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Maximizing Federal Funding

October 2024

North Carolina – Tropical Storm Helene

Grant Braiding



DISASTER ASSISTANCE

- **FEMA Public Assistance**
- **Small Business Administration (SBA) Disaster Loans**
- **HUD Community Development Block Grant – Disaster Recovery (CDBG-DR)**
- **FEMA Hazard Mitigation Grant Program (HMGP)**
- **FEMA Community Disaster Loan (CDL) Program**
- **HUD CDBG Mitigation Disaster Funds**
- **USDA Farm Service Agency Disaster Programs**



FEMA PUBLIC ASSISTANCE

- **Purpose:** Provides **grant** funding for emergency assistance to save lives and protect property and assists with funding for permanently restoring community infrastructure affected by a federally declared incident.
- **Requirements:** State and counties must both meet fiscal thresholds set by a population and consumer price index formula; request from state to president. **NC and counties on next slide were granted FEMA PA.**
- **Eligible Applicants:** States, federally tribes, territories, local governments, and certain private non-profit (PNP) organizations
- **Grant Management:** State is the grantee with other eligible entities in the state as sub-applicants to the state.
- **Cost Share:** The cost share for NC is 0% for the first six months. Then the cost share will be 25%.



FEMA

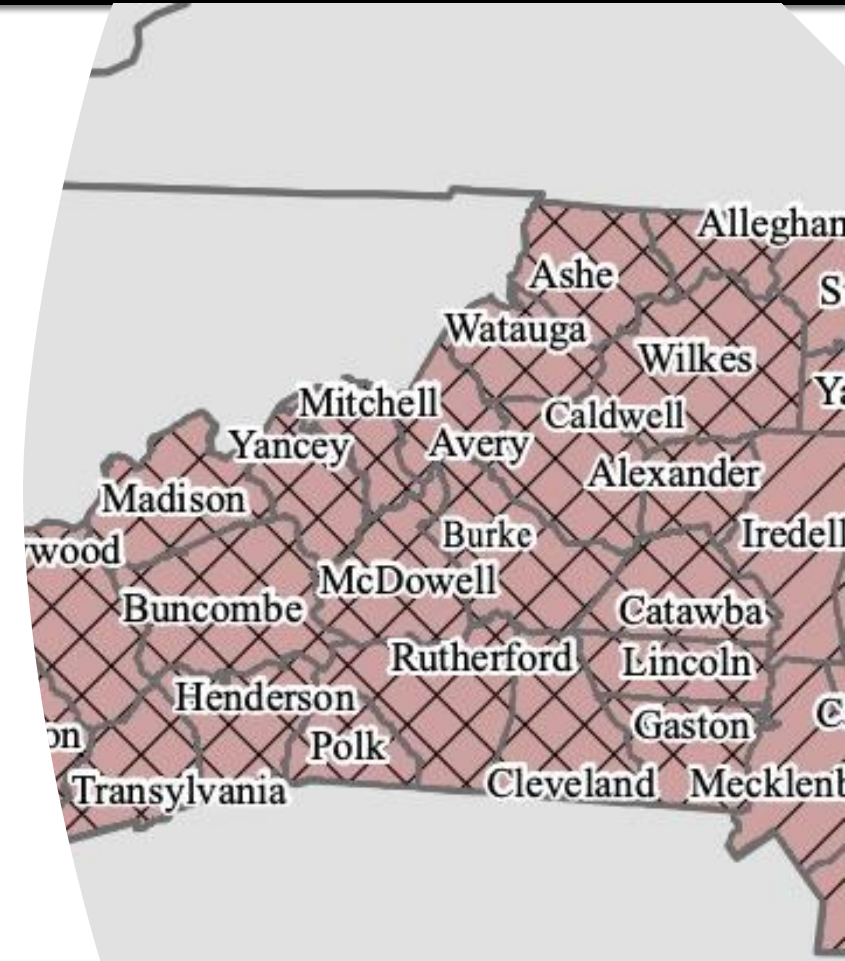


NC COUNTIES ELIGIBLE FOR FEMA PA

Counties Eligible for FEMA PA – All Categories

Alexander	Alleghany	Ashe	Avery
Buncombe	Burke	Caldwell	Catawba
Clay	Cleveland	Gaston	Haywood
Henderson	Jackson	Lincoln	Macon
Madison	McDowell	Mitchell	Polk
Rutherford	Transylvania	Watauga	Wilkes
Yancey	Eastern Band of Cherokee Indians of North Carolina		

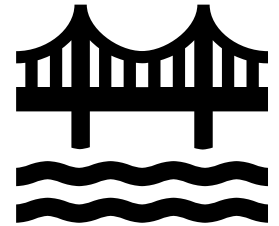
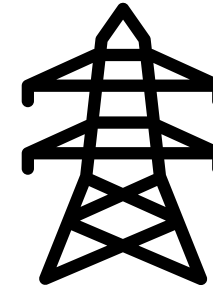
Counties eligible for FEMA PA Categories A and B only: Mecklenburg and Swain



FEMA PA CATEGORIES OF WORK

Examples of Eligible PA Categories of Work and Projects:

Debris Removal (Category A)	Vegetative debris, construction and demolition debris, sand, dirt, gravel, pebbles, boulders
Emergency Protective Measures (Cat B)	Police and fire response support
Roads and Bridges (Cat C)	Paved, gravel, dirt roads, bridges, culverts
Water Control Facilities (Cat D)	Dams, reservoirs, levees, flood walls, aqueducts, navigational waterways
Buildings and Equipment (Cat E)	Buildings, contents, equipment, vehicles
Public Utilities (Cat F)	Power generation and distribution systems, water storage, wastewater, communication systems
Parks, Recreational, and Other (Cat G)	Park facilities, railroads, boat docks



FEMA PA PROJECT TYPES

SMALL PROJECTS

- **Characteristics:** Lower-cost, simpler projects, typically addressing immediate repairs or less complex recovery needs.
- **Threshold:** Typically, under a specific cost threshold (currently \$1M)
- **Funding and Processing:** Faster funding and simpler documentation process; often a lump-sum payment once the project is approved.

EXPEDITED PROJECTS

- **Purpose:** Intended for projects needing immediate funding to address urgent needs and stabilize situations post-disaster.
- **Funding Mechanism:** FEMA provides up to 50% of estimated costs up front, accelerating the start of work.
- **Applicability:** Often applied to life-saving or essential recovery efforts with time-sensitive requirements.



LARGE PROJECTS

- **Characteristics:** Higher-cost, more complex recovery efforts that may involve extensive repairs, reconstruction, or mitigation measures.
- **Threshold:** Costs exceeding the small project threshold.
- **Funding and Processing:** Subject to detailed cost analysis and environmental/historical reviews; funds are disbursed incrementally as work progresses, with rigorous oversight.

ALTERNATE PROJECTS

- **Definition:** Projects that local governments choose to undertake in place of the originally approved FEMA project.
- **Funding Adjustment:** Typically, funding is capped at 90% for governmental applicants or 75% for private nonprofits, allowing flexibility in how funds are used.
- **Common Uses:** Used when original project is impractical; funds may be redirected to other priority recovery or mitigation initiatives.

USE OF "CAT Z" – MANAGEMENT COSTS

CATEGORY Z – MANAGEMENT COSTS

Category Z represents management costs related to the administration of FEMA grants, covering activities essential for project oversight and compliance with federal requirements.

Provides funding for costs incurred by states, local governments, tribal, and territorial governments, as well as eligible private nonprofits, to manage and administer FEMA-funded projects effectively.

Capped at a percentage of the total project cost (Applicant = 5%)



- **Staffing and Labor Costs**
 - Salaries and benefits for staff directly involved in project management, coordination, and administration tasks.
- **Procurement Support**
 - Costs for sourcing and securing vendors, ensuring adherence to FEMA's procurement policies and competitive bidding requirements.
- **Financial Management and Reporting**
 - Expenses for maintaining financial systems, processing payments, and preparing regular financial reports for FEMA.
- **Project Monitoring and Compliance**
 - Activities that ensure projects comply with FEMA regulations, including inspections, monitoring, and adherence to environmental and historical preservation requirements.
- **Training and Technical Assistance**
 - Costs associated with training staff on FEMA policies, procedures, and compliance, as well as technical support for grant administration.
- **Document Preparation and Retention**
 - Expenses related to preparing and storing documentation for audits, project closeouts, and FEMA reporting requirements.
- **Legal and Consulting Services**
 - Necessary legal and consulting fees to resolve project-related issues, including interpretation of FEMA policies and eligibility requirements.

FEMA PA PROCESS OVERVIEW

Recovery Initiation

Applicant Briefing
RPA Submission
Exploratory Calls (EC)
Recovery Scoping Meeting
Immediate Needs/Expedited Funding
Preliminary Cost Estimates
Data Gathering
Special Considerations
Financial Compliance
Mitigation Opportunities
Site Visits
Detail Damage Description Development
Project Scope Development
Alternate/Improved Project Requests

Recovery Implementation

Project Development
Project Submission
FEMA/Grantee Meetings & Responses
Program Funding Request Formulation
PA Programmatic Compliance Reviews
Eligibility Review
FEMA/Grantee Documentation
Request for Information (RFI)
Project Obligation
Recovery Transition Meetings
Project Payment Request For
Reimbursement
Project Request for Advance

Continuous Iteration

Scope of Work Changes
Extension Requests
Determination Memo
Responses/Appeals
Evaluating/Estimating Cost Overruns
Preparing Project Versions

Closeout

Project Cost Reconciliations/Closeouts
Quarterly Reports
Final Inspection Reports
Disaster Closeout
SF-425



MAXIMIZE USE OF FEMA PUBLIC ASSISTANCE

- **Category B: Temporary Facilities**
 - FEMA has provided increased cost share for emergency protective measures. Temporary facilities for structures such as bridges destroyed can be installed to buy time for thoughtful design.
 - Temp Schools
- **Applicant Provided Scopes of Work + Cost Estimates**
 - FEMA generally estimates restoration projects lower than what is necessary. Consider providing Scope of Work and Cost Estimates



TEMPORARY SOLUTIONS / FACILITIES

- **EXAMPLE: SCHOOLS**

- Use of modular buildings to handle overflow from student consolidation to non-impacted schools.
- Loss of equipment (eg. buses) – can contract for service. FEMA could cover contract cost less value of pre-event operation cost.

- **EXAMPLE: PUBLIC SAFETY**

- Fire Departments / Policy Departments – loss of use could necessitate emergency repairs and/or modular facilities on existing footprint.



MAXIMIZE USE OF FEMA PUBLIC ASSISTANCE

- **Section 428 Alternative Procedures**
 - FEMA generally funds rebuilding to pre-disaster capacity and function. Section 428 provides flexibility to use that funding for alternate projects to meet community needs.
- **Section 406 Mitigation**
 - Pre-approved Mitigation can be funded up 100% of the damage amount (on top of)
 - Items not pre-approved subject to Benefit Cost Analysis (~20% of project cost)
 - Example: Upsizing culverts, adding armoring to bridge abutments or flood proofing buildings



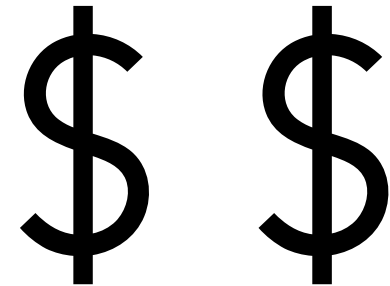
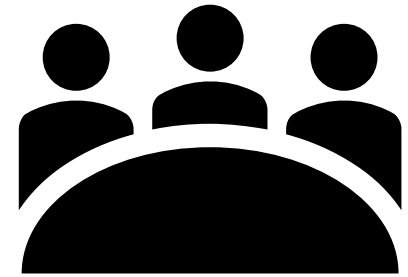
HUD Community Development Block Grant – Disaster Recovery (CDBG-DR)

- **Purpose:** This special Congressional appropriation provides **grant** funds to the most impacted and distressed areas for disaster relief, long-term recovery, restoration of infrastructure, housing, and economic revitalization.
- **Requirements:** Congress may appropriate funds for areas with significant unmet needs.
- **Grant Management:** Funds can be awarded to state and local governments who become the grantees.
- **Eligible Applicants:** State agencies, NPs, economic development agencies, citizens, and businesses.



HUD Community Development Block Grant – Disaster Recovery (CDBG-DR)

- As CDBG-DR is not a continuing program, each allocation can differ in regards to eligible recovery activities, program requirements (e.g. distribution of funds to low and moderate income communities), specific waivers, and alternative requirements.
- Recipients develop their own action plans within the parameters of the given allocation and where citizens can participate via public comment on use of funds.
- CDBG-DR can be used as match for other federal funding programs (FEMA, SBA, USACE)



HUD Community Development Block Grant – Disaster Recovery (CDBG-DR)

Examples of eligible activities

Housing	New construction, reconstruction and rehabilitation of housing, homeownership assistance, buyouts, rental assistance
Infrastructure	Public facilities, public improvements, match for federal programs, and elevation of non-residential structures
Economic Recovery	Attraction, retention, and return of business and jobs
Public Services	Housing counseling, legal advice, and representation, job training



HUD CDBG Mitigation Funds

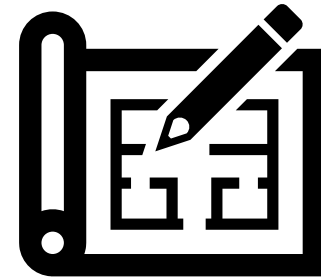
- **Purpose:** Congressional appropriated **grant** funding provided to use in areas impacted by recent disasters to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses.
- **Requirements:** Dependent on Congressional supplemental funding.
- **Grant Management:** Funds can be awarded to state and local governments who become the grantees.
- **Eligible Applicants:** State agencies, NPs, economic development agencies, citizens, and businesses.



HUD CDBG Mitigation Funds

Examples of CDBG MIT Projects

Housing Rehabilitation and Reconstruction	Rehabilitates or reconstructs homes of vulnerable populations and protected classes impacted by a disaster.
Public Services	Funding initiatives to ensure disaster preparedness is a vital component of their communities' resilience efforts.
Planning	Funding the creation or update of current plans to align with mitigation principles or to examine hazards and establish actions for increasing resilience and preparedness.



FEMA Hazard Mitigation Grant Program (HMGP)

- **Purpose:** Provides **grant** funding to state, local, tribal and territorial governments so they can rebuild in a way that reduces, or mitigates, future natural disaster losses in their communities.
- **Requirements:** Request from state to FEMA/president, usually accompanies a major disaster declaration request. **NC is eligible for HMGP for Hurricane Helene.**
- **Eligible Applicants:** states, federally-recognized tribal governments, U.S. territories, local governments, and certain private non-profit (PNP) organizations
- **Grant Management:** State; other eligible entities are sub-applicants to the grantee



FEMA Hazard Mitigation Grant Program (HMGP)

The grantee (state) will receive a percentage (usually 15%) of Hurricane Helene disaster costs for HMGP. **NC has an Enhanced Hazard Mitigation Plan and is eligible for 20% of disaster costs.**

Examples of HMGP Projects

Constructing floodwalls around damaged facilities	Elevate or dry floodproof buildings
Installing new drainage facilities (including culverts) along a damaged road	Replace damaged power poles with higher-rated poles
Dry floodproofing both damaged and undamaged buildings	Housing elevations
Replace drainage structure with a larger structure	Housing acquisitions
Install submersible pumps in water or wastewater plants	Building storm shelters



Small Business Administration (SBA) Disaster Loans

- **Purpose:** Provide low-interest disaster **loans** to help businesses and homeowners recover from declared disasters. An SBA loan can be used to cover losses not covered by insurance or funding from FEMA for both personal and business and business operating expenses that could have been met had the disaster not occurred.
- **Loan Management:** Direct from SBA banks to business, homeowners, and PNPs.
- **Eligible Applicants:** Businesses of all sizes, homeowners, renters, PNPs.



Note: Currently Unavailable

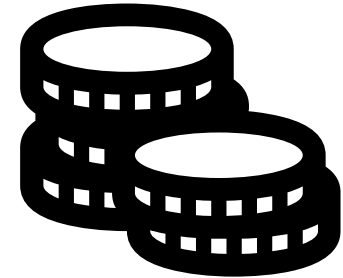
Small Business Administration (SBA) Disaster Loans

Types of Disaster Loans	
Physical Damage Loans	Covers repairs and replacement of physical assets damaged in a declared disaster.
Mitigation Assistance	Expanded funding to make improvements to eliminate future damage.
Economic Injury Disaster Loans	Funding to cover small business operating expenses after a declared disaster.
Military Reservist Loan	Loans to help eligible small businesses with operating expenses to make up for employees on active duty leave.



FEMA Community Disaster Loan Program (CDL)

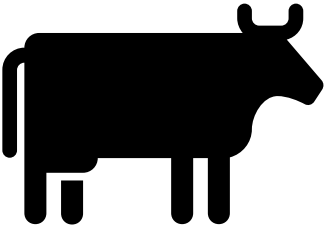
- **Purpose:** Provides **loans** for local governments to operate essential community services after substantial revenue loss caused by a disaster.
- **Requirements:** A local government in a declared disaster area which experienced a revenue loss greater than or equal to 5% and sustained such loss that affects the current or next fiscal year.
- **Grant Management:** State requests CDL program from FEMA.
- **Loan Amount:** Not to exceed 25% of local government's annual operating budget for the fiscal year. Maximum amount is \$5 million.
- **Use:** Must be used to continue or expand existing essential municipal services to meet disaster-related needs.



USDA Farm Service Agency Disaster Assistance Programs

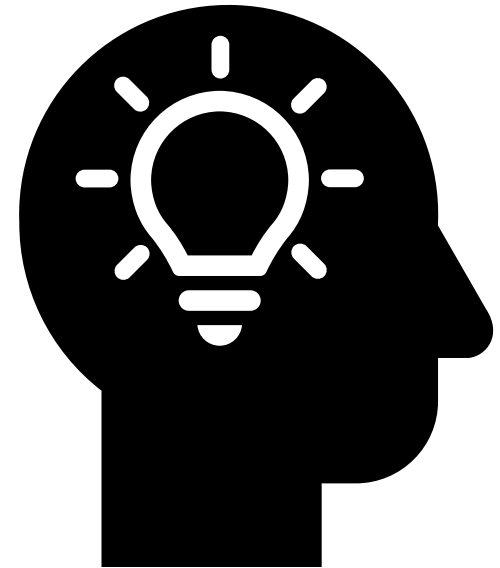
USDA offers a variety of programs to help farmers, ranchers, communities, and businesses that have been hit hard by natural disaster events.

Livestock Assistance	Livestock Forage Disaster Program, Livestock Indemnity Program, Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish, Emergency Livestock Relief Program
Farm Loans	Emergency Loan Program and Disaster Set-Aside Program
Farmland Damage	Emergency Conservation Program and Emergency Forest Restoration Program
Crop Losses	Noninsured Disaster Assistance Program and Tree Assistance Program



Disaster Assistance Notes to Remember

- There will likely be other disaster assistance grants, loans, and programs available.
- FEMA is the payor of last resort.
- **Beware of duplication of benefits.**
- A carefully developed strategy of grant braiding will maximize use of grant funds and protect jurisdictions from being required to return funds due to duplication of benefits and other errors.



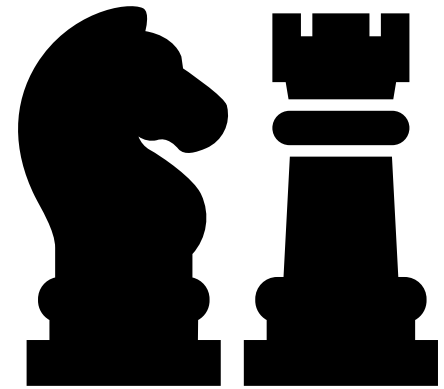
Are there ways to get faster funding?

- Timeframes within each step can be shortened based on Applicant effectiveness in accurate and completely documenting need, rapidly providing supporting documentation and always being “1 step ahead”
- Provide clear descriptions of Immediate Need – Prudent Actions – Scope – Cost that will be taken to protect public and detailed estimates for FEMA validation
- Having people with prior experience of FEMA PA Program may significantly shorten timeframe by ensuring submitted items are in the correct format, use the right terminology and contain only eligible items



Developing a Funding Strategy

Create a multi-year funding strategy that establishes an overall snapshot of what funds are needed and when and where to find them. The strategy can be updated as priorities change, timelines are modified, or new funding opportunities or partnerships arise. The funding strategy will be developed in coordination with disaster rebuilding, different funding streams, budget and capital plan development and should reflect the priorities of the community and elected officials.



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Questions?



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