

Federal Programs  
and Funding  
Strategies for  
Disaster Recovery  
and Hazard  
Mitigation: An  
Equipment Focus

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# Presenter Introduction

Frank  
McColm

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Camden  
Henderson



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**Frank McColm** is the president of FCMC, LLC, a nation-wide dynamic professional services firm that specializes in public sector management consulting with a focus on state level program administration support of federal pass-through programs. Frank is an all-hazards resilience, mitigation, and recovery leader with over 18 years of experience.

His experience includes serving as the State Disaster Recovery Coordinator for the State of Florida for Hurricanes Irma and Michael under FEMA's National Disaster Recovery Framework providing executive consultation to senior elected and executive State and Federal leadership.





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**Camden Henderson** is a Partner at Young & Associates, a full-service property damage consulting firm. Prior to his involvement in consulting, he handled equipment maintenance for 20 years beginning with HVAC and electronic equipment in rental properties and continuing with maintenance and report of laboratory equipment in college and graduate school. Camden was responsible for pilot plant experiment design and operation during his time with ExxonMobil Research and Engineering.

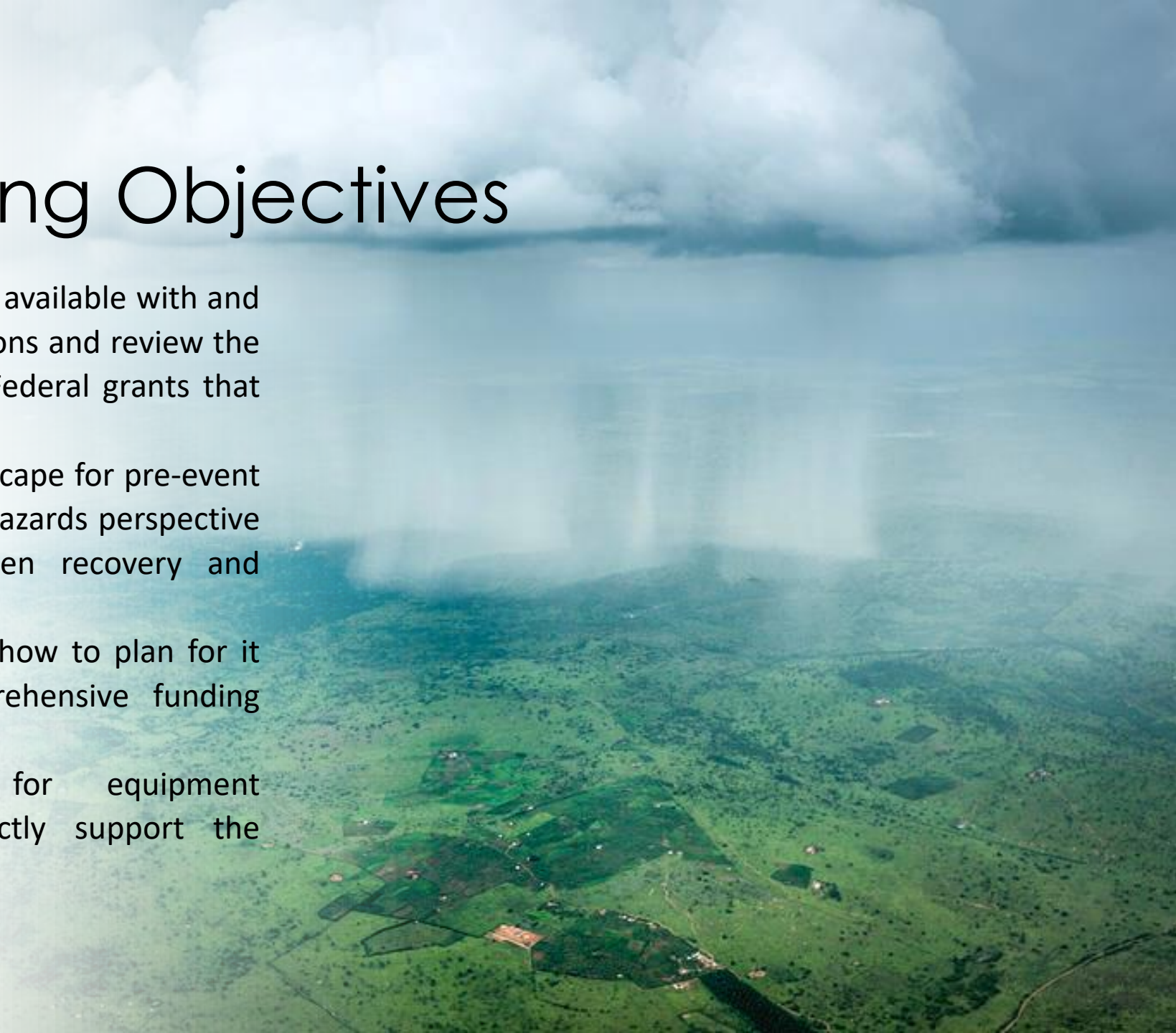
As an equipment consultant, Camden has been involved in losses involving homeowner electronics, manufacturing equipment, medical equipment, athletic equipment, educational equipment, and trades equipment. With a PhD in chemistry, Camden is capable of helping in many different areas and can provide scientific insight into equipment damages.





# Primary Learning Objectives

- Identify funding opportunities that are available with and without Presidential Disaster Declarations and review the relationship of insurance claims and Federal grants that fund recovery and mitigation activities.
- Develop an understanding of the landscape for pre-event hazard mitigation actions from an all-hazards perspective and examine the difference between recovery and mitigation in the Federal grant context.
- Understand what grant cost-share is, how to plan for it and learn how to approach comprehensive funding strategies for your organization.
- Understand the requirements for equipment documentation and how to correctly support the damage.



# Overview

- Funding opportunities available *with* and *without* Presidential Disaster Declarations.
- The difference between recovery and mitigation in the Federal grant context.
- Pre-event hazard mitigation actions from an all-hazards perspective.
- The relationship of insurance claims and Federal grants that fund recovery and mitigation activities.
- Grant cost-share & Comprehensive funding strategies
- Grants implementation overview





# Presidential Declaration Types:

## Emergency

Any occasion or instance when federal assistance is needed

Public Assistance (PA) – Category A – debris removal and B – emergency protective measures

Categories C-G (permanent work) not available under emergency declaration

Individual Assistance (IA) – Individuals and households program (IHP) is the only form of IA that may be authorized under an emergency declaration

Hazard Mitigation Grant Program (HMGP) not available for emergency declarations

## Major Disaster

Can be declared for any natural event

Provides a wide range of federal assistance programs

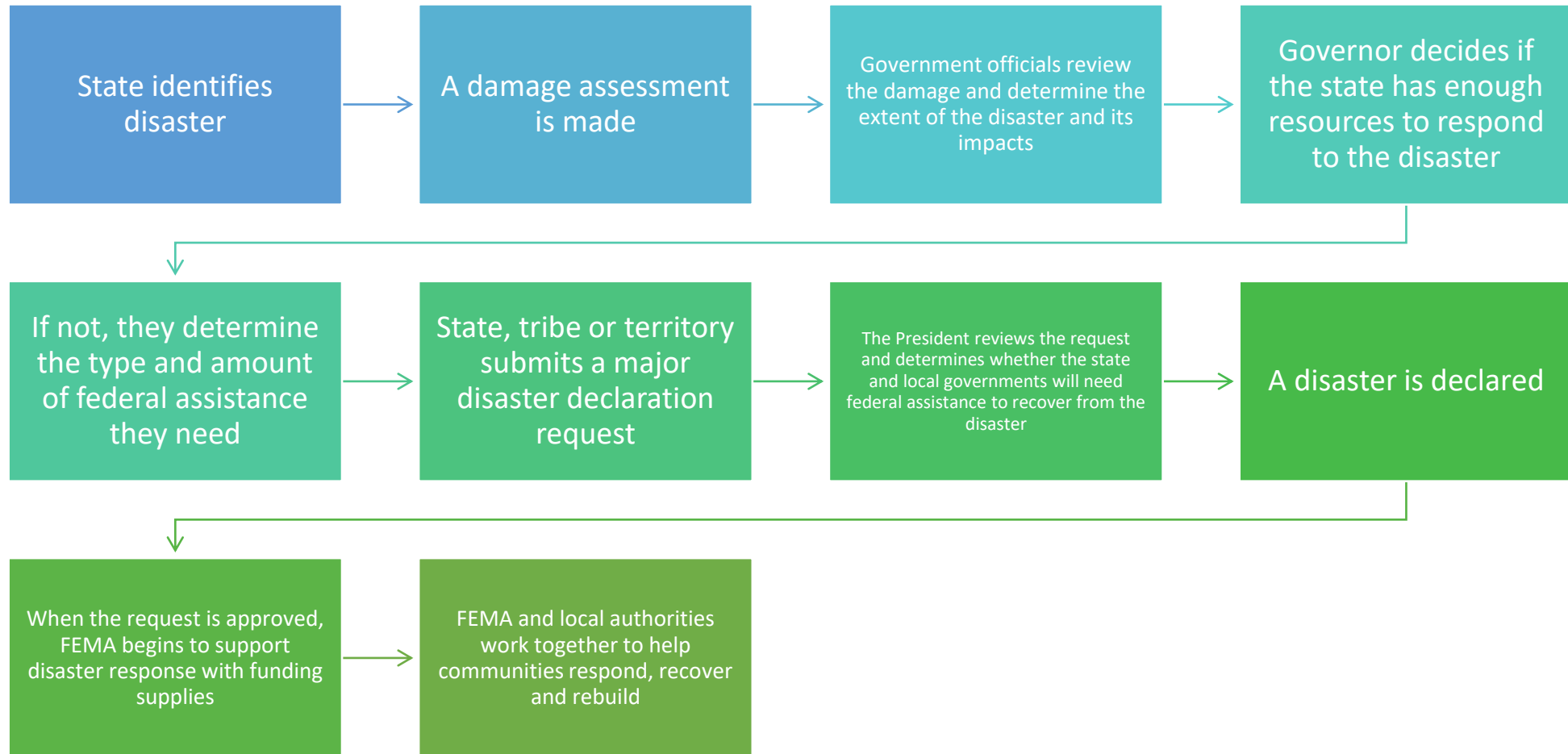
Individual Assistance (IA) – most assistance available

Public Assistance (PA) – most assistance available

Hazard Mitigation Assistance – Public Assistance Program, Localized Impacts, Insurance Coverage in Force, Hazard Mitigation



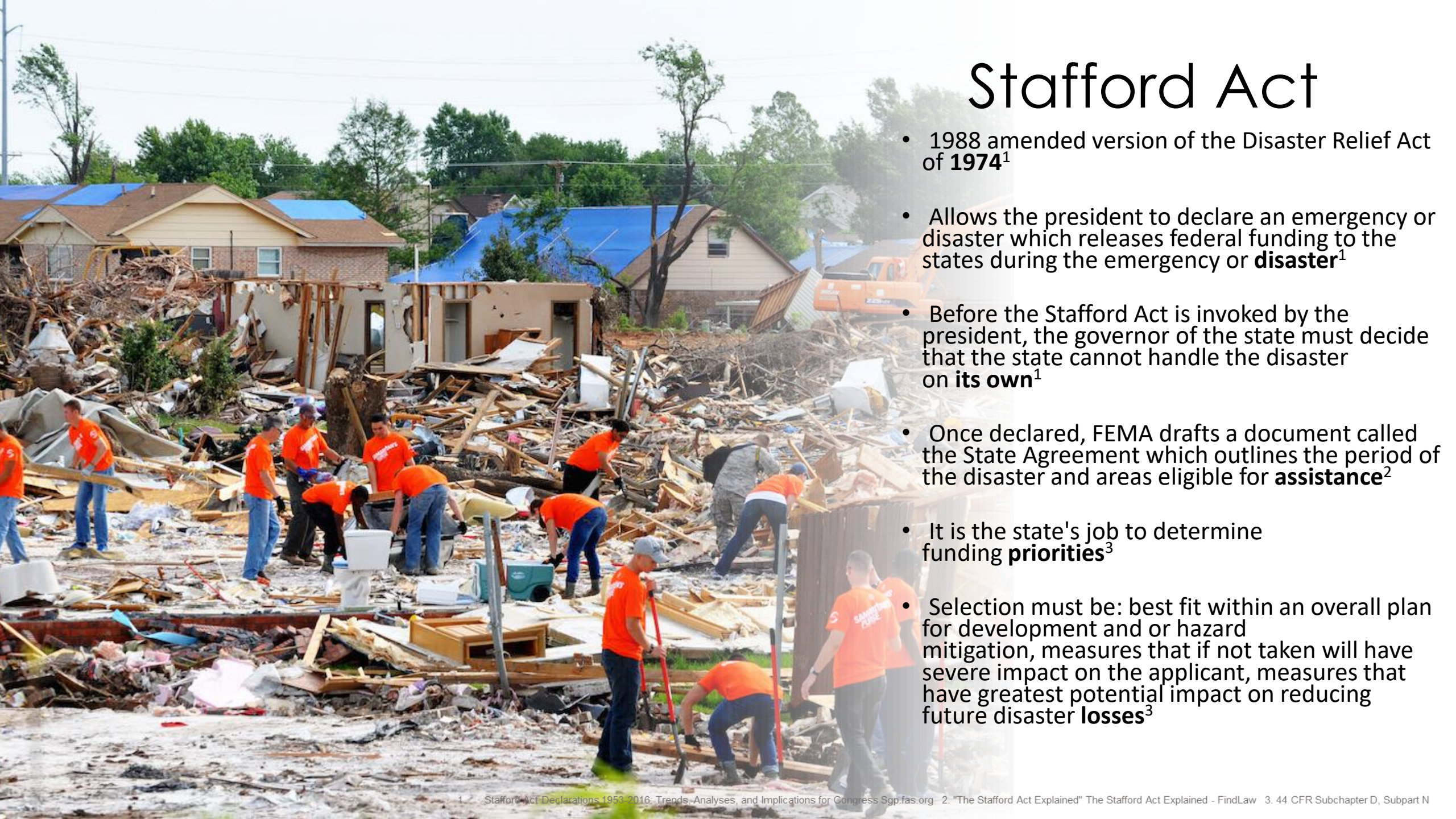
# Presidential Disaster Declaration Process





# Stafford Act

- 1988 amended version of the Disaster Relief Act of **1974**<sup>1</sup>
- Allows the president to declare an emergency or disaster which releases federal funding to the states during the emergency or **disaster**<sup>1</sup>
- Before the Stafford Act is invoked by the president, the governor of the state must decide that the state cannot handle the disaster on **its own**<sup>1</sup>
- Once declared, FEMA drafts a document called the State Agreement which outlines the period of the disaster and areas eligible for **assistance**<sup>2</sup>
- It is the state's job to determine funding **priorities**<sup>3</sup>
- Selection must be: best fit within an overall plan for development and or hazard mitigation, measures that if not taken will have severe impact on the applicant, measures that have greatest potential impact on reducing future disaster **losses**<sup>3</sup>






A satellite image of Earth showing a large hurricane over the Caribbean and the Americas. The hurricane is a large, swirling cloud system with a distinct eye, located in the upper right quadrant of the image. The landmasses of North and South America are visible in shades of green and brown, with the surrounding oceans in deep blue. The overall image has a slightly faded, ethereal quality.

Funding  
Opportunities  
**With** Presidential  
Disaster  
Declarations

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- Public Assistance (PA)
- Hazard Mitigation Grant Program (HMGP)





# Public Assistance Program (PA)

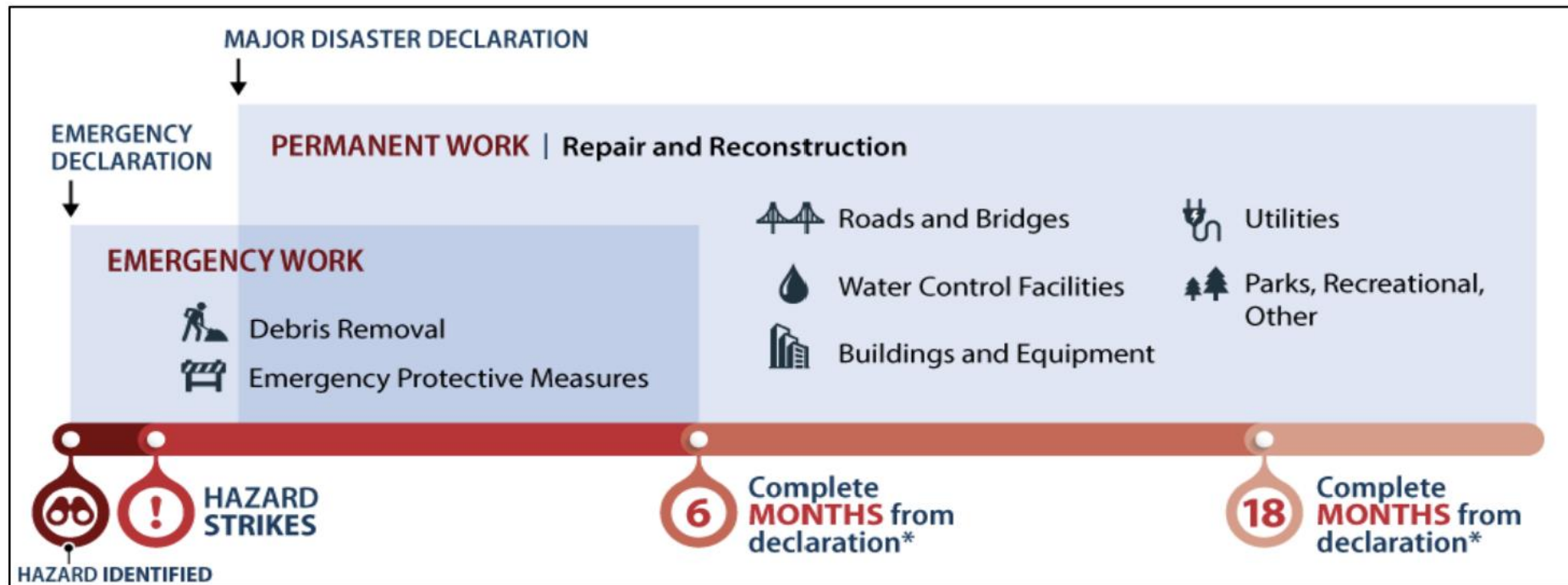
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- Aids state, local, and tribal governments following a major disaster
- Provides hazard mitigation measures during the recovery process to encourage protection from future events
- FEMA provides supplemental Federal grant assistance for:
  - Debris removal
  - Emergency protective measures
  - Restoration of publicly owned and private nonprofit facilities
  - Hazard mitigation measures for the future



# Public Assistance Program (PA)

Figure I. General Timing of Public Assistance Programs





# Public Assistance Program (PA)

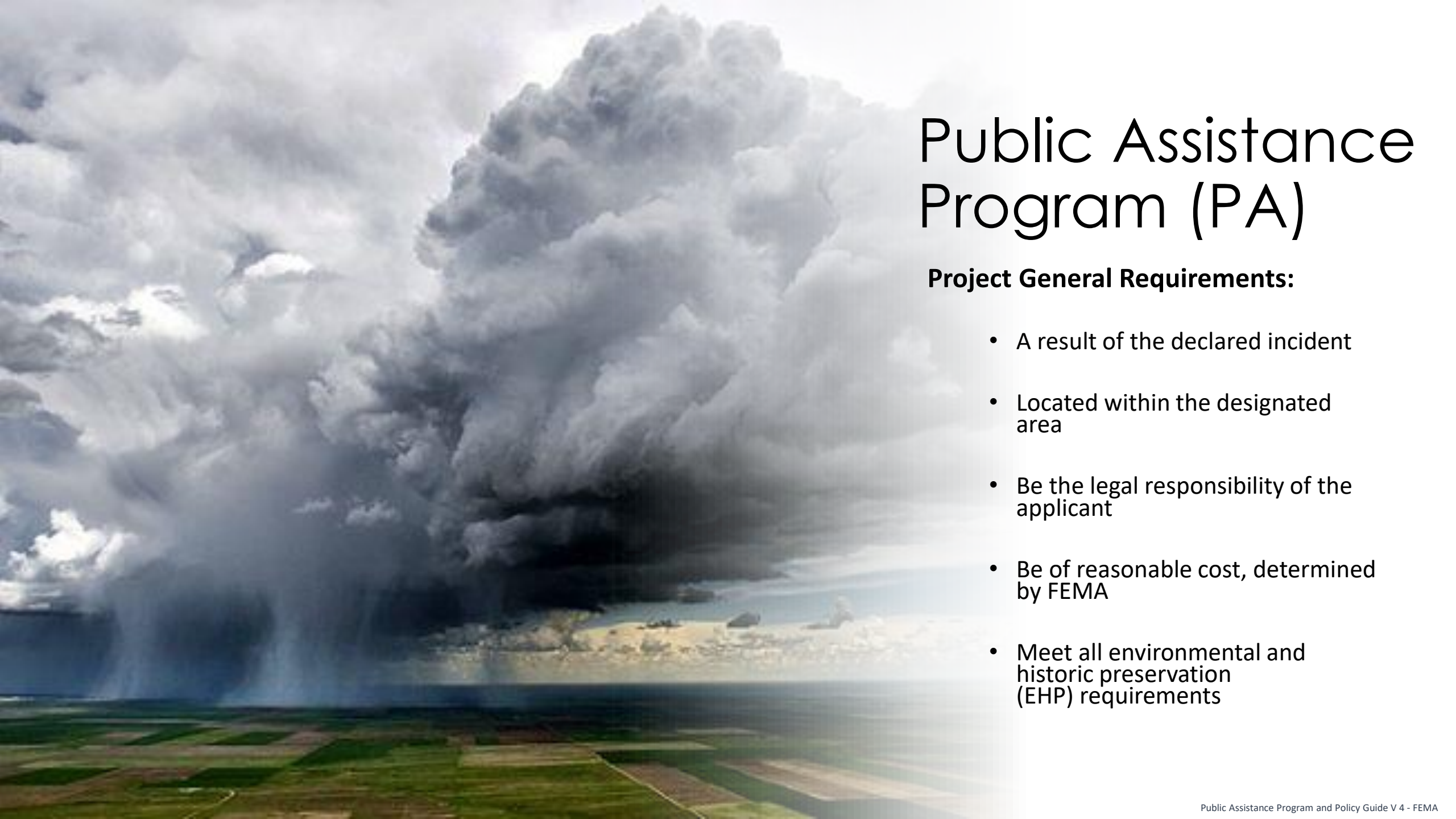
## What it funds:

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

## Who is eligible:

- State
- Territory
- Tribe
- Local Government
- Private Nonprofit Organization






# Public Assistance Program (PA)

## Project General Requirements:

- A result of the declared incident
- Located within the designated area
- Be the legal responsibility of the applicant
- Be of reasonable cost, determined by FEMA
- Meet all environmental and historic preservation (EHP) requirements





# Public Assistance Program (PA)

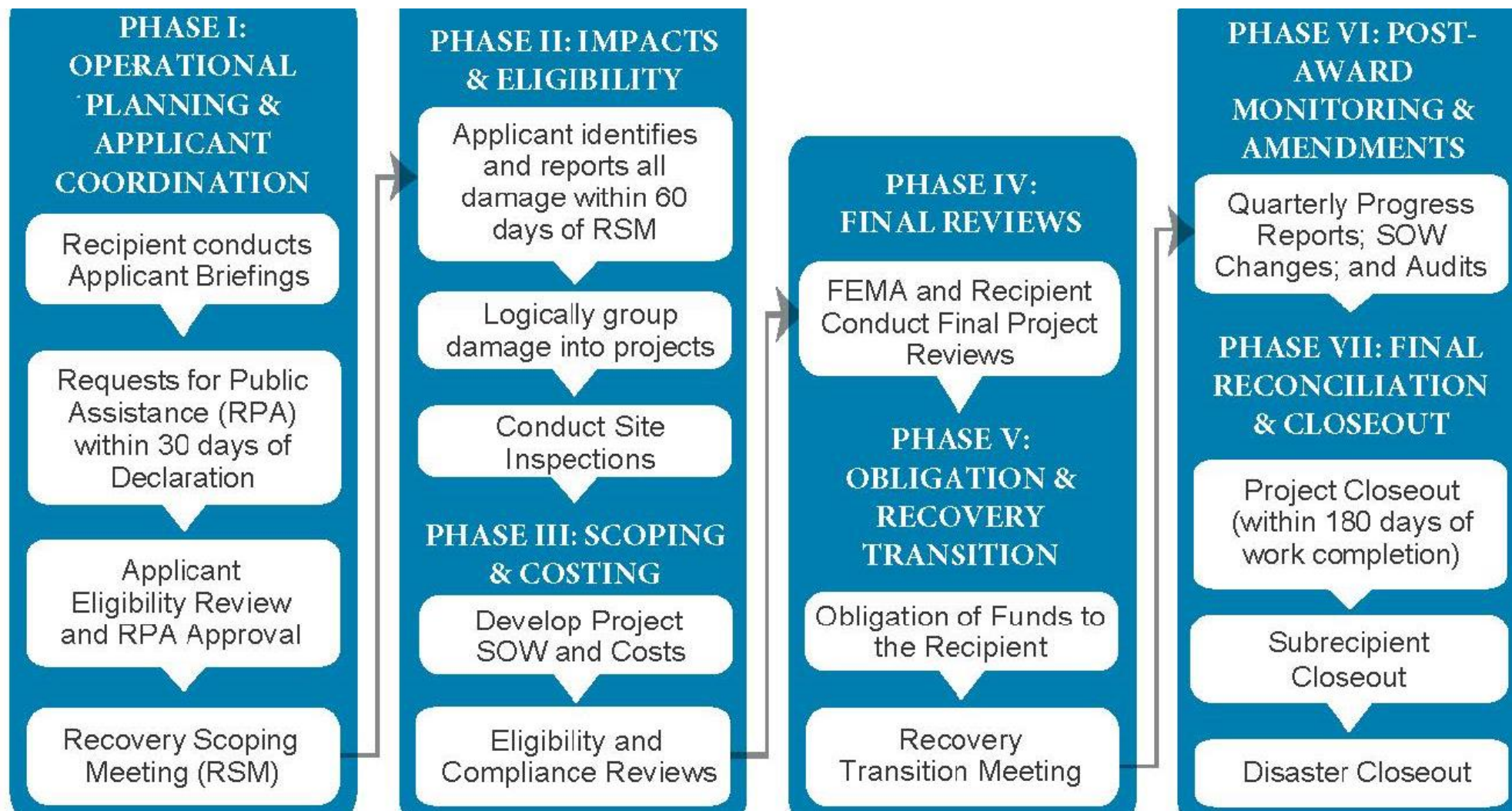
## How it functions:

- Emergency work- available through an emergency or major disaster declaration
- Permanent work- only available through a major disaster declaration
- PDA (Preliminary Damage Assessment) used to assess the estimated cost of PA
- Cost Share 75% / 25%
- FEMA's responsibilities include:
  - Determine funding
  - Educate and assist the applicant with development of projects
  - Review projects for compliance



# Public Assistance Program (PA)

## General Overview - Scope





# Hazard Mitigation Grant Program (HMGP)

Authorized by Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act

Assists states, local governments, private non-profit organizations and Indian Tribes post-disaster

Federally-funded but administered by the State Emergency Management Agency

Funding available following a presidentially declared disaster for all natural hazard types

Total amount of funding available to the State is typically 15% of the total cost of the disaster



# HMGP ELIGIBILITY

## Requirements:

- Conform to State Hazard Mitigation Plan
- Conform to funding priorities as established in Local Hazard Mitigation Plans
- Conform to several federal regulations
- Projects must be:
  - Be cost-effective
  - Eliminate / contribute to the elimination of a hazard
  - Be technically feasible





# HMGP ELIGIBILITY

## What it funds:

- Code-plus projects
- Retrofitting
- Elevation of flood prone private and public structures
- Vegetative management / soil stabilization
- Infrastructure protection measures
- Stormwater management / flood

## Who is eligible:

- Local governments
- Water / wastewater
- Public works
- Utilities
- Road departments
- Private non-profits
- State agencies





# HMGP Application

- Will identify one or more mitigation measures for which funding is requested
- Must have FEMA-approved mitigation plan adopted by the jurisdiction
- Can submit a single application representing all sub applicants or multiple applications
- All must be submitted within 12 months of the date of the major disaster declaration
- State EMA publishes a Notice of Funding Availability with application instructions and information on available funding
- Sub applicants are reviewed on a continuous basis and awarded if eligible
- Comments may be provided by State EMA to modify sub applications for resubmission





# HMGP Award

- Funding is apportioned among applicants if more than one applicant
- Standard cost share for HMGP is 75% federal, 25% local share
- Award period
  - Begins at opening of application period
  - Ends 36 months from close of application period
- Applicant award package
  - Award letter
  - Obligation report
  - Terms and conditions
  - EHP award conditions
  - Other conditions / compliance documentation



A satellite image of Earth showing a large hurricane over the Atlantic Ocean. The hurricane has a distinct eye and spiral cloud structure. The surrounding ocean is dark blue, and the landmasses of North and South America are visible in shades of green and brown. The sky is filled with white and grey clouds.

Funding  
Opportunities  
***Without***  
Presidential  
Disaster  
Declarations

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- Flood Mitigation Assistance Program (FMA)
- Building Resilient Infrastructure and Communities (BRIC)





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## Flood Mitigation Assistance Program (FMA)

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- Provides funding to municipalities to reduce repetitive flood damage to buildings insured under NFIP<sup>2</sup>
- Funding available on annual appropriations <sup>2</sup>, no Presidential Disaster Declaration required
- Pre-disaster <sup>1</sup>
- 2022 FEMA made \$800 million available to FMA program<sup>2</sup>

1. Hazard Mitigation Assistance Program and Policy Guide

2. FEMA, fema\_fy22-fma-nofo-fact-sheet\_092022.pdf





# Flood Mitigation Assistance Program (FMA)

## What it funds:

- Property acquisition
- Structure elevation
- Mitigation reconstruction
- Localized and non-localized flood risk reduction
- Stabilization
- Dry floodproofing non-residential
- Retrofit
- Aquifer recharge
- Must be insured by NFIP prior to the opening of the application period and be maintained for the life of the structure

1. Hazard Mitigation Assistance Program and Policy Guide

2. FEMA, fema\_fy22-fma-nofo-fact-sheet\_092022.pdf



# Flood Mitigation Assistance Program (FMA)

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## Who is eligible:

- States
- Local communities
- Federally recognized tribes and territories





# FMA Application and Award

## How it functions:

- Open application cycle
- Applicants must rank each sub application in order of priority and how it is consistent with their mitigation plan
- Award is based on savings to the NFIP, applicant rank and property status
- Cost share
  - 75 / 25 – insured properties and planning grants
  - 90 / 10 – repetitive loss property
  - 100 / 0 – severe repetitive loss property



# Building Resilient Infrastructure and Communities (BRIC)

- Pre-disaster<sup>2</sup>, no Presidential Disaster Declaration required
- "Aims to shift federal focus away from reactive disaster spending and toward proactive investment in community resilience"<sup>1</sup>
- Funded with 6% "set-aside" from post disaster grant funds<sup>2</sup>
- BRIC invests in "disadvantaged communities, nature-based solutions, climate resilience and adaptation and adopting hazard resistant building codes"<sup>1</sup>







# BRIC ELIGIBILITY

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## What it funds:

- Flood risk reduction
- Retrofitting
- Structure elevation
- Stabilization
- Dry flood proofing non-residential







# BRIC ELIGIBILITY

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## Who is eligible:<sup>2</sup>

- State agencies
- Federally recognized tribes
- Local government

## Requirements:<sup>2</sup>

- Meet either of two latest published editions of relevant consensus-based codes, specifications and standards
- Align with applicable hazard mitigation plan
- Meet all environmental and historic preservation (EHP) requirements
- Be cost effective
- Reduce or eliminate risk from future hazards







# BRIC Application and Award

## Application

- Annual window for submitting applications<sup>2</sup>
- Must apply online using the FEMA GO system<sup>2</sup>

## Award

- Award selection based on<sup>3</sup>
  - Eligibility and completeness
  - National Technical Review
  - Technical Criteria
  - Qualitative Criteria
- Cost share 75% federal / 25% non-federal<sup>3</sup>
- 2022 BRIC had \$2.295 Billion available for funding<sup>1</sup>

1. FEMA About BRIC: Reducing Risk through Hazard Mitigation | FEMA.gov

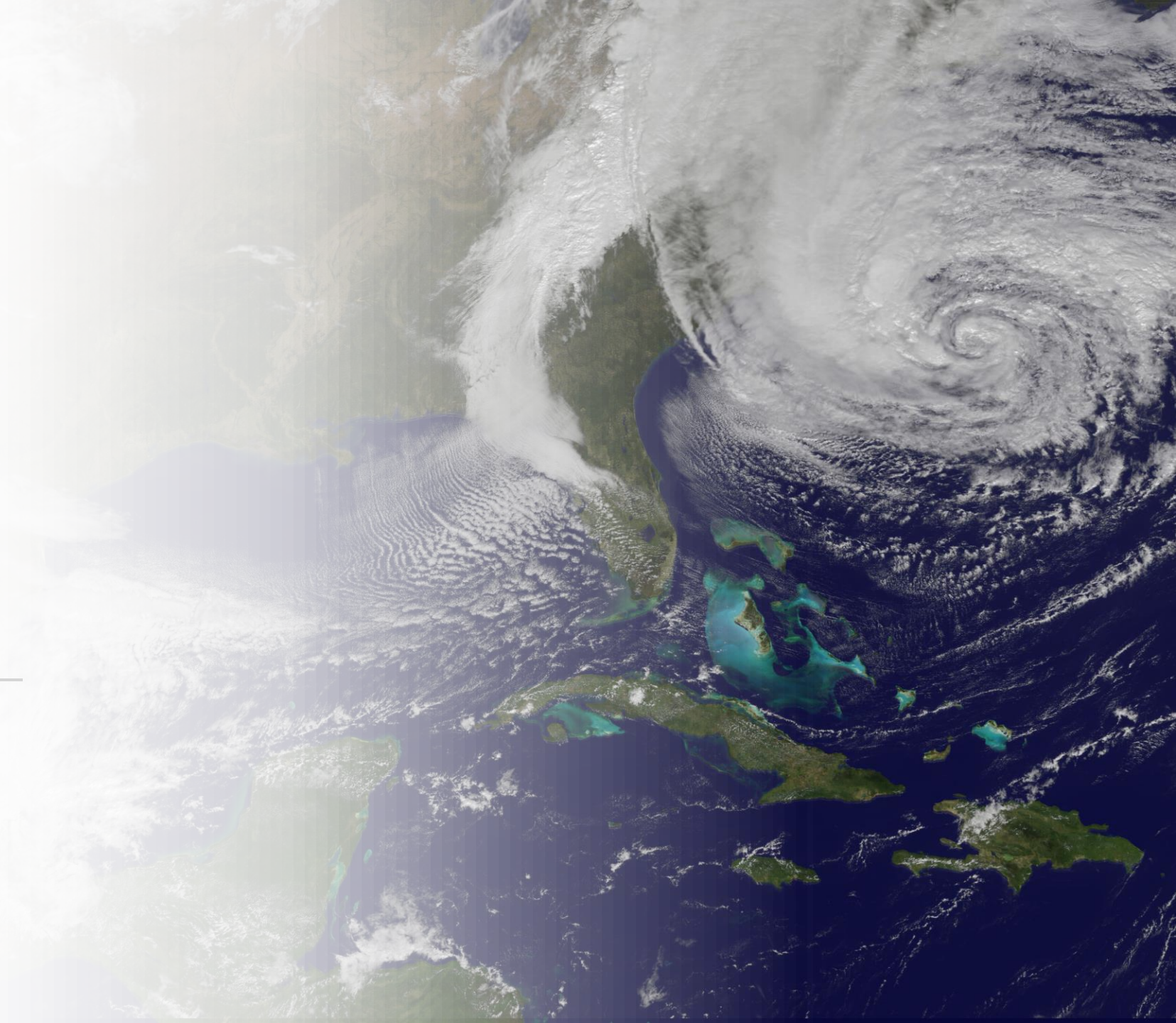
2. Hazard Mitigation Assistance Program and Policy Guide





# Mitigation vs Recovery

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# Mitigation

“Reduce the loss of life and property by lessening the impact of future disasters”

- Local/State Mitigation Strategy
- Comply with NFIP (National Flood Insurance Program)
- Enforce building codes, wind-bracing requirements, flood-proofing, etc.
- Zoning Ordinances
- Retrofitting
- Safe Rooms




# Recovery

## Timely restoration, strengthening, and revitalization of:

- Infrastructure
- Housing
- A sustainable economy
- The health, social, cultural, historic, and environmental sector of communities affected by an incident





Pre-event hazard mitigation actions from an all-hazards perspective.

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# Pre-Event Hazard Mitigation

- BRIC
- FMA
- NFIP
- Planning and zoning
- Floodplain protection
- Property acquisition and relocation
- Public outreach and education





# Relationship of Insurance Claims and Federal Grants that Fund Recovery and Mitigation Activities

- Funding from FMA requires NFIP
- Insurance claims should be made in addition to FEMA assistance
  - FEMA assistance provides basic needs to make a building “safe, sanitary, and functional”



# Duplication of Benefits

## Insurance

- FEMA cannot provide PA funding that duplicates insurance proceeds
- If the applicant receives funding from another source for the same work, FEMA reduces the eligible cost or de-obligates funding
- FEMA may limit funding if the insurance policy provides coverage that should be pursued
- If proceeds for ineligible losses are received from insurance, FEMA calculates a relative apportionment of insurance proceeds to determine insurance reduction rate



# Duplication of Benefits

## Non-Federal Grants and Cash Donations

- Funds are designed for eligible work:
  - The applicant may use the funds toward non-Federal cost share
  - If the funds are not used towards the federal cost share, it is considered a duplication of benefits and reduces eligible costs
  - If funds exceed non-Federal cost share, eligible costs are reduced
- Funds are for non-specific purposes:
  - Funds are not considered a duplication of benefits
  - Funds can be used towards non-Federal cost share
- Funds designed for specific ineligible purpose:
  - Applicant is not allowed to apply the funds toward its non-Federal cost share



# Duplication of Benefits

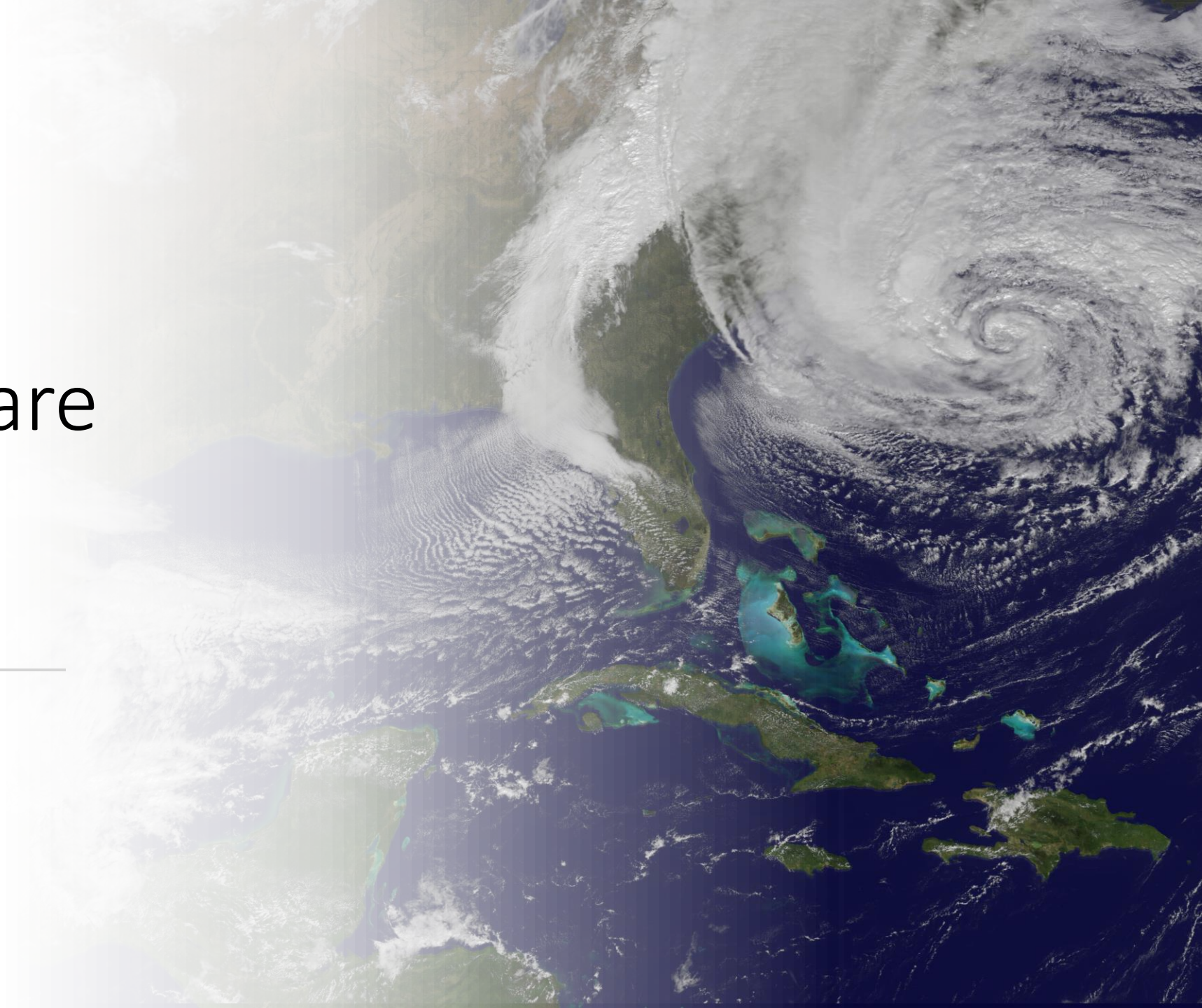
- Other Federal Awards:
  - If funds are received from another Federal agency for the same purpose as PA funding, it is duplication of benefits
- Other FEMA Programs:
  - FEMA must ensure it does not duplicate funds in areas where programs overlap





# Grant Cost-Share Overview

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# Grant Cost Share

- Cash
- Donations (Materials, Labor, etc.)
- Increased Cost of Compliance (ICC)

## Funds

- Government Loans
- How does a community plan for grant cost share?





# Non-Federal Match Funding

Match can be a combination of any type of allowable cost borne by non-Federal sources.

Match must be identified in grant application and agreement.

Cost-share requirements can be met by third party in-kind services, including volunteer labor.

Limited Federal funding sources may be used for match.

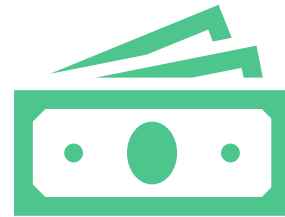
Sufficient source documentation required in accordance with applicable program guidance and 2 CFR 200.



# Comprehensive Funding Strategies



Define strategic and financial goals



Identify funding requirements



Determine available sources





# Funding Strategy Development and Leveraging of Funds

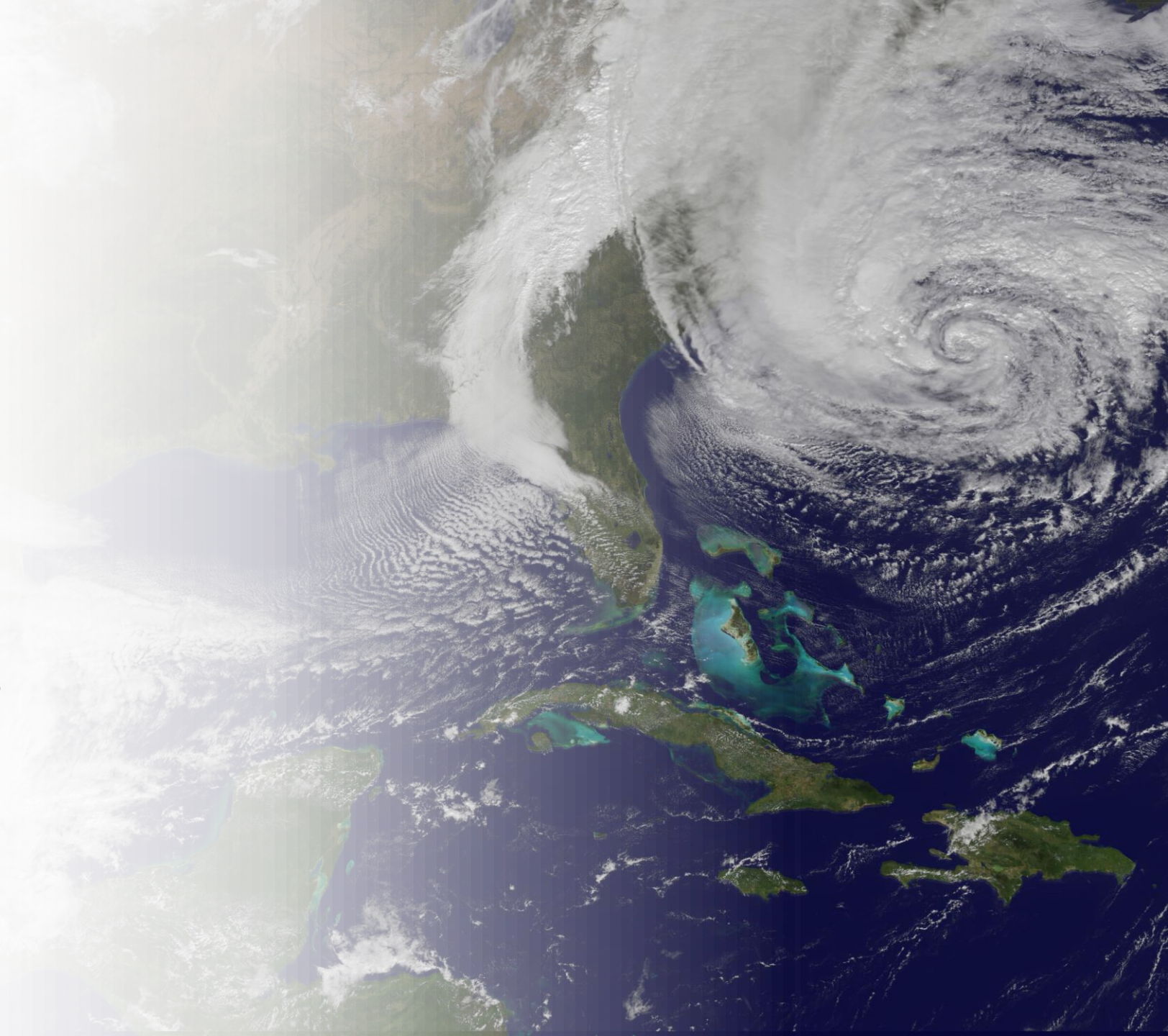
- **Comprehensive Economic Development Strategy (CEDS)**
- **Find a partner to co-fund**
- **Define goals**
- **Create timeline**





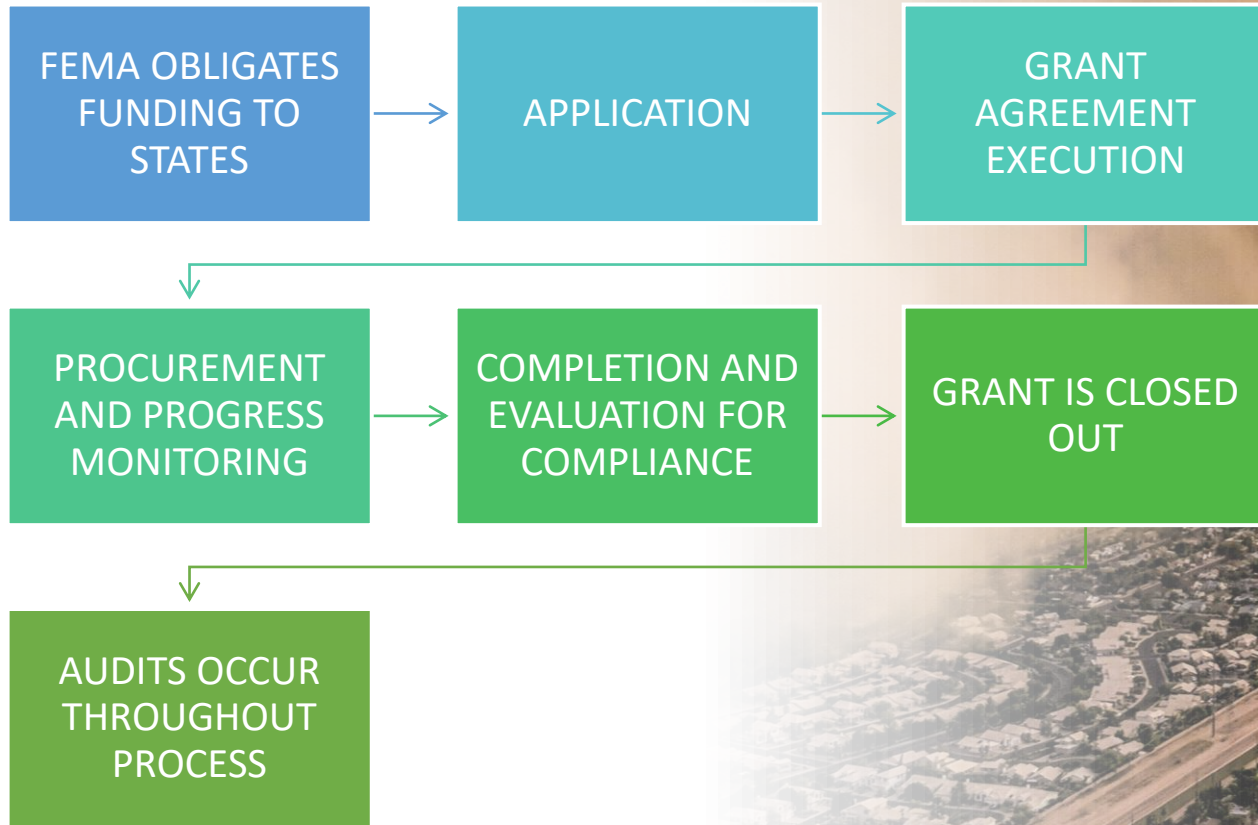
# Grant Implementation Overview

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# Grant Project Lifecycle





# Subrecipient Implementation and Responsibilities

- Read and understand the grant agreement as well as the **2 CFR 200**. Submit any questions to the State for clarification prior to beginning work.
- **Point of Contact** – Maintain a consistent POC (where possible) throughout the project lifecycle.
- **Scope of Work and Budget** – Report scope and budget deviations to the State project manager as soon as possible and obtain grant modifications where necessary.
- **Period of Performance** – request period of performance extensions in a timely manner when needed.
- **Environmental Conditions** - understand and abide by the special conditions contained within the grant.
- **Documentation** – Maintain robust records of all activities associated with the grant.





# Understanding Hail Damage to Equipment

## Typical susceptible equipment

- HVAC
  - *Split Systems*
  - *RTU's*
  - *Cooling Towers*
- Communication and security

- Electrical

## Primary Damage

- Physical evidence
- **Secondary Damage**





Understanding  
Hail Damage to  
Equipment





# Understanding Hail Damage to Equipment







# Understanding Scope of Damage and Repair

- **How do we determine the scope of damage?**
  - *Systems vs. Components*
- **What is the scope of repair to bring the system back to its pre-loss condition**
  - *Repairs:*
    - *Combing, coil replacement, device replacement*
  - **Replacement:**
    - *Age prevents repairs*
    - *Secondary damages*
    - *Extent of damage*
    - *Cost of repairs*



# Upgrades

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- What is “Like Kind and Quality?”
- Natural upgrades
  - *Advancing technology*
  - *Modern refrigeration systems*
  - *VFD’s*
- Functional upgrades
  - *VFD’s*
  - *Optional functionalities*
  - *Capacities*







# Documentation

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- Photos!
- Scope of Damage
- Scope of Repair
- What is “complete documentation?”
  - *How do we justify our actions?*
- Who can provide reasonable justifications?
  - *What is the difference between technical and sales staff?*





# Any Questions?

## Contact Information:

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