PURPOSE OF THIS PUBLICATION
To raise awareness and encourage utilization of hazard mitigation measures that reduce or eliminate the threat of future similar damage to facilities that are repaired, restored or reconstructed after a disaster. Assistance is available through the Federal Emergency Management Agency (FEMA) Public Assistance (PA) program and authorized under Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5172.

INTENDED AUDIENCE
This publication is intended for local and State officials, Federally recognized Tribal governments, those applying for and/or receiving recovery-funding grants through the FEMA PA program and other disaster-recovery and mitigation stakeholders.
Hazard mitigation (HM) defined...

Hazard Mitigation (HM) is defined in Federal law (44 Code of Federal Regulations (CFR) 201.2) as any sustained action taken to reduce or eliminate the long-term risk to human life and property from hazards.

Funding sources

There are multiple funding sources available to eligible Subrecipient (Applicant) for BOTH post-disaster as well as non-disaster HM activities.

Funding sources are authorized through the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), Sections 404, 406 and 203; Sections 1323, and 1366 of the National Flood Insurance Act of 1968 (NFIA). [SOURCE: FEMA Recovery Policy (RP) 9526.1]

POST-DISASTER MITIGATION FUNDING

- **FEMA PA 406 HM ASSISTANCE GRANTS**
  
  Stafford Act provides authority to fund the repair, restoration or replacement of damaged facilities as a result of a disaster. Additional funding for HM measures may be available through Section 406 of the Stafford Act. This is typically referred to as 406 HM. [SOURCEs: Stafford Act §406(c)(1)(B)(ii); 44 CFR 206.226; FEMA RP 9526.1 - Hazard Mitigation Funding Under Section 406 (Stafford Act)]

- **FEMA 404 HAZARD MITIGATION GRANT PROGRAM (HMGP)**
  
  There is also funding for post-disaster hazard mitigation measures through the FEMA Hazard Mitigation Grant Program (HMGP), authorized under Section 404 of the Stafford Act. This is also called 404 HM.

  Because both the 406 HM program and the 404 HMGP program are available as a result of a disaster, it is easy to get them confused. It is important to know that BOTH of these resources may be available to fund post-disaster mitigation initiatives.

NON-DISASTER RELATED MITIGATION FUNDING

- **FEMA ANNUAL HM GRANTS**
  
  There are other grant opportunities available through the FEMA annual competitive grants process for non-disaster mitigation measures.

This publication focuses on PA post-disaster 406 HM.

For more information about other grant opportunities, please see the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) publication the NEW 10 things to know about funding hazard mitigation at: gohsep.la.gov/publications.aspx OR go to FEMA’s Hazard Mitigation Assistance (HMA) page at: fema.gov/hazard-mitigation-assistance
APPLICABILITY

406 HM funding can only be spent on eligible permanent repair work. [SOURCE: FEMA RP 9526.1]

406 HM measures MUST be cost effective.

406 HM can be used only to fund protective measures that reduce or eliminate the threat of future similar damages to a disaster-damaged element or facility.

COST EFFECTIVENESS

FEMA requires all HM projects to be cost effective. Cost effective simply means that benefits (avoidance of future damages) of a mitigation measure are appropriate to the expenditure. Benefits must equal or exceed the cost of the hazard mitigation measure.

Cost-effective mitigation measures include:

- Applicable mitigation measures that cost up to 15% of the total eligible repair cost (e.g. equipment elevation, window shutters, hurricane clips, headwalls, floodwalls, erosion control, etc.).
- Certain mitigation measures (see Appendix A of FEMA RP 9526.1) are predetermined as cost effective if the cost of the mitigation measure:
  - Does not exceed 100% of the total eligible cost of the eligible repair work on the project;
  - Is appropriate to the disaster damage (e.g. wind, flood, rain, etc.);
  - Prevents future similar damage;
  - Is directly related to the eligible damaged elements;
  - Does not increase risks or cause adverse effects to surrounding areas or damage from another hazard;
  - Is technically feasible for the hazard + location; and
  - Meets requirements stipulated in policy + law + regulation.

Those measures include:

- Drainage + crossings + bridges
- Sanitary/storm sewer systems
- Wastewater treatment plants
- Potable water systems
- Electrical power distribution systems
- Above ground storage tanks
- Underground pipelines

For those mitigation measures that do not fall within the above two (2) categories, an acceptable Benefit-Cost Analysis (BCA) methodology must be used to demonstrate cost effectiveness.

To learn more, please visit: fema.gov/benefit-cost-analysis.

EXAMPLE

SCENARIO 1: A project cost $2M to restore a flooded building to its pre-disaster condition. FEMA can approve up to an additional $2M in 406 HM funding for cost-effective, mitigation measures.

SCENARIO 2: A project cost $2M to restore. The proposed mitigation measures cost more than $2M – an analysis is required to determine if the additional expenditure is cost effective.

BEFORE MITIGATION: ROAD NEAR HOLLY BEACH ERODED

AFTER MITIGATION: ROAD NEAR HOLLY BEACH EROSION CONTROL MATS
406 HM is an important post-disaster funding opportunity!

Here's why.

Damage to public infrastructure can vary greatly, depending upon the location, condition and magnitude of a disaster. Mitigation helps fund solutions to safeguard your community.

VALUE OF MITIGATION MEASURES

- Hazard mitigation measures result in safer + stronger communities by reducing loss of life and/or property due to an emergency or disaster.
  - Stronger communities lessen physical and financial impacts of disaster at the State + Federal level and to local + Tribal communities.
- Hazard mitigation measures result in more resilient communities, enabling them to recover more rapidly from future disasters.

For every $1 spent on mitigation, approximately $4 are saved in future reduced losses.*

(SOURCE: *United States Congressional Budget Office, Potential Cost Savings from the Pre-Disaster Mitigation Program, 2007.)
Here's how.

GETTING STARTED IS AS EASY AS 1, 2, 3, 4 . . .

**Step 1:** When evaluating disaster damages, Subrecipients (Applicants) are encouraged and responsible to identify potential hazard mitigation opportunities.

**Step 2:** Hazard mitigation opportunities are then evaluated for cost effectiveness and applicability (see previous panel).

**Step 3:** Subrecipients (Applicants) prepare a Hazard Mitigation Proposal (HMP). The HMP must:
- Identify cause + damages to be mitigated;
- Include proposed mitigation measures;
- Demonstrate methodology (including scope of work [SOW], determination of cost effectiveness, etc.) used to determine applicability of proposed mitigation measures.

**Step 4:** HMP is submitted through GOHSEP to FEMA.

Proposed 406 HM measure(s) must be approved by FEMA prior to start of work to ensure eligibility and compliance with Federal requirements.

**IMPORTANT TO KNOW**

- Frequently, due to the urgency of repair, potential mitigation measures are not fully explored, leaving the disaster damage/repair cycle to repeat in future events.
- Both 404 + 406 HM funding can be used in combination on certain projects. FEMA will help you determine the appropriate split. (To learn more, please visit fema.gov/media-library/assets/documents/15271 and fema.gov/pdf/government/grant/pa/9526_1.pdf)
  - You must be able to identify specific mitigation work to be accomplished under each separate program.
- Those applying for 406 HM funding through the FEMA PA program should be aware there may be a non-Federal or local cost share.

- If the approved project involves a completely new or replacement facility on the same or different site, 406 HM funding cannot be used.
- 406 HM funding may be approved for an Improved Project (IP) – any project where additional improvements are made to the facility while making disaster repairs.
- 406 HM funding will NOT be applied toward an Alternate Project (AP) – the alternative use of project funding to repair, replace or newly construct alternative public infrastructure on the same or different site.
- If mitigation work begins prior to FEMA approval, funding for the entire project may be jeopardized.
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