



A

FEMA Assistance

FEMA assistance is available to help property owners implement flood retrofitting projects. The sources of the assistance are the Increased Cost of Compliance (ICC) coverage in Standard Flood Insurance Policies from the National Flood Insurance Program (NFIP) (see Section A.1), FEMA's Hazard Mitigation Assistance (HMA) Programs (see Section A.2), and Section 406 Hazard Mitigation funding under the Public Assistance Program (see Section A.3). Resources on FEMA funding are listed in Section A.4.

A.1 Increased Cost of Compliance Coverage

Property owners who have Standard Flood Insurance Policies for buildings in Special Flood Hazard Areas (SFHAs) are eligible to receive up to \$30,000 (as of May 2011) to bring the building into compliance with State or local floodplain laws or ordinances and building code requirements. The building must have substantial or repetitive flood damage to be eligible for ICC funds. ICC coverage can be used for elevating, relocating, demolishing, or floodproofing a non-residential building.

ICC claims are adjusted separately from flood damage claims filed under the Standard Flood Insurance Policy. ICC coverage is provided in all new and renewed Standard Flood Insurance Policies in the NFIP.

An ICC claim may be paid if the property is determined to be Substantially Damaged by a State or local official or a repetitive loss property, which are defined as follows:

- **Substantially Damaged.** The cost of repairing flood damage equals or exceeds 50 percent of the building's pre-damage market value.
- **A repetitive loss property.** At least two losses in 10 years have occurred in which the cost of repair, on average, equaled or exceeded 25 percent of the building's market value at the time of each flood.

Additionally, the State or community must have a cumulative Substantial Damage provision or repetitive loss provision in its floodplain management law or ordinance being enforced against the structure to be eligible for an ICC claim payment.



Special Note

For more information on ICC coverage, see FEMA P-301, *NFIP Increased Cost Compliance (ICC) Coverage* (FEMA 2003).

A.2 FEMA's Hazard Mitigation Assistance Programs

FEMA's HMA Programs present a critical opportunity to reduce the risk to individuals and property from natural hazards while simultaneously reducing reliance on Federal disaster funds. The programs are authorized by Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, as amended (Title 42, United States Code [U.S.C.] 5170c), Section 203 of the Stafford Act, 42 U.S.C. 5133 and Section 1366 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4104c). All programs are subject to changes in statutory requirements and amounts of authorized assistance.

All mitigation projects must be cost-effective, cost reasonable and technically feasible and meet Environmental Planning and Historic Preservation requirements in accordance with HMA Program requirements. States, territories, federally recognized Indian tribal governments, and communities are eligible and encouraged to take advantage of funding provided by the following HMA Programs in both the pre- and post-disaster time frames:



Special Note

For more information on FEMA Hazard Mitigation Assistance programs, see <https://www.fema.gov/hazard-mitigation-assistance>.

- **Hazard Mitigation Grant Program (HMGP).** Provides grants for long-term hazard mitigation measures *after* a major disaster declaration in a given State. The purpose of HMGP is to reduce the loss of life and property as a result of natural disasters and to enable the implementation of mitigation measures during the recovery from a disaster.
- **Pre-Disaster Mitigation (PDM) Program.** Provides nationally competitive grants for hazard mitigation planning and implementing mitigation projects *before* a disaster event. Funding the plans and projects reduces the risk to people and property and the reliance on funding that is authorized after a Presidential disaster declaration to rebuild.
- **Flood Mitigation Assistance (FMA) Program.** Provides grants for certain flood mitigation projects to reduce or eliminate flood risk to buildings, manufactured homes, and other buildings that are currently NFIP insured. The National Flood Insurance Fund (NFIF) provides the funding for the FMA program.

HMGP is available, when authorized under a Presidential major disaster declaration, in the areas of the State requested by the Governor. The PDM and FMA programs are subject to the availability of appropriation funding, as well as any program-specific directive or restriction made with respect to such funds.

Table A-1 is a summary of the flood mitigation projects in non-residential buildings that are eligible for funding under HMA Programs.

Table A-1. Flood Mitigation Projects in Non-Residential Buildings Eligible for Funding Under HMA Programs

Eligible Activities	HMA Program		
	HMGP	PDM	FMA
Property acquisition and building demolition	✓	✓	✓
Property acquisition and building relocation	✓	✓	✓
Building elevation	✓	✓	✓
Dry floodproofing non-residential building	✓	✓	✓

Source: FEMA (2010c)

Note: HMGP and PDM are authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. FMA and PDM are authorized under the National Flood Insurance Act.

FMA = Flood Mitigation Assistance HMGP = Hazard Mitigation Grant Program
 HMA = Hazard Mitigation Assistance PDM = Pre-Disaster Mitigation

Figure A-1 shows the process for FEMA grant applications and approvals. The process is divided into five stages, starting with mitigation planning and ending with project closeout. The process requires coordination among FEMA, the State, and the local government. The coordination is represented by the three rings in the figure. Regardless of which HMA Program the funds will come from, the FEMA grants cycle process includes the five stages shown in Figure A-1 and described in Sections A.2.1 through A.2.5.

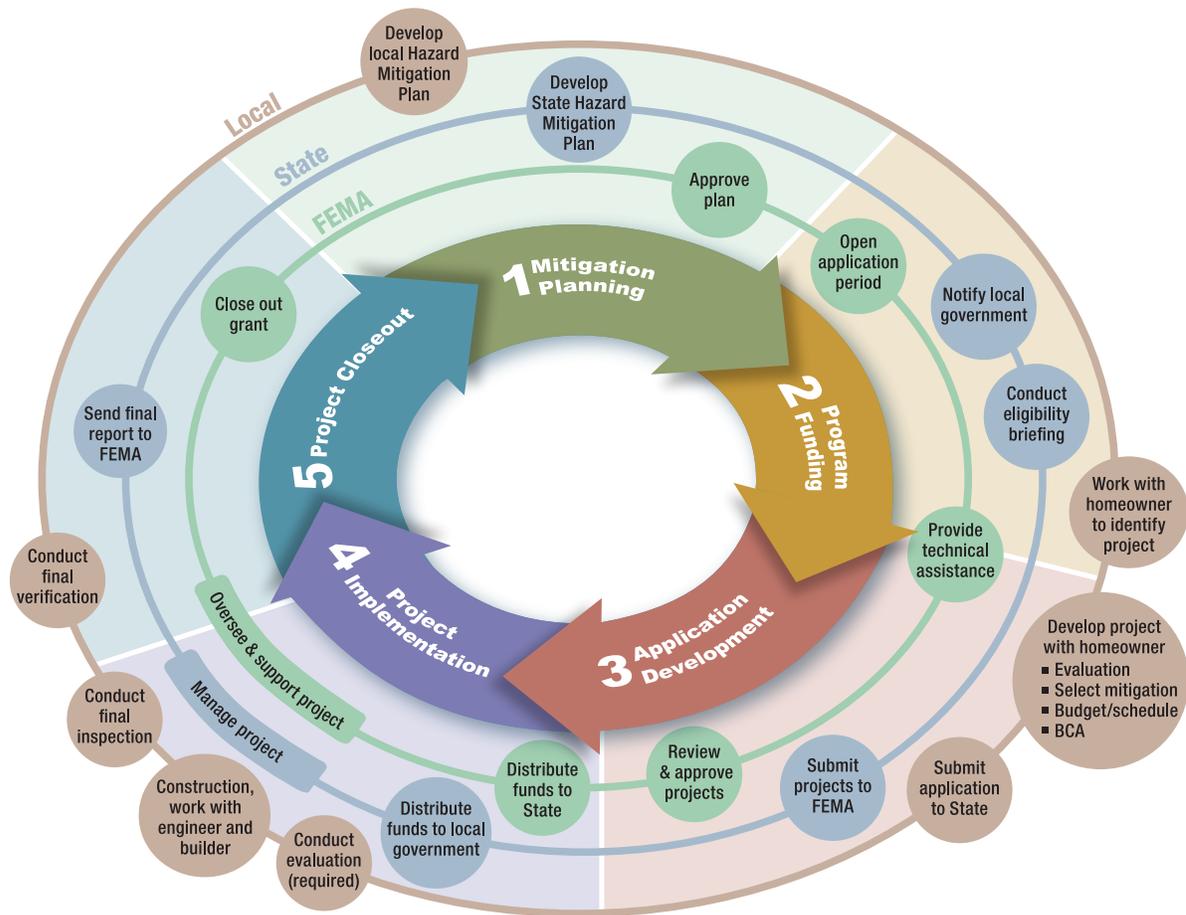


Figure A-1. HMA grants cycle process and the roles and responsibilities of FEMA and State and local governments

A.2.1 Stage 1: Mitigation Planning

All project grant applications require a State or tribal multi-hazard mitigation plan. The plan must describe the process for identifying the hazard risks in a community and the actions that will help reduce the risks. Non-residential flood mitigation projects that are proposed for FEMA funding under HMA Programs must be consistent with the State’s or tribe’s mitigation plan. The mitigation planning process requires public participation and the identification of measures to reduce risks and is therefore a good opportunity for property owners to address concerns about flood hazards. More information is available at <http://www.fema.gov/hazard-mitigation-planning-overview>.

A.2.2 Stage 2: Program Funding

HMA Programs enable hazard mitigation measures to be implemented before, during, and after disasters. Funding depends on the availability of appropriation funding or is based on disaster recovery expenditures, as well as any directive or restriction made with respect to such funds. HMGP funding depends on Federal assistance provided for disaster recovery following a Presidential disaster declaration in a State, and PDM and FMA funding may be authorized annually by Congress.

When the application period opens, the State notifies local governments of the availability of funds and relays information about the application process, project requirements, and eligibility criteria for the local government. Table A-2 shows the cost-share requirements for the HMA Programs. Property owners should work with their local governments to express interest in participating in a flood mitigation project; the local government can then submit a subapplication to the State and request HMA funding. In general, the community applying for the grant must participate in the NFIP. Eligible subapplicants include State agencies, Indian tribal governments, local governments and communities, and private non-profit organizations.

Table A-3 lists the eligibility of subapplicants for HMA Program grant funding.

Table A-2. Cost-Share Requirements for the HMA Program Grants

HMA Program	Subcategory	Federal/Non-Federal Share ^(a)
HMGP	All subapplicants	75/25
PDM	All subapplicants	75/25
	Subgrantee is small impoverished community	90/10
	Tribal Grantee is small impoverished community	90/10
FMA	All subapplicants	Up to 100/0 for certain properties

^(a) Ratios are as of February 2010. Refer to the current fiscal year’s HMA Unified Guidance for current ratios when referencing this table. The current version of the HMA Unified Guidance is available at <http://www.fema.gov/hazard-mitigation-assistance>.

FMA = Flood Mitigation Assistance HMGP = Hazard Mitigation Grant Program
HMA = Hazard Mitigation Assistance PDM = Pre-Disaster Mitigation

Table A-3. Eligibility of Subapplicants for HMA Program Grants

Subapplicant	HMA Programs ^(a)		
	HMGP	PDM	FMA
State agencies	Yes	Yes	Yes
Tribal governments	Yes	Yes	Yes
Local governments/communities	Yes	Yes	Yes
Private non-profit organizations	Yes	No	No

(a) Private properties may be included on an HMA Program application if the application is submitted by an eligible Applicant.

FMA = Flood Mitigation Assistance
 HMA = Hazard Mitigation Assistance

HMGP = Hazard Mitigation Grant Program
 PDM = Pre-Disaster Mitigation

A.2.3 Stage 3: Application Development

Businesses cannot apply for HMA funds, so the non-residential property owner must work with the local government to develop a project subapplication on behalf of the owner. Local governments may submit a retrofit project for a property as an individual subapplication or combine it with other projects as part of an aggregate subapplication (subject to program restrictions). Aggregating benefit and cost values is allowed for multiple buildings if they are all vulnerable to damage from similar hazard conditions. See the current version of the *HMA Unified Guidance* (periodically updated) for information on aggregating projects in one subapplication.

Key elements for non-residential flood mitigation applications are:

- Identification of the property to be mitigated.
- Identification of key project personnel and roles, such as design professional and contractor.
- Selection of an eligible project (see Table A-1).
- Inspection of the building by a registered design professional to verify that the project can be implemented if possible; if not done at this stage; it must be done during Stage 4, Project Implementation (see Section A.2.4).
- Development of a project cost estimate and work schedule.
- Benefit-Cost Analysis (BCA) using FEMA’s BCA software (see Appendix B for additional information); if the benefit-cost ratio (BCR) is 1.0 or more, the project is cost-effective. FEMA requires a BCR of 1.0 or greater for funding.
- Verification that properties in designated SFHAs will obtain flood insurance and that the insurance will be recorded on the property deed.

The local government submits the subapplication to the State. The State then selects projects based on its priorities and submits applications to FEMA for review. FEMA reviews the projects for eligibility, completeness, engineering feasibility, cost-effectiveness, cost reasonableness, and environmental and historic preservation documentation. The review process also confirms that all hazard mitigation activities adhere to all relevant statutes; regulations; program requirements, including other applicable Federal, State, tribal, and local laws; implementing regulations; and Executive Orders, all of which are detailed in the grant program guidance.

The most current version of the guidance can be found at the FEMA HMA website (<http://www.fema.gov/hazard-mitigation-assistance>).

Once FEMA approves a project and awards the grant, the State distributes the funds to the local government, which distributes it to individuals as appropriate. No construction activities should begin until after the money has been awarded because HMA funding is not available for activities initiated or completed prior to award or final approval.

A.2.4 Stage 4: Project Implementation

After the State has awarded the funds to the local government, the next stage is project implementation. HMA projects must be completed within a specified period of time (the period of performance), which is normally not more than 36 months. During the period of performance, the local government must maintain a record of work and expenditures for the quarterly reports that the State submits to FEMA.

Because the final design may not be completed prior to award, once the project is awarded, the design must be finalized by a registered design professional with some exceptions. If the scope of work or cost estimate changes as a result of completing the final design, the HMA Unified Guidance should be consulted for direction on scope of work modifications. If there is already a final design when the grant is awarded, the subgrantee can proceed with the appropriate contracting procurement procedures to secure the services of a contractor to execute the requirements in the design and grant documents.

Some grant projects do not require the services of a design professional. In these circumstances, once the grant is awarded, the subgrantee can proceed with appropriate contracting procurement procedures to secure the services of a contractor to execute the requirements in the contract documents necessary to perform the work in the approved grant.

To summarize, the basic steps in implementing an approved HMA mitigation flood retrofit grant project are:

1. If a design was not developed before Stage 3, secure a registered design professional to design, inspect, and sign off on a mitigation retrofit solution within the bounds of the approved grant.
2. If a design solution was developed before Stage 3 or if a registered design professional is not needed because of the nature of the work, secure the services of a contractor to execute the work in the approved grant.
3. Monitor the work being performed to ensure that all grant requirements are being met.
4. Inspect the finished project and verify that all grant requirements have been met. Work with the designer / contractor to resolve any issues of concern and work with the State in closing out the grant after all requirements have been met.

A.2.5 Stage 5: Project Closeout

When the grant project has been completed, a registered design professional (preferably the same one as above) should conduct a final inspection and verify in writing that the project he or she designed/signed off on was implemented as intended in the approved grant. If a contractor was the only professional who performed the

work, the contractor should verify in writing that he or she performed the work as outlined in the contract and the grant. It is crucial for the subgrantee to ensure that the grant requirements have been met through any contracts the subgrantee has with design professionals or contractors because the subgrantee is ultimately responsible for meeting the grant requirements. Poorly written contracts can result in work that complies with the contract but is noncompliant with the grant requirements. The written verification of the work performed along with other project documentation demonstrating grant compliance will help facilitate a smooth, efficient project closeout.

After obtaining project verification from the designer/contractor, the subgrantee then submits the grant project documentation to the State. The State verifies that the work was completed in accordance with the approved grant documentation, including the grant scope of work, and performs the closeout procedures. If the property is in an SFHA, the local government must provide documentation of flood insurance for the property and a copy of the recorded deed amendment. The HMA Unified Guidance contains a description of all closeout requirements that must be addressed.

A.3 The Public Assistance Program and Section 406 Hazard Mitigation Funding

The Public Assistance (PA) Program is a grant program authorized by the Robert T. Stafford Disaster and Emergency Assistance Act (the Stafford Act) to make funding available for response and recovery efforts after the President has declared a disaster or emergency.

After the declaration is made, FEMA determines which locations are eligible for assistance under which categories of work. Eligible disaster-related work, which is either emergency or permanent work, is divided into seven categories, as listed below. The first two categories are emergency work, and the other categories are permanent work.

- Category A: Debris Removal (Emergency Work)
- Category B: Emergency Protective Measures (Emergency Work)
- Category C: Roads and Bridges (Permanent Work)
- Category D: Water Control Facilities (Permanent Work)
- Category E: Buildings and Equipment (Permanent Work)
- Category F: Utilities (Permanent Work)
- Category G: Parks, Recreational Facilities and Other Items (Permanent Work)

Entities that are eligible to apply for PA funding are limited to State agencies, local governments, private nonprofit organizations (which must meet stringent requirements to be determined eligible), and federally recognized Indian tribes or authorized tribal organizations and Alaskan Native village organizations.



Special Note

More information on the Stafford Act and Section 406 is available at:
<http://www.fema.gov/public-assistance-local-state-tribal-and-non-profit/hazard-mitigation-funding-under-section-406-0>.

Under the PA Program, the FEMA/State cost share is usually 75 percent/25 percent, although the cost share is subject to change based on the severity of the disaster. Applicants are reimbursed for eligible costs under the categories of work that FEMA has determined eligible for reimbursement under that specific disaster declaration.

The PA Program has a required focus on restoring damaged infrastructure to its pre-disaster function and capacity. Section 406 of the Stafford Act allows funding of mitigation measures that go beyond restoring a facility to its pre-disaster condition and is applied only to the damaged element of the facility. Mitigation measures must be cost-effective, cost reasonable, technically feasible and meet Environmental Planning and Historic Preservation requirements in accordance with Federal laws, regulations, and Executive Orders and must reduce the risk of damage from future similar events to be eligible for Section 406 funding.

Only projects involving permanent work are eligible for Section 406 hazard mitigation funding. Hazard mitigation measures under Section 406 are considered part of the total eligible cost of the repair, restoration, reconstruction, or relocation of a facility. Funding under Section 406 is not applicable to alternate or improved projects if a new replacement facility is involved. Upgrades to meet applicable codes and standards are also not eligible under Section 406 funding because they are not mitigation measures and may be an eligible part of restoration work under the PA Program. Examples of eligible Section 406 mitigation measures are:

- Relocation of facilities from hazardous locations
- Slope stabilization to protect facilities
- Protection from high winds
- Floodproofing of buildings
- Flood protection of bridges and culverts
- Seismic protection
- Protection of utilities

Hazard mitigation measures submitted under Section 406 are reviewed by FEMA to ensure eligibility, technical feasibility, environmental and historical compliance, and cost effectiveness. When the project has passed all reviews, FEMA obligates the funds, and the State ensures that the funds are distributed to PA Program applicants in accordance with State laws.

A.4 FEMA Assistance Resources

Benefit-Cost Analysis	http://www.fema.gov/benefit-cost-analysis
Building Science Helpline	Telephone: (866) 927-2104 E-mail: FEMA-BuildingscienceHelp@fema.dhs.gov
Environmental Planning and Historic Preservation	http://www.fema.gov/environmental-planning-and-historic-preservation-program
Flood Mitigation Assistance Program	http://www.fema.gov/flood-mitigation-assistance-program
Hazard Mitigation Grant Program	http://www.fema.gov/hazard-mitigation-grant-program
Hazard Mitigation Assistance policies	http://www.fema.gov/hazard-mitigation-assistance-policy
HMA Helpline	Telephone: (866) 222-3580 E-mail: hmagrantshelpline@dhs.gov
HMA overview; includes link to the current HMA Unified Guidance	http://www.fema.gov/hazard-mitigation-assistance
Increased Cost of Compliance; includes a link to FEMA 301, NFIP <i>Increased Cost Compliance Coverage</i> (FEMA 2003)	http://www.fema.gov/national-flood-insurance-program-2/increased-cost-compliance-coverage http://www.fema.gov/media-library/assets/documents/1973
Mitigation Planning	http://www.fema.gov/hazard-mitigation-planning-overview
Pre-Disaster Mitigation Program	http://www.fema.gov/pre-disaster-mitigation-grant-program

