DR-4229 and PDM Fiscal Year 2016 funding under three separate and independent project scopes.

At this point, the State of Colorado's plan is to maximize the utilization of funds awarded in HMGP-DR-4145 through the reallocation process. The funds currently available are estimated to total \$5,789,385 including \$1,838,257 in pending deobligations and \$3,951,128 in remaining funds available. Colorado also anticipates that two acquisition projects now underway in HMGP-DR-4145 will be completed under-budget resulting in additional deobligations within the next six months. Funds made available by these additional deobligations will provide additional support for this reallocation.



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FEMA and DHSEM are currently reviewing projects for the \$3,142,264 of funding available in HMGP-DR-4229. While these projects are currently being reviewed and prioritized, DHSEM requests that a minimum of \$1,500,000 of HMGP-DR-4229 funds be set aside for the Colorado Springs acquisitions at this time.

The State of Colorado has also submitted applications for Pre-Disaster Mitigation funding for Fiscal Year 2016 (PDM-16). DHSEM was unable to submit the entire Colorado Springs acquisition project for consideration under PDM-16 due to the \$4,000,000 project funding cap. Should the Colorado Springs landslide acquisition project receive funding under PDM-16, we will not request that this project be removed for consideration under HMGP-DR-4229. If the City's project receives PDM-16 funding, DHSEM proposes to utilize those funds in addition to the reallocated HMGP-DR-4145 funds and HMGP-DR-4229 funds to acquire as many eligible properties as possible. We believe that both programs can be strategically utilized to maximize the effectiveness of mitigation funding. DHSEM will work closely with FEMA staff to ensure compliance with the requirements of both programs.

The City of Colorado Springs' timeline for its acquisition program envisions completion of the acquisitions accomplished with HMGP-DR-4145 funds by the performance deadline of March 31, 2018. All project actions will be compliant with the goals and objectives identified in the local mitigation plan.

In summary, DHSEM is requesting funding for landslide acquisitions through the use of available and deobligated HMGP-DR-4145 funding to purchase the highest priority homes in the Colorado Springs acquisition plan. Once reallocation funds are exhausted, it is proposed that HMGP-DR-4229 and/or PDM-16 funding be utilized for eligible acquisitions.

Thank you for your consideration of this complex funding transaction. We look forward to working with FEMA Region VIII staff to accomplish both the HMGP-DR-4145 reallocation, HMGP-DR-4229 and PDM-16 program transactions. Please let us know if you have any additional questions.

Sincerely,



Marilyn Gally, Director
Office of Emergency Management
Division of Homeland Security and Emergency Management

cc. Mike Hillenburg, FEMA Region VIII HMA Branch Chief
Steven Board, Acting State Hazard Mitigation Officer