

HAZARD ELIGIBILITY AND LOCAL PROJECTS ACT

NOVEMBER 2, 2021.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DEFAZIO, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 1917]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 1917) to modify eligibility requirements for certain hazard mitigation assistance programs, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

CONTENTS

	Page
Purpose of Legislation	1
Background and Need for Legislation	2
Hearings	2
Legislative History and Consideration	3
Committee Votes	3
Committee Oversight Findings	3
New Budget Authority and Tax Expenditures	4
Congressional Budget Office Cost Estimate	4
Performance Goals and Objectives	5
Duplication of Federal Programs	5
Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits ...	6
Federal Mandates Statement	6
Preemption Clarification	6
Advisory Committee Statement	6
Applicability to Legislative Branch	6
Section-by-Section Analysis of the Legislation	6
Changes in Existing Law Made by the Bill, as Reported	7
Committee Correspondence	8

PURPOSE OF LEGISLATION

The purpose of H.R. 1917 is to modify eligibility requirements for certain hazard mitigation assistance programs.

BACKGROUND AND NEED FOR LEGISLATION

Under current federal law, local and state agencies applying for federal funding to begin certain Hazard Mitigation Grant Program (HMGP)-funded projects must wait until they receive approval from the Federal Emergency Management Agency (FEMA) before purchasing land or beginning construction on these projects. Purchasing land or beginning construction absent full approval from FEMA will disqualify a project from receiving HMGP assistance. This process prevents simple land acquisition and mitigation projects from starting, further delaying the recovery of disaster-impacted communities and improvements in community resilience. This legislation will expedite the start of certain types of projects following Presidentially-declared disasters while awaiting FEMA's full approval.

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 117th Congress, the following hearing was used to develop or consider H.R. 1917:

On March 18, 2021, the Subcommittee held a hearing titled "Building Smarter: The Benefits of Investing in Resilience and Mitigation." The Subcommittee received testimony from Mr. Russell "Russ" Strickland, Executive Director, Maryland Emergency Management Agency, State of Maryland, testifying on behalf of the National Emergency Management Association; Mr. Roy E. Wright, President and Chief Executive Officer, Insurance Institute for Business and Home Safety; Ms. Velma Smith, Senior Government Relations Officer, Flood Prepared Communities Initiative, Pew Charitable Trusts; Mr. Ben Harper, Head of Corporate Sustainability, Zurich North America Insurance Company; and Mr. John "Chuck" Fowke, Chairman, National Association of Home Builders. This hearing examined the current and future capacities in emergency management, mitigation and resilience, insurance, and construction.

In the 116th Congress, the following hearing was used to develop or consider the legislation:

On May 22, 2019, the Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing titled "Disaster Preparedness: DRRA Implementation and FEMA Readiness." Witnesses included: Dr. Daniel Kaniewski, Deputy Administrator for Resilience, FEMA; Ms. Sima Merick, Executive Director, Ohio Emergency Management Agency, testifying on behalf of the National Emergency Management Association; Mr. Nick Crossley, Director, Hamilton County Ohio Emergency Management and Homeland Security Agency, testifying on behalf of the International Association of Emergency Managers; Mr. James Gore, Supervisor, County of Sonoma, California, testifying on behalf of the National Association of Counties; Mr. Al Davis, Deputy Director, Texas A&M Engineering Extension Service, testifying on behalf of the National Domestic Preparedness Consortium; and Mr. Randy Noel, President, Reve, Inc., testifying on behalf of the National Association of Home Builders. Topics discussed included the state of federal disaster preparedness and mitigation programs since the enactment of the Disaster Recovery Reform Act of 2018 (Division

D of P.L. 115–254) and the status of federal disaster recovery assistance funding authorized in the wake of significant disaster activity in 2017 and 2018.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 1917 was introduced in the House on March 16, 2021, by Ms. Fletcher and Mr. McCaul and referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services. Within the Committee, H.R. 1917 was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management.

The Subcommittee on Economic Development, Public Buildings, and Emergency Management was discharged from further consideration of H.R. 1917 on March 24, 2021.

The Committee considered H.R. 1917 on March 24, 2021, and ordered the measure to be favorably reported to the House of Representatives, by voice vote.

The following amendment was offered:

An amendment offered by Mr. Graves of Louisiana (#1); was WITHDRAWN.

Page 2, line 3, strike “assistance program” and all that follows through “if the entity” on line 4 and insert “assistance program or other project shall be eligible to receive emergency disaster assistance for a covered project”.

Page 2, line 6, insert “if the entity” before “complies”.

Page 2, line 8, after “program” insert “or disaster recovery program”.

Page 2, line 10, strike “and”.

Page 2, line 11, insert “if the entity” before “complies”.

Page 2, line 12, strike the period and insert “; and”.

Page 2, after line 12, insert the following:

(C) if the project was in compliance with applicable base flood elevation standards in place at the time that construction on such project was initiated.

Page 2, line 15, insert “or disaster recovery program” before “shall be responsible”.

Page 3, line 2, after “program” insert “or disaster recovery program”.

Page 3, line 6, after “program” insert “or disaster recovery program”.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against.

No record votes were requested during consideration of H.R. 1917.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the enclosed cost estimate for H.R. 1917 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 17, 2021.

Hon. PETER A. DEFAZIO,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1917, the Hazard Eligibility and Local Projects Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jon Sperl.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

H.R. 1917, Hazard Eligibility and Local Projects Act			
As ordered reported by the House Committee on Transportation and Infrastructure on March 24, 2021			
By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	15	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 1917 would make additional projects eligible for funding under programs administered by the Federal Emergency Management Agency (FEMA) that assist state and local governments and owners of residential and commercial property with averting damage from future disasters. In fiscal year 2020, FEMA awarded about \$1.3 billion in such grants through three programs:

- The Hazard Mitigation Grant Program (\$595 million),
- The Building Resilient Infrastructure and Communities program (\$500 million), and
- The Flood Mitigation Assistance program (\$200 million).

Under the bill, FEMA could approve future applications to acquire property or relocate structures if the project’s planning or construction begins before the grant is awarded and the project is exempt from environmental review under the National Environmental Policy Act. (Under current law, grant money cannot cover costs incurred before an application is awarded.)

Over the 2016–2020 period, FEMA awarded an average of 1,700 grants each year under the three programs. Fewer than 2 percent of those grants (about 25 projects each year) were awarded for acquisition or relocation projects that were exempt from environmental review. Using information from FEMA, CBO estimated that an average of three applications were denied each year because work began before the application was approved.

As a result, CBO expects that under H.R. 1917 those additional projects would be approved each year, at an estimated average cost of \$1 million per project. In total, CBO estimates that implementing the bill would cost a total of \$15 million over the 2021–2026 period, assuming appropriation of the necessary amounts. CBO assumes that the bill will be enacted late in fiscal year 2021 and that there would be no budgetary effects in 2021 because of the time needed to prepare applications for grants.

The costs of the legislation, detailed in Table 1, fall within budget function 450 (community and regional development).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 1917

	By fiscal year, millions of dollars—						
	2021	2022	2023	2024	2025	2026	2021–2026
Mitigation Grants:							
Estimated Authorization	0	3	3	3	3	3	15
Estimated Outlays	0	3	3	3	3	3	15

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to expedite the commencement of post-disaster mitigation projects.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 1917 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED
TARIFF BENEFITS

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee finds that H.R. 1917 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section. 1. Short title

This section provides that this bill may be cited as the “Hazard Eligibility and Local Projects Act”.

Sec. 2. Authority to begin planning and construction of certain hazard mitigation projects

Subsection (a). Eligibility for Assistance for Initiated Projects

This subsection describes the requirements for eligibility for assistance under the act, which include compliance with the requirements of the hazard mitigation assistance program and other federal requirements.

Subsection (b). Definitions

This section provides definitions for the terms “covered project” and “hazard mitigation assistance program”.

Subsection (c). Applicability

This section clarifies that the authorities provided by this bill will not be retroactive for previously appropriated disaster relief dollars.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

As reported by the Committee, H.R. 1917 makes no changes in existing law.

MAXINE WATERS, CA
CHAIRWOMAN

COMMITTEE CORRESPONDENCE
United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

PATRICK MCHENRY, NC
RANKING MEMBER

November 1, 2021

The Honorable Peter DeFazio
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
2167 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I am writing concerning H.R. 1917, the "Hazard Eligibility and Local Projects Act." In order to permit H.R. 1917 to proceed expeditiously to the House Floor, I agree to forgo formal consideration of the bill.

The Committee on Financial Services takes this action to forego formal consideration of H.R. 1917 in light of our mutual understanding that, by foregoing formal consideration of H.R. 1917 at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as this or similar legislation moves forward with regard to any matters in the Committee's jurisdiction. The Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation that involves the Committee's jurisdiction and request your support for any such request.

Finally, I would appreciate your response to this letter confirming this understanding, and I would ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during Floor consideration of H.R. 1917.

Sincerely,



MAXINE WATERS
Chairwoman

Cc: The Honorable Patrick McHenry, Ranking Member



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

Peter A. DeFazio
Chair
Katherine W. Dedrick
Staff Director

Sam Graves
Ranking Member
Paul J. Sass
Republican Staff Director

November 1, 2021

The Honorable Maxine Waters
Chairwoman, Committee on Financial Services
House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters:

Thank you for your letter regarding H.R. 1917, the *Hazard Eligibility and Local Projects Act*. I appreciate your willingness to work cooperatively on this legislation.

I acknowledge that by foregoing formal consideration on H.R. 1917, the Committee on Financial Services does not waive any future jurisdictional claims to provisions in this or similar legislation, and that your Committee will be consulted and involved on any matters in your Committee's jurisdiction should this legislation move forward. In addition, should a conference on the bill be necessary, I would support your effort to seek appointment of an appropriate number of conferees to any House-Senate conference involving provisions within this legislation on which the Committee on Financial Services has a valid jurisdictional claim.

I appreciate your cooperation regarding this legislation, and I will ensure that our exchange of letters is included in the *Congressional Record* during floor consideration of H.R. 1917.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter A. DeFazio".

Peter A. DeFazio
Chair

cc: The Honorable Nancy Pelosi
The Honorable Sam Graves
The Honorable Patrick McHenry
Mr. Jason Smith, Parliamentarian