

APPENDIX 1

FEMA MITIGATION GRANT PROGRAMS

April 17, 2014

FEMA FUNDING POSSIBILITIES FOR SCHOOL DISTRICTS IN WASHINGTON

Overview

For public entities in Washington, including school districts, FEMA mitigation funding possibilities fall into two main categories:

- The post-disaster Public Assistance Program which covers at least 75% of eligible emergency response and restoration (repair) costs for public entities whose facilities suffer damages in a presidentially-declared disaster. The Public Assistance Program also may fund mitigation projects for facilities damaged in the declared event.
- Mitigation grant programs (either pre-disaster or post-disaster) which typically cover 75% of mitigation costs, although in some cases, FEMA mitigation grants provide 90% or 100% funding.

These grants programs are summarized below. For more detailed information, see the references to FEMA publications in the narratives below.

For the Ocosta School District, the sources of possible FEMA grant funds include the Public Assistance Program, the Hazard Mitigation Grant Program, and the Pre-Disaster Mitigation Program.

FEMA Public Assistance Program

The objective of the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) Grant Program is to provide funding so that communities can quickly respond to, and recover from, major disasters or emergencies declared by the President. The PA program is sometimes referred to as the 406 program because it is authorized under Section 406 of the Stafford Act which established FEMA's disaster programs.

Through the PA Program, FEMA provides supplemental Federal disaster grant assistance for debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged, publicly-owned facilities and the facilities of certain private non-profit (PNP) organizations.

PA funding for school facilities is available only when:

- There is a presidentially-declared disaster in Washington State,
- A facility is located in a county included in the disaster declaration, and
- A facility had damage in the declared disaster event.

The PA Program also encourages protection of these damaged facilities from future events by providing assistance for hazard mitigation measures during the recovery process. The PA Program's distinction between repairs and mitigation is important:

- Repairs restore a damaged facility to its pre-disaster condition, with the possible addition of code-mandated upgrades.
- Mitigation measures go beyond repairs to make the facility more resistant to damage in future disaster events.

Under the PA Program, FEMA funding for repairs of damaged facilities and for the other categories of PA assistance are largely automatic, subject only to FEMA's eligibility criteria.

However, mitigation measures under the PA Program and at the discretion of FEMA are not automatically funded. Mitigation measures under PA have to meet eligibility criteria very similar to those for the other FEMA mitigation grant programs, including having a benefit-cost ratio greater than 1.0. However, Public Assistance mitigation projects are automatically determined to be cost effective and a project-specific benefit-cost analysis is not required if the cost of mitigation is no more than the following percentages of the repair costs:

- 15% of the repair costs for any PA-eligible mitigation project, or
- 100% of the repair costs for categories of mitigation projects defined in the March 30, 2010 version of FEMA Recovery Policy RP9526.1 Hazard Mitigation Funding Under Section 406 (Stafford Act).

Further details of FEMA's PA programs are available on FEMA's website at:

<http://www.fema.gov/site-page/public-assistance-grant-program>

FEMA Mitigation Grant Programs

The Federal Emergency Management Agency (FEMA) has three mitigation grant programs which provide federal funds to supplement local funds for specified types of mitigation activities.

For school districts, an important eligibility criterion for all FEMA mitigation grants is that a district must have a FEMA-approved hazard mitigation plan or be covered by a city or county FEMA-approved hazard plan for which the district participated in the planning process.

There are two distinct types of FEMA mitigation grant programs:

1. The post-disaster Hazard Mitigation Grant Program (HMGP) for which funds are available in Washington State after each presidentially-declared disaster in Washington State.
2. Annual pre-disaster programs for which funds are available nationwide, including:
 - The Pre-Disaster Mitigation (PDM) program which includes mitigation for all natural hazards, and
 - The Flood Mitigation Assistance (FMA) program which includes mitigation for flood only, with a focus predominantly on facilities with flood insurance.

Further details of these mitigation grant programs are provided in the following two FEMA publications:

Hazard Mitigation Assistance Unified Guidance (July 2013), and
Addendum to the Hazard Mitigation Unified Guidance (July 2013).

Additional information is available on the FEMA website:

www.fema.gov/hazard-mitigation-assistance

Each of the FEMA mitigation grant programs has specific eligibility requirements, applications, and application deadlines, which may vary from year to year. These grant programs are not entitlement programs, but rather are competitive grant programs which require strict adherence to the eligibility and application requirements and robust documentation.

All physical mitigation projects (but not mitigation planning) must be cost-effective, which for FEMA means a benefit-cost ratio >1.0 . Therefore, most FEMA mitigation projects require completing a benefit-cost analysis using FEMA software and following FEMA's detailed benefit-cost analysis guidance.

However, there are three categories of mitigation projects which are automatically determined to be cost-effective and thus do not require a project-specific benefit-cost analysis for HMGP and FMA grant applications:

- Acquisition of properties within a Special Flood Hazard Area - 100-year, FEMA-mapped floodplain – when the structure is substantially damaged. Substantial damage is defined as: “damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred.”
- Acquisition or elevation projects with a Special Flood Hazard Area that meet the cost limits established in the FEMA Memorandum “Cost Effectiveness Determinations for Acquisitions and Elevations in Special Flood Hazard Areas,” August 15, 2013.

- Acquisition or relocation of residential structures subject to landslide hazards that meet the criteria in the FEMA Memorandum “Use of HMGP Funds for Acquisition or Relocation of Residential Structures Subject to Landslide Hazards,” July 22, 1998.

Hazard Mitigation Grant Program

The Hazard Mitigation Grant Program (HMGP) is a post-disaster grant program. HMGP funds are generated following a Presidential Disaster Declaration for Washington State. Declared disasters for Washington are relatively common, often with one or more declarations in a given year for winter storms, floods, or other disasters.

The amount of HMGP grant funding available after a given declared disaster is a percentage of total FEMA spending for various other FEMA programs such as the Individual and Family Assistance and Public Assistance programs. Thus, the total amount of HMGP mitigation funds available within Washington will vary from year to year and disaster event to disaster event. In some years, there may be no HMGP funding available. However, after a major disaster, such as the Nisqually earthquake in 2001, a large amount of HMGP funding may be available.

The Washington Emergency Management Division (WA-EMD) of the Washington Military Department administers the HMGP in Washington State and sets the priorities and guidelines after each disaster. For HMGP mitigation grants, WA-EMD selects the mitigation projects for funding, with FEMA’s only role being to verify that a submitted project meets FEMA’s minimum eligibility criteria. HMGP is the most flexible grant program: grants may be possible for any natural hazard and may include hazard mitigation planning and risk assessments as well as physical mitigation projects.

For HMGP applications, WA-EMD’s application process has included the following steps after a declared disaster in Washington:

- Public announcement of HMGP funds availability and guidance re: priorities and grant award limits,
- Review of submitted NOIs and selection of projects for which full applications are requested,
- Review of submitted applications and requests for additional documentation.
- Selection of applications to be submitted to FEMA.
- FEMA approval of grants, for applications that meet FEMA’s minimum criteria for eligibility.

In past disasters, Washington State has typically provided one-half of the applicants FEMA-required 25% local matching funds for HMGP grants. In this case, the FEMA grant covers 75% of the total project cost, with Washington State and the applicant each providing 12.5%. That is, the local match required has been only 12.5% of the total eligible project cost. However, continuation of the state's 12.5% match in future declared disasters is contingent upon legislative approval.

Annual Pre-Disaster Grant Programs

FEMA's annual pre-disaster grant programs – Pre-Disaster Mitigation (PDM) and Flood Mitigation Assistance (FMA) are contingent upon future congressional approval.

WA-EMD processes grant applications for these programs in a step-wise manner generally similar to that described above for HMGP grant applications. However, there are two important differences:

- For these programs WA-EMD forwards ranked applications to FEMA, but FEMA makes the grant determinations, which may or may not match WA-EMD's rankings. Thus, applications for these programs are competitive nationally, not just within Washington State, although there may be partial set-asides guaranteeing Washington some level of funding, if submitted applications meet FEMA's eligibility criteria.
- For these grant programs, Washington State does not provide any matching funds; thus, applicants must provide the full FEMA-required local match percentage.

Pre-Disaster Mitigation (PDM) Grant Program

The PDM grant program is a broad program which includes mitigation projects for any natural hazard as well as mitigation planning grants which must result in the development of a Local Hazard Mitigation Plan.

PDM grants typically cover 75% of the costs of mitigation projects up to a maximum federal share of \$3,000,000 per project. However, for eligible local government applicants in communities that meet FEMA's definition of small, impoverished community, the Federal share may be 90%.

Flood Mitigation Assistance (FMA)

The FMA grant program funds only flood projects, with its predominant focus being on flood mitigation projects for properties with flood insurance. FMA special emphasis and priorities on properties which are on FEMA's national listing of Repetitive Flood Loss (RFL) and Severe Repetitive Loss (SRL) properties.

FMA grants generally cover 75% of total eligible project costs, with 25% local match required. However, grants for Repetitive Loss properties provide 90% FEMA funding and grants for Severe Repetitive Loss properties provide 100% FEMA funding.

General Guidance for FEMA Grant Applications

All of FEMA's mitigation grant programs are competitive, either within a given state or nationally. Thus, successful grant applications must be complete, robust, and very well documented. The key elements for successful mitigation project grant applications include:

- Project locations within high hazard areas.
- Project buildings or infrastructure that have major vulnerabilities which pose substantial risk of damages, economic impacts, and (especially for seismic projects) deaths or injuries.
- Mitigation project scope is well defined with at least a conceptual design with enough detail to support a realistic engineering cost estimate for the project.
- The benefits of the project are carefully documented using FEMA benefit-cost software, with all inputs meticulously meeting FEMA's guidance and expectations. A benefit-cost analysis meeting FEMA's requirements is very often the most critical step in determining a mitigation project's eligibility and competitiveness for FEMA grants.
- Making sure that the proposed project is eligible for the specific FEMA grant program to which it is being submitted.
- Making sure that the application is 100% complete with credible information and easy for FEMA to understand.

The effort required for developing a good mitigation project and completing a successful grant application varies with the size and complexity of the mitigation project. In some cases, a successful FEMA grant application requires technical expertise, which may be available on-staff within a given local government entity, or which may require outside consulting support. For example, technical expertise may be desired for:

- Understanding the level of hazard (flood, earthquake, tsunami, etc.) at a given location.
- Quantifying the vulnerability of the building(s) exposed to the hazard at the project site(s).
- Developing a preliminary or conceptual engineering design for the mitigation project.

- Developing a realistic engineering cost estimate for the mitigation project.
- Completing the benefit-cost analysis in full conformance with FEMA's guidance and expectations, along with robust documentation of the credibility of the inputs into the benefit-cost analysis.

Good mitigation projects which address high-risk situations are effective in reducing future damages and losses, with robust, well-documented applications have a reasonable chance of FEMA funding. Conversely, weakly conceived or poorly documented projects have little or no chance of FEMA funding.

Guidance for FEMA grant applications is available on the FEMA website (www.fema.gov/hazard-mitigation-assistance) and in the FEMA guidance document referenced previously. Thorough review of this guidance is strongly encouraged before undertaking a FEMA grant application.

Additional guidance is also available on Washington Emergency Management's website (www.emd.wa.gov), see Grants category, and from WA-EMD's mitigation staff.