U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

JUN 1 6 2010

FEMA

MEMORANDUM FOR: FEMA Regional Administrators
FEMA Acting Regional Administrators
Recovery Office Directors
Regions I-X

ATTENTION: Mitigation Division Directors
Acting Mitigation Division Directors
Regions I-X

FROM: Sandra K. Knight
Deputy Federal Insurance and Mitigation Administrator
Mitigation

SUBJECT: Hazard Mitigation Grant Program Projects Affected by the Immediate Needs Funding Restrictions with Expired Local Hazard Mitigation Plans

The purpose of this memorandum is to provide guidance on the eligibility of Hazard Mitigation Grant Program (HMGP) projects that were not approved due to Disaster Relief Fund (DRF) restrictions in communities where the local hazard mitigation plan has expired, or will expire, prior to the award of a grant. This memorandum will remain in effect for 60 days after receiving additional funding to the DRF.

On February 1, 2010 FEMA's Chief Financial Officer, Norman S. Dong, announced DRF immediate needs funding restrictions. As a result of these restrictions, all HMGP project and planning grants have been on hold pending a supplemental appropriation to the DRF.

FEMA requires that local governments have a mitigation plan approved pursuant to 44 CFR Part 201 in order to receive HMGP grant awards. The DRF restriction on funding of HMGP project and planning grants has delayed project approvals and awards for some localities where hazard mitigation plans have expired since February 1, 2010.

The DRF restrictions were beyond the control of States and local communities. FEMA is allowing Regional Offices and all other FEMA field offices to approve HMGP projects with expired local hazard mitigation plans under the provisions of the "extraordinary circumstances" exception. FEMA is permitted to grant an exception to the planning requirement in extraordinary circumstances pursuant to 44 CFR 201.6(a)(3) and as implemented in the policy

memorandum dated October 28, 2005 titled *Guidance for FEMA Regional Directors Regarding "Extraordinary Circumstances" under which an HMGP Project Grant may be awarded to Local Jurisdictions without an Approved Local Mitigation plan.* This memorandum extends the conditions under which the October 28, 2005 memo applies.

In all cases, the State and community shall acknowledge in writing that a plan will be completed within 12 months of the award of the project grant. If a plan is not completed within 12 months the project will be terminated and any costs incurred after the notice of grant termination will not be reimbursed by FEMA. The State must provide to the Regional Administrator a work plan for completing the local mitigation plan, including milestones and a timetable to ensure that the jurisdiction will complete the plan in the required time. This requirement shall be incorporated into the HMGP grant award notification letter (including both the planning grant and project grant agreements, if a planning grant is also awarded).

I will continue to monitor this situation closely once the DRF has received additional funding to determine if any further action is necessary. If there are any questions, please contact Karen Helbrecht of the Risk Analysis Division, Assessment and Planning Branch at Karen.Helbrecht@dhs.gov.