

APPENDIX 1

FEMA AND OREGON MITIGATION GRANT PROGRAMS

January 22, 2012

FEMA FUNDING POSSIBILITIES FOR MULTNOMAH COUNTY

Overview

For public entities, such as Multnomah County, FEMA mitigation funding possibilities fall into two main categories:

- The post-disaster Public Assistance Program which covers not less than 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 up to 75% of mitigation costs.

FEMA Public Assistance Program

The objective of the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) Grant Program is to provide assistance to State, Tribal and local governments, and certain types of Private Nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President.

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. The PA Program also encourages protection of these damaged facilities from future events by providing assistance for hazard mitigation measures during the recovery process.

For Multnomah County, PA assistance would be available only for future presidentially-declared disaster events which result in damage to public buildings or infrastructure within the county. Further details of FEMA's PA programs are available at:

<http://www.fema.gov/government/grant/pa/index.shtm>

FEMA Mitigation Funding Sources

The Federal Emergency Management Agency (FEMA) has several mitigation grant programs which provide federal funds to supplement local funds for specified types of mitigation activities. The FEMA grant programs typically provide 75% funding with 25% local match required; in some cases, FEMA grant programs may provide 90% or 100% funding.

The five primary FEMA mitigation grant programs are summarized below:

Grant Program	Frequency	Hazard Mitigation Planning	Risk Assessments	Mitigation Projects	Hazards
Hazard Mitigation Grant Program	Post-Disaster	YES	YES	YES	ALL
Pre-Disaster Mitigation	Annual	YES	NO	YES	ALL
Flood Mitigation Assistance	Annual	YES	NO	YES	Flood
Repetitive Flood Claims Program	Annual	NO	NO	YES	Flood
Severe Repetitive Loss Program	Annual	NO	NO	YES	Flood

These FEMA grant programs have specific eligibility requirements and application deadlines. All of these grant programs have specific requirements including definitions of ineligible projects which are excluded from the grant programs. All mitigation projects (but not planning projects or risk assessments) must be cost-effective, which means that a benefit-cost analysis using FEMA software and following FEMA guidance must demonstrate a benefit-cost ratio >1.0.

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. Robust documentation is especially critical for the PDM grant program which is nationally competitive.

The Hazard Mitigation Grant Program is initiated within a given state only after a Presidential Declaration of Disaster; thus, there is no fixed schedule. A given state may have several declarations in a given year or go several years without any declarations. Specific application deadlines are established for HMGP funds generated by each disaster declaration.

The other four mitigation grant programs are annual programs with specific deadlines, which vary from year to year. For FY 2012 grants, the application deadline for all four programs is December 2, 2011. However, these applications are reviewed and ranked by Oregon Emergency Management (OEM) staff before they go to FEMA for review. For FY 2012 grants, the OEM deadline is November 14, 2011. For later years, deadlines are subject to change, but would likely be similar to the FY 2012 deadlines.

The three flood-only grant programs – Flood Mitigation Assistance (FMA), Repetitive Flood Claims (RFC) and Severe Repetitive Loss (SRL) – are narrowly defined grant programs which apply only to properties insured under the National Flood Insurance Program (NFIP). Thus, Multnomah County would be eligible for these grants only for properties with NFIP coverage, and, for the RFC and SRL programs, only if the properties also meet the repetitive loss requirements.

For Multnomah County, all five of the mitigation grant programs are possible FEMA mitigation grant funding sources, as well as the Public Assistance Program

if the county experiences damage in a future presidentially-declared disaster event.

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 a given state, with the amount of funding being a percentage of total FEMA spending for various other FEMA programs such as the Individual and Family Assistance and Public Assistance programs.

FEMA regulations allow HMGP funds to be spent on any mitigation project in the state, for any hazard, regardless of whether or not an applicant was located in a declared county for a specific presidentially-declared disaster. Historically, OEM has often given priority to the declared counties and to the hazard (e.g., winter storms) that resulted in the presidential declaration. However, mitigation projects outside of the declared counties and for other hazards have also been considered.

HMGP funds are limited to a given state. Each state manages the HMGP process, including setting state priorities and selection of projects for funding. FEMA reviews applications only to ensure that selected projects meet all of FEMA's eligibility requirements. HMGP is the most flexible grant program: grants are possible for any natural hazard and may include hazard mitigation planning and risk assessments as well as physical mitigation projects. However, states have wide latitude in setting priorities and may restrict grant eligibility to specific counties to which the disaster declaration applies and/or to specific hazards or types of mitigation activities. Thus, OEM has great influence over HMGP grants within Oregon, subject to the requirement that all grants must meet FEMA's minimum eligibility requirements.

HMGP grant applications are competitive only with each state. The amount of HMGP funding in a given disaster can range from less than \$100,000 to more than \$1 billion for large disasters (e.g., the Northridge earthquake or Hurricane Katrina).

For Oregon, declared disasters are relatively common, often with one or more declarations in a given year for winter storms, floods, or other disasters. Thus, the total amount of HMGP mitigation funds available within the state and the funds likely available for mitigation projects (absent a major hurricane or earthquake) will vary from year to year and disaster event to disaster event. HMGP mitigation grants do not have pre-set maximums on grant sizes.

Pre-Disaster Mitigation Program

The Pre-Disaster Mitigation (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 is a nationally-competitive annual program. The annual amount of grant funds available has ranged from about \$50 million to about \$250 million. Funding levels in future years will depend on congressional appropriations.

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 is 90%. For PDM, a small impoverished community must be:

- A community of 3,000 or fewer individuals identified by the State as a rural community and is not a remote area within the corporate boundaries of a larger city;
- Be economically disadvantaged, with residents having an average per capita annual income not exceeding 80% of the national per capita income, based on best available data. For the most current information, go to: <http://www.bea.gov>;
- Have a local unemployment rate that exceeds by 1 percentage point or more the most recently reported, average yearly national unemployment rate. For the most current information, go to: <http://www.bls.gov/eag/eag.us.htm>;
- Meet any other criteria required by Oregon, as specified by the Business Development Department, which was formerly known as the Economic and Community Development Department.

Flood Mitigation Grant Programs

The three flood-only mitigation grant programs, FMA, RFC and SRL, have annual appropriations specific to each state. As noted above, these programs are applicable only to NFIP insured properties or projects that benefit neighborhoods with a preponderance of NFIP insured properties. In addition the RFC and SRL programs are only for properties which also meet the repetitive flood loss criteria.

Each of these programs has their specific guidance, outlined in the Hazard Mitigation Assistance unified guidance discussed below. However, the overall grant requirements are similar to those for the HMGP discussed above.

For these mitigation grant programs, the Federal share of project costs is generally 75% with the following exceptions:

- FMA for severe repetitive loss property with Repetitive Loss Strategy: 90%.
- RFC: 100%.
- SRFL with Repetitive Loss Strategy: 90%.

Mitigation Grant Guidance and Requirements

FEMA's detailed program guidance and the specific requirements for each grant program are posted on the FEMA website (www.fema.gov). FEMA's detailed program guidance for these five grant programs is issued annually about June 1st. The FEMA website contains downloadable detailed guidance for each of the five grant programs summarized above.

http://www.fema.gov/government/grant/fs_mit_grant_prog.shtm

The current FEMA hazard mitigation grant guidance (Hazard Mitigation Assistance Unified Guidance, June 1, 2010) is available on the FEMA website:

This program guidance is applicable to the FY 2012 annual grant programs and for post-disaster HMGP grants for disasters declared on or after June 1, 2010.

The application deadlines for FEMA's annual grant programs are set each year. The typical FEMA deadline is early December, but applications are reviewed first by Oregon Emergency Management. The typical OEM deadline is mid-November.

For post-disaster FEMA grants, the deadline varies with each declared disaster event.

Mitigation Project 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. Applications for the annual grant programs require somewhat more effort than those for the post-disaster grant programs. Thus, developing applications for the annual grant programs may not be cost effective for small projects.

In most 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 is often required for:

- Understanding the level of hazard (flood, earthquake, fire, etc.) at a given location.
- Quantifying the vulnerability of the building(s) or infrastructure 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.

A further eligibility requirement for mitigation project grants is that the local applicant must have a FEMA approved local hazard mitigation plan. Multnomah County will be eligible to apply for FEMA mitigation grants, once FEMA approves the Multnomah County Hazard Mitigation Plan.

Special districts such as school, fire and drainage districts within Multnomah County can apply for FEMA grants under the post-disaster Public Assistance and Hazard Mitigation Grant Programs. However, for the four annual pre-disaster grant programs, special districts cannot apply directly for FEMA grants. For these grant programs, either Multnomah County or one of the incorporated cities can apply on behalf of the special district.

Good mitigation projects which address high-risk situations are effective in reducing future damages and losses, with robust, well-documented applications have an excellent chance of FEMA funding. Conversely, weakly conceived or poorly documented projects have little chance of FEMA funding.

OREGON SEISMIC REHABILITATION GRANT PROGRAM

In 2009, Oregon established the Oregon Seismic Rehabilitation Grant Program which provides seismic retrofit grants for schools and emergency services facilities. This grant program has two advantages relative to the FEMA grant programs: 1) grants provide 100% funding, and 2) grants are competitive only within Oregon and thus the probability of success may be higher than with FEMA grant applications.

Eligible schools include buildings owned by public K-12 school districts, education service districts, community colleges and the Oregon University System. For emergency services, eligible facilities include hospital buildings with acute inpatient care, fire stations, police stations, sheriff's offices and other facilities used by state, county, district or municipal law enforcement agencies.

For 2010, application materials and detailed requirements were released by Oregon Emergency Management in early July, with an October 15th application deadline. For later years, the grant program is subject to legislative authorization of the bond funds used to fund the grants.

Application deadlines and other details may differ in future years.

This grant program is managed by Oregon Emergency Management (OEM) and program details can be obtained from OEM.



FEMA

Program Information

Mitigation



Hazard Mitigation Assistance

The Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance (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.

A Common Goal

While the statutory origins of the programs differ, all share the common goal of reducing the risk of loss of life and property due to natural hazards.

Funding Disaster Recovery Efforts

The Hazard Mitigation Grant Program (HMGP) may provide funds to States, Territories, Indian Tribal governments, local governments, and eligible private non-profits following a Presidential major disaster declaration.

The Unified Hazard Mitigation Assistance Grant Programs

The Hazard Mitigation Grant Program (HMGP) is authorized by Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (the Stafford Act), Title 42, United States Code (U.S.C.) 5170c. The key



purpose of HMGP is to ensure that the opportunity to take critical mitigation measures to reduce the risk of loss of life and property from future disasters is not lost during the reconstruction process following a disaster. HMGP is available, when authorized under a Presidential major disaster declaration, in the areas of the State requested by the Governor. The amount of HMGP funding available to the Applicant is based upon the total Federal assistance to be provided by FEMA for disaster recovery under the Presidential major disaster declaration.

The Pre-Disaster Mitigation (PDM) program is authorized by Section 203 of the Stafford Act, 42 U.S.C. 5133. The PDM program is designed to assist States, Territories, Indian Tribal governments, and local communities in



implementing a sustained pre-disaster natural hazard mitigation program to reduce overall risk to the population and structures from future hazard events, while also reducing reliance on Federal funding from future disasters.

The Flood Mitigation Assistance (FMA) program is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended (NFIA), 42 U.S.C. 4104c, with the goal of reducing or eliminating claims under the National Flood Insurance Program (NFIP).



The Repetitive Flood Claims (RFC) program is authorized by Section 1323 of the NFIA, 42 U.S.C. 4030, with the goal of reducing flood damages to individual properties for which one or more claim payments for losses have been made under flood insurance coverage and that will result in the greatest savings to the National Flood Insurance Fund (NFIF) in the shortest period of time.



The Severe Repetitive Loss (SRL) program is authorized by Section 1361A of the NFIA, 42 U.S.C. 4102a, with the goal of reducing flood damages to residential properties that have experienced severe repetitive losses under flood insurance coverage and that will result in the greatest amount of savings to the NFIF in the shortest period of time.



Program Comparisons

Cost Sharing

In general, HMA funds may be used to pay up to 75 percent of the eligible activity costs. The remaining 25 percent of eligible costs are derived from non-Federal sources.

The table below outlines the Federal and State cost share requirements.

COST SHARE REQUIREMENTS

Programs	Mitigation Activity Grant (Percent of Federal/ Non-Federal Share)
HMGP	75/25
PDM	75/25
PDM (subgrantee is small impoverished community)	90/10
PDM (Tribal grantee is small impoverished community)	90/10
FMA	75/25
FMA (severe repetitive loss property with Repetitive Loss Strategy)	90/10
RFC	100/0
SRL	75/25
SRL (with Repetitive Loss Strategy)	90/10

Eligible Applicants and Subapplicants

States, Territories, and Indian Tribal governments are eligible HMA Applicants. Each State, Territory, and Indian Tribal government shall designate one agency to serve as the Applicant for each HMA program. All interested subapplicants must apply to the Applicant.

The table below identifies, in general, eligible subapplicants.

ELIGIBLE SUBAPPLICANTS

Subapplicants	HMGP	PDM	FMA	RFC	SRL
State agencies	✓	✓	✓	✓	✓
Indian Tribal governments	✓	✓	✓	✓	✓
Local governments/communities	✓	✓	✓	✓	✓
Private non-profit organizations (PNPs)	✓				

✓ = Subapplicant is eligible for program funding

Individuals and businesses are not eligible to apply for HMA funds, however, an eligible subapplicant may apply for funding to mitigate private structures. RFC funds are only available to subapplicants who cannot meet the cost share requirements of the FMA program.

Available Funding

PDM, FMA, RFC, and SRL are subject to the availability of appropriations funding, as well as any directive or restriction made with respect to such funds.

HMGP funding depends on Federal assistance provided for disaster recovery.

General Requirements

All mitigation projects must be cost-effective, be both engineering and technically feasible, and meet Environmental Planning and Historic Preservation requirements in accordance with HMA Unified Guidance. In addition, all mitigation activities must adhere to all relevant statutes, regulations, and requirements including other applicable Federal, State, Indian Tribal, and local laws, implementing regulations, and Executive Orders.

All Applicants and subapplicants must have hazard mitigation plans that meet the requirements of 44 CFR Part 201.

Eligible Activities

The table below summarizes eligible activities that may be funded by HMA programs. Detailed descriptions of these activities can be found in the HMA Unified Guidance.

ELIGIBLE ACTIVITIES

Mitigation Activities	HMGP	PDM	FMA	RFC	SRL
1. Mitigation Projects	✓	✓	✓	✓	✓
Property Acquisition and Structure Demolition or Relocation	✓	✓	✓	✓	✓
Structure Elevation	✓	✓	✓	✓	✓
Mitigation Reconstruction					✓
Dry Floodproofing of Historic Residential Structures	✓	✓	✓	✓	✓
Dry Floodproofing of Non-Residential Structures	✓	✓	✓	✓	
Minor Localized Flood Reduction Projects	✓	✓	✓	✓	✓
Structural Retrofitting of Existing Buildings	✓	✓			
Non-Structural Retrofitting of Existing Buildings and Facilities	✓	✓			
Safe Room Construction	✓	✓			
Infrastructure Retrofit	✓	✓			
Soil Stabilization	✓	✓			
Wildfire Mitigation	✓	✓			
Post-Disaster Code Enforcement	✓				
5% Initiative Projects	✓				
2. Hazard Mitigation Planning	✓	✓	✓		
3. Management Costs	✓	✓	✓	✓	✓

✓ = Mitigation activity is eligible for program funding

Management Costs

For HMGP only: The Grantee may request up to 4.89 percent of the HMGP allocation for management costs. The Grantee is responsible for determining the amount, if any, of funds that will be passed through to the subgrantee(s) for their management costs.

Applicants for PDM, FMA, RFC, or SRL may apply for a maximum of 10 percent of the total funds requested in their grant application budget (Federal and non-Federal shares) for management costs to support the project and planning subapplications included as part of their grant application.

Subapplicants for PDM, FMA, RFC, or SRL may apply for a maximum of 5 percent of the total funds requested in a subapplication for management costs.

National Flood Insurance Program (NFIP) Participation

There are a number of ways that HMA eligibility is related to the NFIP:



SUBAPPLICANT ELIGIBILITY: All subapplicants for FMA, RFC, or SRL must currently be participating in the NFIP, and not withdrawn or suspended, to be eligible to apply for grant funds. Certain non-participating political subdivisions (i.e., regional flood control districts or county governments) may apply and act as subgrantee on behalf of the NFIP-participating community in areas where the political subdivision provides zoning and building code enforcement or planning and community development professional services for that community.

PROJECT ELIGIBILITY: HMGP and PDM mitigation project subapplications for projects sited within a Special Flood Hazard Area (SFHA) are eligible only if the jurisdiction in which the project is located is participating in the NFIP. There is no NFIP participation requirement for HMGP and PDM project subapplications located outside of the SFHA.

PROPERTY ELIGIBILITY: Properties included in a project subapplication for FMA, RFC, and SRL funding must be NFIP-insured at the time of the application submittal. Flood insurance must be maintained at least through completion of the mitigation activity.

Application Process

Applications for HMGP are processed through the National Emergency Management Information System (NEMIS). Applicants use the Application Development Module of NEMIS, which enables each Applicant to create project applications and submit them to the appropriate FEMA Region in digital format for the relevant disaster.

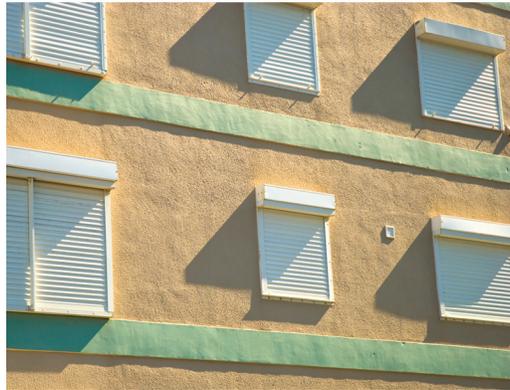
Applications for PDM, FMA, RFC, and SRL are processed through a web-based, electronic grants management system (eGrants), which encompasses the entire grant application process. The eGrants system allows Applicants and subapplicants to apply for and manage their mitigation grant application processes electronically. Applicants and subapplicants can access eGrants at <https://portal.fema.gov>.

Application Deadline

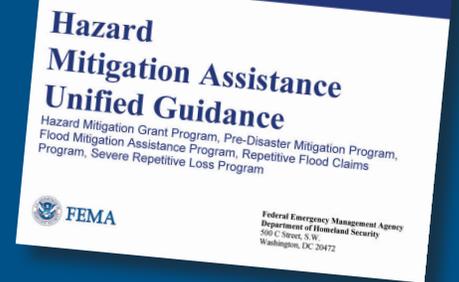
The PDM, FMA, RFC, and SRL application period is from early June through early December. Applicants must submit a grant application to FEMA through the eGrants system. The HMGP application deadline is 12 months after the disaster declaration date and is not part of the annual application period. Details can be found in the HMA Unified Guidance.

FEMA Review and Selection

All subapplications will be reviewed for eligibility and completeness, cost-effectiveness, engineering feasibility and effectiveness, and for Environmental Planning and Historical Preservation compliance. Subapplications that do not pass these reviews will not be considered for funding. FEMA will notify Applicants of the status of their subapplications and will work with Applicants on subapplications identified for further review.



Details about the HMA Grant Application process can be found in the Hazard Mitigation Assistance Unified Guidance, which is available at www.fema.gov/government/grant/hma/index.shtm



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Contact Information

HMA Helpline: Tel 866-222-3580, or e-mail hmagrantshelpline@dhs.gov

Contact information for FEMA Regional Offices is provided at www.fema.gov/about/contact/regions.shtm

Contact information for each State Hazard Mitigation Officer (SHMO) is provided at www.fema.gov/about/contact/shmo.shtm



FEMA