Virginia Coastal Resilience Technical Advisory Committee (TAC)
Funding Subcommittee

Subject	TAC Funding Subcommittee Meeting 2023-Q2	Date	08/24/23
Chair	Shawn Crumlish, VRA	Time – START/ADJOURN	10:00am - 11:51am
Location	Virginia Resources Authority 19th Floor Conference Room 111 E Main St, Richmond, VA	Scribe	Sarah Jackson, VCU CPP

TAC Members		
Name [Alternate Name]	Title [Alternate Title] Organization (Abbreviation)	Attended? V = Virtual
Kristin Burhop [Keith Martin]	Vice President for Public Policy [Executive Vice President] Virginia Chamber of Commerce (VCC)	
Robert Coates [Debra Messmer]	Hazard Mitigation Planning Coordinator [Hazard Mitigation Grants Manager] Virginia Department of Emergency Management (VDEM)	Y
Shawn Crumlish [Peter D'Alema]	Executive Director, Chair [Director of Program Management] Virginia Resources Authority (VRA)	Y Y
Bill Curtis	Assistant Director Virginia Department of Housing and Community Development (DHCD)	Y
Jamie Green [Randy Owen] [Rachael Peabody]	Commissioner [Chief of Habitat Management] [Director of Coastal Policy, Restoration and Resilience] Virginia Marine Resources Commission (VMRC)	[V]
Dr. Troy Hartley	Director Virginia Sea Grant (Sea Grant)	
Whitney Katchmark [Ben McFarlane]	Principal Water Resources Engineer [Senior Regional Planner] Hampton Roads Planning District Commission (HRPDC)	Y [V]
Lewie Lawrence [Curt Smith]	Executive Director [Deputy Director] Middle Peninsula Planning District Commission (MPPDC)	Y
Chris Swanson [Chris Berg]	Environmental Division Director [Assistant Division Director] Virginia Department of Transportation (VDOT)	Y [Y]

TAC Staff		
Name	**Title (Organization Abbreviation)**	**Attended?** **V = Virtual**
Matt Dalon	Resilience Planning Program Manager (DCR)	Y
Carolyn Heaps-Pecaro	Resilience Planning Program Coordinator (DCR)	Y
Andrew Smith	Deputy Director (DCR)	Y
Sarah Jackson	Center for Public Policy (VCU)	Y
Wheeler Wood	Center for Public Policy (VCU)	Y

Scheduled Speakers	
Name	**Title, Organization**
Matt Dalon	Flood Resilience Program Manager, DCR

Reference Links	
Item	**Link**
Meeting Agenda	https://www.dcr.virginia.gov/crmp/meeting/document/20230824-tac-funding-subcommittee-agenda.pdf
Meeting Handouts/Presentation Slides	https://www.dcr.virginia.gov/crmp/meeting/document/20230824-funding-presentation.pdf
Video Recording of the Meeting	https://youtu.be/C9i4XL8st9c
Additional Links Shared	USACE Planning Assistance to States funding opportunity: https://planning.erdc.dren.mil/toolbox/library/MemosandLetters/Memo_PAS_Section8119WRDA22.pdf USACE Continuing Authorities Program (CAP) Pilot Program for Water Resources Projects for Small or Disadvantaged Communities: https://www.usace.army.mil/Missions/Civil-Works/Project-Planning/Legislative-Links/wrda_2020/

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1. Call to Order, Roll Call, Introductions	Shawn Crumlish, Chair called the meeting to order at 10:00 AM. He welcomed the attendees to the meeting and took roll call. He asked the attendees to introduce themselves and note the organization that they represent.
2. Adoption of Agenda	Matt Dalon (DCR) noted that the first order of business is to adopt the meeting agenda. After the agenda was presented a second motion was made and seconded to approve the meeting agenda.

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3. New Business	Matt Dalon (DCR) clarified DCR's roles as staff support to the TAC Subcommittee. He noted that all FOIA requests regarding either TAC or the TAC Funding Subcommittee can be directed to Michael Fletcher, FOIA Officer for DCR. Direct requests should be emailed to Mr. Fletcher (Michael.Fletcher@dcr.virginia.gov) and include DCR Support Staff, Carolyn Heaps-Pecaro and Matt Dalon. Mr. Dalon then presented an overview of the Coastal Resilience Master Plan Phase II that included the plan timeline, deliverables, and key components. He stated that, in alignment with code requirements, Phase II will focus on updating coastal hazard exposure model, impact assessment, and building an inventory of projects. Phase II will not include project prioritization. The Flood Protection Master Plan (FRMP) update will happen concurrently in 2024 with the statewide plan process continuing into the end of 2025. Outreach and engagement will occur throughout the plan's development to help guide content and direction of the deliverables. The following items were noted during the presentation: • Virginia Coastal Master Plan (CRMP) Phase II is due no later than December 2024. • Phase II will result in an updated Coastal Resilience Web Explorer with updated flood hazards, impacts, projects, as well as a pdf document that will include an updated impact assessment coming from the Flood Hazard Exposure Model. Other key components include Flood Hazard Risk Assessment, Planned Resilience Actions, quantification of financial need for flood resilience, and any recommendations put forth by the TAC Subcommittees. • While the financial need for resilience is not required in code, it is important to build on what was completed in Phase I and ensure objectives are actionable. • There are limited resources now to support the funding component of CRMP Phase II, but DCR plans to bring in additional resources. DCR has an RFP out for resilience planning and consulting and expects contractors to be available to support these efforts between January and March 2024. a) Subcommittee Role and Objectives (Matt Dalon, DCR) The subcommittee and committee meeting schedule must be in alignment with the delivery of CRMP Phase II. All objectives can be revisited as needed and are open to discussion among this subcommittee. The TAC Funding Subcommittee has been tasked with the following:

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	• Informing quantification of financial need for flood resilience to provide actionable data for state, regions, and localities and help direct appropriations for resilience.
	• Developing recommendations for future planning that includes what is needed moving forward in reference to funding and financing resilience efforts.
	While the TAC Funding Subcommittee has the opportunity to focus on all aspects and elements of CRMP Phase II, quantifying financial need for flood resilience is a primary objective. Mr. Dalon asked for any changes or suggested revisions to the TAC RDI Subcommittee objectives.
	The group raised the following:
	• Robbie Coates (VDEM) said that since not all projects can be funded, the subcommittee should also determine resilience metrics to help set direction moving forward and create a strategic view that could be revisited every few years.
	• Lewie Lawrence (MPPDC) cautioned that the subcommittee should avoid linear thinking when it comes to funding and instead think about how to change behavior. He noted that using cash is not the only way to change consumer behavior. For example, tax abatement related to real estate to protect structure ensures tax revenue flows for local government. However, using existing tax structure and tax credits is not included as a subcommittee objective. Mr. Lawrence also stated there is no recognition of how private companies are using credits as other financing tools. He said the subcommittee must also discuss tax policy as this can lead to changes in behavior. Mr. Dalon responded that there is a place for this discussion within leveraging private sources and changing policies. Mr. Lawrence clarified that the objective should read "using tax policy to inform the quantification of financial need and cause an effect in the marketplace."
	The schedule gives six meetings to accomplish funding subcommittee objectives. The first two meetings will focus on what the committee wants to do. Those actions will be prioritized in 2023 Quarter 4. After prioritization, funding assessments will be identified in 2024 Quarter 4. Mr. Dalon confirmed that the funding subcommittee existed during CRMP Phase I but in a different form and membership.
	b) Subcommittee Advisors (Matt Dalon, DCR)
	The TAC Chair, Secretary of Natural and Historic Resources Travis Voyles and Alternate Chair Director Matt Wells of DCR can appoint advisors to subcommittees based on recommendations of the subcommittee chairs. He encouraged members to make recommendations to the TAC Chair on subject matter experts who could participate in discussions and meetings as a member of the public body but not serve as a voting member. While DCR is not precluded from consulting individuals

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	informally outside of the TAC Membership, this subcommittee must decide whether an appointed advisor on resilience data is needed. **The group raised the following:** • Lewie Lawrence (MPPDC) recommended a representative from the Virginia Department of Tax as a presenter to help the subcommittee determine any needed tax policy changes. • Rachael Peabody (VMRC) suggested appointing advisors in the private sector doing work associated with planning and funding. She cited Moffatt & Nichol as one example of a firm that could speak to how money flows in the private sector. • Lewie Lawrence (MPPDC) noted that a better understanding of parametric insurance is needed. Mr. Dalon mentioned that DCR has received suggestions of companies through Paul Robinson. Mr. Lawrence responded that while those companies may be established, they are not actively providing coverage. He instead suggested contacting companies in Florida who can speak to how parametric insurance is covered in the resilience space. A limiting factor for many insurance companies in Virginia is that the state doesn't have correct tide gauges set to NOAA standards. Because premiums are determined based on tide gauges, driving premiums down to a more affordable level remains a challenge for Virginia. Mr. Dalon replied that this is something the subcommittee can explore. In summary, no full-time advisor recommendations were given during this discussion but potential speakers were identified to present to the subcommittee. c) Funding Needs and Opportunities (Matt Dalon, DCR) Mr. Dalon reviewed the CRMP Phase I efforts. The presentation highlighted the following: • DCR modified funding information started by DEQ's Coastal Management Zone network and added funding opportunities to the Coastal WebExplorer. The site has been static since September 2021 and DCR lacks access to make updates. With the help of external partners DCR expects the ability to add and update opportunities to be ready next month. • Other CRMP Phase II updates to the Coastal WebExplorer will allow project owners to be able to add information to determine where action is occurring to close gaps. • Quantifying total cost of resilience is not possible. While CRMP Phase I did not quantify specific dollar need, Phase II could add more specific items and mechanisms such as those recently discussed - critical infrastructure, parametric insurance, etc.

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	The group discussed the presentation and raised the following:
	• Lewie Lawrence (MPPDC) expressed concern over projects in the Coastal WebExplorer not being entered by public bodies but added by non-governmental organizations with grants. These projects were never vetted locally to ensure localities wanted them in the database. Mr. Dalon responded that DCR did a data call in summer of 2021 for project owners to enter their own information to address this problem. He acknowledged the resulting information is still incomplete due to challenges with limited timelines. Under CRMP Phase II, the Coastal WebExplorer will be a living database which will create opportunities to modify and enhance how data is being collected from users.
	• Rachael Peabody (VMRC) noted that the challenge of quantifying cost is that resilience is a broad term for protecting different things. It requires a protection strategy that leads to winners and losers. She explained there is a need for establishing a baseline of value for things being protected such as natural capital of wetlands, fisheries, etc. This baseline could be tracked over time as events occur allowing economic dollars to determine where efforts should be made and conduct a cost-benefit analysis. She suggested that a baseline value connected to natural protected assets is better than a total value for resilience.
	• Lewie Lawrence (MPPDC) expressed his support for Ms. Peabody's recommendation and echoed that any investment should be tied to public trust doctrine and resources.
	• Chris Swanson (VDOT) asked whether it was possible to have cross-over meetings or presentations between subcommittees. Mr. Dalon replied that scheduling and timeframe is challenging, but opportunities for this exist within the TAC Quarterly Meetings.
	Mr. Dalon presented recommendations that came out of CRMP Phase I. Feedback from respondents acknowledged the list of funding sources developed but shared a desire for more guidance on how to use funding. Survey respondents indicated they are looking for federal funds and grants to fund resilience. Comments showed that a small number are using bonds while many rely mostly on federal funds, noting that securing funding is a challenge.
	The group discussed the information shared and raised the following:
	• Chris Swanson (VDOT) asked whether it was known who will be using the Coastal WebExplorer and what their level of sophistication is. He expressed that currently funding tables are shared but not useful without a baseline understanding of grants. Mr. Dalon replied that DCR does not have a specific answer yet as to who the end-users will be. The CRMP Phase I tried to cover all possible end-users which made success difficult. He acknowledged that a more targeted approach to funding opportunities for each locality could be presented specifically to local boards for their use.

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	• Lewie Lawrence (MPPD) stated that incremental tax financing is an underutilized tool. The statute language creates an emphasis on highly-developed interests rather than on why the tool is related to the user. Instead, the focus should be on "blight". Water and temperature drives blight, which is not limited to just those with lower socioeconomic status.
	• Whitney Katchmark (HRPDC) said it might be helpful to have a list of all funding opportunities and mechanisms and ask end-users what the challenges are for access and use. For example, C-PACE is not being used fully. In many cases the state doesn't know if something changes need to be made to increase viability or if this is an outreach problem.
	• Rachael Peabody (VMRC) stated that a Model Ordinance, or something similar, is needed to show the framework of an ordinance. Most of the funding opportunities in the table, she noted, have to have a certain infrastructure built around it. Mr. Dalon replied by suggesting adding a one-page best practices to the funding opportunities table in the Coastal WebExplorer.
	• Lewie Lawrence (MPPDC) said that the state's focus should be on the logistics of accessing and using these tools and providing assistance to localities with different levels of knowledge.
	• Mr. Dalon asked the group whether there are resources to help local governments figure out how to utilize funding opportunities. Lewie Lawrence (MPPDC) replied that while the role of the PDCs is to educate, whether they take action depends on political will and courage – whether they have the votes to implement.
	• Rachael Peabody (VMRC) shared a policy concern that 43% of funding is coming from grants and loans. She noted that this is not a sustainable way to approach resilience. Mr. Dalon said this should be documented as an ongoing concern. It was added that many programmatic choices for financing fall into grants, loans, and private capital.
	• Chris Swanson (VDOT) said that if the Commonwealth moves forward with the creation of an Office of the Chief Resilience Office (CRO), then the CRO would be positioned as a resource for individuals with funding questions. He proposed that the Coastal WebExplorer should be a sophisticated deliverable designed for the Office of the CRO to explain to end users, rather than capturing all users.
	• Whitney Katchmark (HRPDC) said there is still a need for knowledge at a parcel scale, such as business owners, etc. She proposed evaluating what's currently available and then deciding if something new needs to be created.
	• Mr. Dalon shared that DCR's Flood Plain Management Program created three different versions based on users and that this could be considered for the Coastal WebExplorer.

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	• Lewie Lawrence (MPPDC) said that to receive funding programs must have an established instrument in place to move money. He noted that a lack of such an instrument represents a "bottleneck" in the resilience funding process. He stated that the problem is not the opportunities that are available but a lack of structure to handle revolving loans and other awards. To resolve this, funding documents or tables must provide more information on the programmatic structures needed across state, region, and local government levels. Mr. Dalon asked if there were any regional structure between PDCs and agencies. Mr. Lawrence replied that MPPDC has a structure but they are an outlier due to investment from public officials and a connection made between resilience and public welfare. Many regions, he added, do not act until disaster strikes.
	• Rachael Peabody (VMRC) added that this discussion supports the need for establishing a baseline assessment of value for natural resources. Mr. Dalon asked the group how the state can list value for different resources.
	• Lewie Lawrence (MPPDC) said that Virginia, as a low-water state, is different than other states in that most assets are privately owned. As a result, homeowners can't be forced to protect the many natural resources on their property. Beyond mean-low water is Public Land and the state can invest in those resources. Projects must be considered in relationship to the ownership, and this challenge should be reflected in the CRMP Phase II challenges and objectives. Mr. Coates responded that FEMA programs have waivers for private owners to sign for this reason.
	• Rachael Peabody (VMRC) noted that Virginia does not have a robust dataset showing Public Lands vs. Private Lands.
	• Whitney Katchmark (HRPDC) proposed changing the scope of the subcommittee to address how the state can protect private assets but noted that more data is needed to determine a viable strategy. Mr. Dalon asked whether the Chesapeake Bay's Watershed Implementation Plan (WIP) was a good example of an incentive-based program for protecting private assets?
	• Carolyn Heaps-Pecaro (DCR) cited [Hampton's Rain Grant program](#) as an example of a local incentive.
	• Whitney Katchmark (HRPDC) said that the Chesapeake Bay Preservation Act provides an incentive, but this is not very big and in fact can be a disincentive in some rural communities.
	• Rachael Peabody (VMRC) said that current regulatory structure allows VMRC to protect wetlands only as they are existing now, not in the future.
	d) Subcommittee Members Discussion

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	Matt Dalon (DCR) posed several questions to the subcommittee members related to funding needs for the CRMP Phase II and beyond. May not be accomplished in phase 2, but we can start documenting needs. These questions included: • How has the state spent money historically to build flood resilience? • Funding has not been tracked outside of VDEM FEMA distributions. Should this be an objective? • How do we build out case studies for resilience? • Do we have inputs to get to outputs? • What additional data is needed? • Is year-to-year data needed for certain applications, or are 5-year snapshots sufficient? **The group raised the following:** • Lewie Lawrence (MPPDC) suggested adding more context around DCR and the CRO working with federal agencies administering resilience funding to better understand Virginia proposal scores and the agency priorities they are looking for. He cited FEMA's Building Resilient Infrastructure and Communities (BRIC) program as an example, as Virginia's grant applications have been unsuccessful. He'd like CRMP Phase II to focus on identifying the appropriate individual or entity to help build a uniform perspective. Mr. Dalon replied that feedback from federal agencies will be continued to share, but getting substantive feedback from FEMA continues to be challenging. Mr. Dalon then asked the group to revisit the objectives presented at the beginning of the meeting to propose any additional changes or revisions. **The group raised the following:** • Shawn Crumlish (VRA) stated that funding implementation should be added as a subcommittee objective. • Robbie Coates (VDEM) asked how the subcommittee information will affect the TAC Committee structure. Mr. Dalon replied that each subcommittee has different objectives and will be reporting out at the next TAC Quarterly meeting. • Whitney Katchmark (HRPDC) asked if the subcommittee can add evaluating challenges and logistics to use different funding mechanisms. Mr. Dalon said this would go under implementing funding. • Lewie Lawrence (MPPDC) said there is a need to show end users the multitude of financial structures required for each funding phase, including all the different structures and how funds move through each structure.

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	• Matt Dalon (DCR) suggested reproducing VDOT's project pipeline document for resilience funding. • Chris Swanson (VDOT): agreed that many programmatic resources are needed behind the scenes and those needs must be reflected in any portal or tool. • Whitney Katchmark (HRPDC) added that the TAC and other resilience entities often attribute challenges to "staffing capacity". It would be more helpful if time was spent breaking this challenge down to show local governments what is actually needed. • Shawn Crumlish (VRA) recommended allowing resilience program funding to be used for capacity development. • Lewie Lawrence (MPPDC) explained the Virginia Public Procurement Act is secondary when accessing federal money and therefore requires additional expertise regarding procurement type, legal involvement, and other aspects. He reiterated that local governments often don't know what it is that they need to know to access federal funding. • Chris Swanson (VDOT) said it is important for end users to understand how state decision making and authority happens when funds are federal. They need to understand that sometimes the state has limited control over how money is spent. Mr. Dalon summarized these main points and acknowledged that many of these challenges expand beyond flood resilience funding. There is a need for these particular challenges to be articulated in Phase II to help determine what the most important resources that should be developed. Carolyn Heaps-Pecaro (DCR) also stated that the exposure modeling in the CRMP Phase I looked at future conditions, which should be considered in all funding discussions, in line with the recommendation to establish a baseline value of natural resources. **A summary of changes to the TAC Funding CRMP Phase II objectives is as follows:** • Add "identification of funding opportunities for individuals" as an objective. • Review Item 1: Informing quantification of financial need to be broader so that a baseline of value connected to natural resources can be established. • Add objective that allows for expansion of funding table in Coastal WebExplorer to target users and includes steps for implementation for each funding source. • Under funding implementation, add "evaluating challenges and logistics to using different funding mechanisms" as an objective. • Incorporate "review of existing tax policies and their potential use".

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	Subcommittee members can submit written requests to the Subcommittee Chair, Shawn Crumlish (VRA), Matt Dalon (DCR), or Wheeler Wood (CPP) so that this information can be collected.
	In the remaining time, Matt Dalon (DCR) shared information about upcoming USACE Funding Opportunities (links are included in the Reference Links table on page 2 of this document): • Section 22 Planning Assistance to States (PAS) is a new cost-sharing options for 100% federal funding in economically disadvantaged communities for planning as defined under Section 160 of WRDA 2020 • Section 165(a) Continuing Authorities Program (CAP) Pilot Program for Water Resources Projects is for smaller/disadvantaged communities up to 20 projects proposals are due 10/20/23
4. Action Items, Scheduling	Action Items: • Incorporate member revisions discussed today to funding subcommittee objectives for CRMP Phase II. • Contact companies actively providing parametric insurance (Florida, other areas) for subcommittee presentation. • Contact Moffatt & Nichol for subcommittee presentation on how money flows in the private sector. • Contact Virginia Department of Taxation for subcommittee presentation on resilience-adjacent tax policies.
5. Public Comment 11:40am	Grace Tucker, Senior Analyst of the Virginia Coasts and Watersheds Program within the Environmental Defense Fund (EDF) provided public comment. Ms. Tucker asked that the subcommittee members consider EDF's Carolyn Kousky, Associate Vice President of Economics and Policy Analysis as a presenter for this subcommittee as she is a national expert on parametric insurance. Additionally, Carolyn has the ability to look across states for innovative practices. Due to her role in EDF, she could be more accessible than other private sector options. Ms. Tucker offered to share more information with the subcommittee.
6. Adjourn	Following public comment, the Chair approved a request to use the remaining time to discuss the topic of how to define the benefit of federal funding opportunities to local governments. **The group raised the following:** • Lewie Lawrence (MPPDC) said that in many instances, regulatory process is for acquiring permits is much less time consuming and costly than a federal grant application. The benefits and disadvantages of both options must be understood by end users before applications are submitted.

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	• Matt Dalon (DCR) said that a decision tree for resilience funding could be valuable to local governments. • Whitney Katchmark (HRPDC) agreed that developing simple language for local governments to understand the "go vs. no-go" approach and available exemptions would be valuable. • Robbie Coates (VDEM) said that end users need to know whether they have the systems, infrastructure, and resources to benefit from a funding opportunity before applying. Additionally, it must be understood what programs come with administrative funding to support management costs. • Lewie Lawrence (MPPDC) acknowledged VRA for including program design as a request for the Revolving Resilient Loan Fund as this helps memorialize knowledge. Programs with this requirement have a better track record. Matt Dalon (DCR) thanked everyone for their attendance and participation, as well as the DCR staff for their efforts and preparation. The next subcommittee meeting will be after the TAC quarterly meeting in either late October or early November. A scheduling poll will be sent to the group to create recurring subcommittee meetings moving. Members can email Chair Shawn Crumlish (VRA) and Matt Dalon (DCR) with specific agenda items. The meeting was adjourned at 11:51am.

The purpose of these minutes is to record and preserve, to the best of our ability, the major contributors and general topics covered during this meeting. Verbatim transcription is not the intent of this document. If you have any questions, please contact flood.resilience@dcr.virginia.gov