

## **9.3 Enhanced Plan**

### **9.3.1 Hazard Mitigation Grant Program: DR-4169 Administrative Plan**

**STATE OF OREGON**

**HAZARD MITIGATION GRANT PROGRAM  
DR-4169**

**ADMINISTRATIVE PLAN**



**OREGON MILITARY DEPARTMENT  
OREGON EMERGENCY MANAGEMENT**

STATE OF OREGON

**HAZARD MITIGATION GRANT PROGRAM  
(HMGP) ADMINISTRATIVE PLAN**

DR-4169  
April 2014

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**FEMA-4169-DR-OR, February 6-14, 2014, (declared 4/4/14)  
Severe Winter Storm: Snow & Ice**

For federal disaster aid made available for the state of Oregon to supplement state and local recovery efforts, and hazard mitigation.

***Public Assistance (Section 406)***

*(Assistance to State and local governments and certain private nonprofit organizations for emergency work and the repair or replacement of disaster-damaged facilities):*

*Benton, Lane, Lincoln, and Linn, counties.*

***Hazard Mitigation Grant Program (Section 404)***

*Available statewide to all counties but with priority emphasis in the DR-4169 declared counties.*

## **Attachments**

1. Oregon Emergency Management – Notice of Interest *and* Basic HMGP Application (one in the same)
2. National Environmental Policy Act Checklist (*Minimal EHP Information Required – provided as well to support the Public Assistance Program*)
3. Hazard Mitigation Grant Program, OEM Grantee – Subgrantee Contract
4. Quarterly Subgrantee Progress Report

## A. INTRODUCTION

### 1. Purpose

- A) This **Hazard Mitigation Grant Program (HMGP) Administrative Plan** has been developed to provide the State of Oregon (State) with policy and guidelines for administering hazard mitigation grants provided through Section 404 of Public Law 93-288, the Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) of 1988 and as amended. This plan is not designed to be a static document but, rather, can be appended and/or modified to accommodate the specific needs of a particular disaster declaration and program modifications when they are officially promulgated and approved by FEMA.
- B) The purpose of the HMGP is to reduce the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster and to enable mitigation measures to be implemented during the recovery from a disaster. The Sandy Recovery Improvement Act (SRIA) of 2013 represents the most significant legislative change to the Federal Emergency Management Agency's (FEMA) substantive authorities since the enactment of the Stafford Act. SRIA directs FEMA to streamline HMGP activities and to adopt measures to expedite implementation of the program. FEMA-4169-DR-OR is Oregon's first major disaster declaration that will follow SRIA regulations and streamlined implementation processes and procedures. This Administrative Plan will aim to take advantage of the opportunities offered by SRIA to expedite the implementation of mitigation actions for this disaster declaration during the post-event recovery phase in the declared counties and statewide.
- C) This Plan will automatically be reviewed and updated, when and where appropriate, in the event of any Presidential Major Disaster Declaration in Oregon. Policies specific to a particular disaster are described in Appendix 1, Disaster Specific Requirements and Considerations. This administrative plan has been updated in April 2014 to reflect DR-4169 and Oregon's March 2012 version of the *State Mitigation Plan (Standard State Natural Hazards Mitigation Plan at the time of the disaster declaration on April 4, 2014)*.
- D) Section 404 grants are available on a competitive, demonstration or expedited basis for eligible mitigation projects that would reduce future disaster losses initially in those counties that have received a Presidential Major Disaster declaration. If elected by the state, federal funding can also be made available for hazard mitigation measures statewide. These grants require that a sub-applicant provide a non-federal share of no less than 25% of the total project cost. The non-federal share may be met with cash or soft, in-kind services. In-kind services are explained in section 6 of this document. A detailed explanation of funding may be found in subsection E.2., Funding and Financial Management. *The State of Oregon generally does not provide state funds for the 25% non-federal match unless the project is submitted by State government for the benefit of State government. The match requirement is the*

*responsibility of the sub-applicant.* Oregon Emergency Management, which is a component of the Oregon Military Department, is the cognizant state agency responsible for administering the Hazard Mitigation Grant Program.

## 2. Legal Authorities

The legal authorities for this administrative plan can be found in the following:

- Oregon Revised Statutes, Chapter 401.280, and others;
- Oregon's Emergency Management Program (EMP), included as a component therein;
- The Oregon Emergency Management Plan: Volume I (Natural Hazards Mitigation Plan versions dated 3/2012) and Volume II (Emergency Operations Plan) of which this Administrative Plan is included as an annex thereto;
- Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288, as amended, Section 404; and *the Sandy Recovery Improvement Act (SRIA) of 2013 and the accompanying Disaster Relief Appropriations Act, 2013*;
- Federal Emergency Management Agency (FEMA) Regulations, 44 CFR, Part 206, Subpart N;
- FEMA Regulations, 44 CFR, Parts 9 & 10, Environmental Information
- FEMA Regulations, 44 CFR, Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;
- FEMA Regulations, 44 CFR, Part 13.26, Audit Requirements and the Single Audit Act of 1996;
- FEMA Regulations, 44 CFR, Part 80, Property Acquisition and Relocation
- FEMA Regulations, 44 CFR, Part 206, all other relevant subparts;
- OMB: "OMB Super Circular": OMB promulgated December 26, 2013 and effective by agency promulgation not later than December 26, 2014; supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidances); Circulars A-89, A-102; therefore, this Administrative Plan will be partially covered by the current OMB Circulars as well as the new "OMB Super Circular" based on the date of the award date and incremental funding awarded; and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.
- FEMA – Hazard Mitigation Assistance - Unified Guidance FY2013 (dated July 12, 2013);
- *FEMA – Property Acquisition Handbook for Local Communities (legacy reference, only)*
- *FEMA Hazard Mitigation Grant Program Desk Reference (legacy reference, only); and*
- *FEMA Compendium of Current Guidance, HMGP (legacy reference, only).*

### 3. State Interagency Hazard Mitigation Team

- A) The State Interagency Hazard Mitigation Team (State-IHMT<sup>1</sup>), a standing body, develops the policy framework for the State's pre- and post-disaster mitigation efforts. This policy framework is necessary to ensure that the post-disaster mitigation implementation strategies will effectively focus upon accomplishing the highest quality and most cost-effective projects. This policy framework is the cornerstone for the State's Hazard Mitigation Grant Program (Section 404 of the Stafford Act) and is articulated in the State of Oregon, *State Natural Hazards Mitigation Plan*, most recently updated/reviewed/FEMA re-approved March 5, 2012.
- B) The State-IHMT is convened by Oregon Emergency Management, chaired by the State Hazard Mitigation Officer, and is comprised of representatives of at least the following agencies:
- 1) Governor's Office,
  - 2) University of Oregon, Oregon Partnership for Disaster Resilience,
  - 3) DAS – Risk Management,
  - 4) Department of Agriculture,
  - 5) Department of Consumer and Business Services — Building Codes Division,
  - 6) Department of Consumer and Business Services — Insurance Division,
  - 7) Department of Environmental Quality,
  - 8) Office of State Fire Marshal,
  - 9) Department of Fish and Wildlife,
  - 10) Department of Forestry,
  - 11) Department of Geology and Mineral Industries,
  - 12) Oregon Health Authority, State Public Health Division,
  - 13) Department of Land Conservation and Development,
  - 14) Department of State Lands,
  - 15) Oregon Parks and Recreation Department
  - 16) Public Utility Commission, and
  - 17) Oregon Department of Transportation,
  - 18) Water Resources Department.
- C) Other agencies, as appropriate, may be asked to serve on the State-IHMT.

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<sup>1</sup> The State-IHMT was initially established as the Governor's Interagency Hazard Mitigation Team in 1997.

#### 4. Hazard Mitigation Grant Review Board

- A) The Hazard Mitigation Grant Review Board (Board), a working group convened under the auspices and membership of the State-IHMT, is the body *that can be called upon* to review, set priorities, and select projects for Hazard Mitigation Grant Program funding (Section 404 of the Stafford Act). The Board's actions are to ensure consistency between the projects submitted and the policy/strategies promulgated by the State-IHMT including the *State Natural Hazards Mitigation Plan*. For smaller disaster declarations (such as DR-4169), discussions with the Hazard Mitigation Grant Review Board generally occur outside of formal meetings using mitigation priorities identified in the state and local mitigation plans as a basis for identifying HMGP project opportunities for further development.
- B) To evaluate projects proposed for funding, the Grant Review Board utilizes:
- 1) the criteria listed under section C.2.;
  - 2) the goals and objectives of the *State Natural Hazards Mitigation Plan* (44 CFR 201.4) for the disaster in question; and
  - 3) actions and measures such as those identified in local jurisdiction Natural Hazards Mitigation Plans (44 CFR 201.6), public utility damage reduction plans, and applicable codes and standards that address mitigation.
- C) The Hazard Mitigation Grant Review Board *can* comprise some or all of the following members:
- 1) The **State Coordinating Officer** or designee, who also will chair the Board; and
  - 2) *at least two* different agency representatives of the **State-IHMT** designated by the chair. Additionally, depending on the extent and nature of the disaster, the Board *may* include one or more of the following:
  - 3) the **President of the Oregon Emergency Management Association** or designee;
  - 4) a **representative** of the **Association of Oregon Counties (AOC)**;
  - 5) a **representative** of the **League of Oregon Cities (LOC)**; or
  - 6) the **Chief of the Emergency Management Branch, Portland District, U.S. Army Corps of Engineers** or designee.
- D) The **State Hazard Mitigation Officer** (and supporting staff if so designated) of Oregon Emergency Management will present hazard mitigation projects to the Board and serve as a technical advisor(s) *but will not be a voting member(s)*.
- E) Any State agency member of the State-IHMT not represented on the Board will be given an opportunity to review and comment on proposed projects. For

those State agencies that are not represented on the State-IHMT, the Board is encouraged to extend a similar opportunity for their review and comment.

- F) Depending on the nature and extent of the disaster impacts, the Governor may convene a Recovery Cabinet which will serve as the principal advisory board to the Governor through the recovery and restoration process for areas affected by the disaster. The Cabinet can be comprised of state agency, regional, tribal, and local leaders as well as members from the private, public and non-profit sectors. The Recovery Cabinet can also identify mitigation opportunities and facilitate establishing mitigation priorities for the affected areas.

## **5. Staffing**

- A) The State Hazard Mitigation Officer (SHMO), an Emergency Management Specialist, a Facilities Engineer – State Public Assistance Officer, a Special Projects Coordinator, two Grants Program Accountants, a Fiscal Coordinator all of who report to the State Coordinating Officer, serve as primary points of contact for and coordinate all matters relating to Section 404 of the grant program and state natural hazards mitigation planning activities. The SHMO position is filled on a permanent basis. This encourages the State to engage in pre-disaster mitigation activities as well as provide continuity between disasters and resulting mitigation strategies. All of the aforementioned staffed positions are employees of Oregon Emergency Management.
- B) The Emergency Management Specialist and Special Projects Coordinator works with the SHMO on matters relating to Section 404 grant program, 406 mitigation and natural hazards mitigation planning activities.
- C) The Grants Program Accountant has responsibility for reviewing reimbursement expenses, determining eligible costs, issuing payments, and taking a supporting role in closing completed projects.
- D) The Fiscal Coordinator assists the State staff by performing administrative and accounting work in the Public Assistance and Hazard Mitigation Grant programs.
- E) The Facilities Engineer – State Public Assistance Officer, a facility engineering specialist, assists in reviewing project applications, providing technical assistance to sub-applicants and subgrantees, substantiating costs, and conducting project inspections. The Special Projects Coordinator works closely with the Facilities Engineer and SHMO.
- F) Due to post-disaster activities and requirements, or the size of the disaster, the State may appoint or hire additional staff to assist the State Hazard Mitigation Officer in managing the grant program. The State will submit an

initial hazard mitigation staffing pattern to FEMA generally within 10 days of the opening of the Joint Field Office (JFO). The staffing requirements associated with grant program activities serve as the basis for determining State Management Costs (see Program Administration, State Management Costs).

## 6. Definitions

Selected definitions are shown below. A complete list of applicable definitions may be found in 44 CFR, Part 206, Subpart N 206.431 and Subpart H 206.221.

- A) Applicant: Oregon Emergency Management as the “applicant” to FEMA for Federal funding.
- B) Sub-Applicant: A State agency, local government, special government district, or eligible private non-profit organization.
- C) Sub-Applicant’s Agent: A person designated by the sub-applicant to represent the sub-applicant in arranging the work to be done, to monitor and evaluate work done, and to provide documentation to Oregon Emergency Management.
- D) Federal Share: For HMGP, the “nominal” 75% share obligated by the Federal government.
- E) FEMA: Department of Homeland Security, Federal Emergency Management Agency. FEMA is the grantor of HMGP funding.
- F) Grant: An award of financial assistance.
- G) Grantee: Oregon Emergency Management (the State), to which a grant is awarded and accountable for use of the funds provided.
- H) Governor’s Authorized Representative (GAR): The individual designated under ORS-401.270 to represent the State in activities related to the implementation of Public Law 93-288, and to administer funds granted under Section 404, which for DR-4169 is the Director of Oregon Emergency Management. The Section Manager, Mitigation & Recovery Services, is the designated Alternate GAR.
- I) HMGP lock-in ceiling (12-month lock-in) means the level of HMGP funding available to a Grantee for a particular disaster declaration.
- J) In-Kind Services (aka soft match): Services associated with a cost-share or matching requirement, which for example, includes labor and equipment provided by the Subgrantee, volunteer labor and materials, and donations and contributions from other agencies. A cost sharing or matching

requirement, however, may not be met by costs borne by another non-qualifying Federal grant. The amount of credit (to include all types of In-Kind Services) that can be applied to a project is capped at the amount of the non-federal share so the Federal share will not exceed the subgrantee's actual out-of-pocket costs. If the non-federal share is met with another eligible grant, such as that provided by the Community Development Block Grant program, then no type of In-Kind Service will be eligible.

- K) Interagency Hazard Mitigation Team (for floods) and Hazard Mitigation Survey Team (for all other types of disasters): The Federal, State, and local interagency team that *can be* activated following a disaster to identify mitigation opportunities in the geographic area affected by the disaster. By past precedent, the term 'Interagency Hazard Mitigation Team' has evolved and is used, essentially, for *all* types of disasters. *These 'teams' are no longer required by regulation but could be convened by mutual agreement of FEMA and the State, particularly for larger disasters but not for DR-4169.*
- L) Lock-in means the amount Federal funds available to a Grantee for HMGP for a particular major disaster. Per changes mandated by SRIA, the 6-month HMGP lock-in calculation (which has essentially been rescinded by name and is not an option) will no longer guarantee minimum funding for HMGP. The 12-month lock-in provides the maximum amount available for HMGP except in extraordinary cases for catastrophic disasters where an 18-month lock-in will be considered. FEMA will review all submitted projects and obligate funds based on the Grantee's prioritization, up to the 75% limit. Prior to 12 months, total obligations are limited to not more than 75% of any current estimate.
- M) Management Costs: Any indirect costs, administrative expenses, and any other expenses not directly chargeable to a specific project that are reasonably incurred by a Grantee or Subgrantee in administering and managing a HMGP grant award. For HMGP, management cost funding is provided outside of Federal assistance limits as defined at 44 CFR §207.
- N) Measure: Any mitigation project, measure, treatment, or action proposed to reduce risk of damage, hardship, or loss of life or suffering from future disasters; used interchangeably in the regulations with the term "project."
- O) Non-Federal Share: For HMGP, the "nominal" 25% share provided by the Subgrantee to the "nominal" 75% Federal share contribution.
- P) State Floodplain Coordinator: The individual with the Department of Land Conservation and Development (DLCD) who coordinates specific flood mitigation efforts under the authority of the NFIP (see below). Much like the State Floodplain Coordinator, the State RiskMap Coordinator with DLCD

may also provide support during JFO operations and in mitigation project development.

- Q) NFIP: National Flood Insurance Program.
- R) OEM: Oregon Emergency Management, which is a component of the Oregon Military Department, is the cognizant state agency responsible for administering the Hazard Mitigation Grant Program.
- S) *Natural Hazards Mitigation Plan* and natural hazards mitigation planning in general: The *Standard State Natural Hazards Mitigation Plan* includes hazard-specific mitigation plan elements developed under the requirements of the Stafford Act (Parts 201.4 and 201.5, and as further amended).
- T) Private non-profit organization (PNP): Any nongovernmental agency or entity that currently has: 1) an effective ruling letter from the U.S. Internal Revenue Service, granting tax exemption under sections 501(c), (d) or (e) of the Internal Revenue Service Code of 1954, or 2) satisfactory evidence from the State that the nonrevenue producing organization or entity is a nonprofit one organized or doing business under State law.
- U) Project: Any mitigation measure, project, treatment or action proposed to reduce risk of damage, hardship, loss of life or suffering from future disasters, used interchangeably in the regulations with the term “measure.”
- V) State Natural Hazards Mitigation Plan: Oregon’s *Standard State Natural Hazards Mitigation Plan* required under the Stafford Act, Part 201.4 as a condition of receiving Federal assistance under Public Law 93-288.
- W) Stafford Act: The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended.
- X) State Hazard Mitigation Officer (SHMO): The representative of State government who is the primary point of contact with FEMA, other Federal agencies, and local units of government in the planning and implementation of mitigation programs and activities required under the Stafford Act. For DR-4169, the State Hazard Mitigation Officer is Dennis J. Sigrist; his alternate is Darrell D. Neet, Special Projects Coordinator.
- Y) Sub-grant: An award of financial assistance under the grant to an eligible Subgrantee.
- Z) Subgrantee: The State agency, local government, special government district, or eligible private non-profit organization to which a sub-grant is awarded and which is accountable to the Grantee for the use of the funds provided.

## **B. ELIGIBLE SUB-APPLICANTS**

### **1. Eligible sub-applicants for the Hazard Mitigation Grant Program**

- A) State and local units of government (cities and counties), special government districts, and other public agencies subject to provisions of 44 CFR §206.434.
- B) Private non-profit organizations or institutions that own or operate a private non-profit facility that provides essential services of a governmental nature to the general public.
- C) The State is responsible for determining sub-applicant eligibility per program regulations based on the definition of eligible sub-applicant. If there is any question as to that determination, the State will request FEMA to review (validate or reject) that determination.
- D) Eligible sub-applicants must have a FEMA-approved mitigation plan at the time of sub-application. 44 CFR §206.434 (b)(2) allows the FEMA Regional Administrator to grant an exception to this requirement in extraordinary circumstances. In those cases, the community in question must at least have a mitigation planning process underway.

## **C. ELIGIBLE PROJECTS**

### **1. Identifying Possible Hazard Mitigation Projects**

- A) Information acquired during the joint Preliminary Damage Assessment (PDA) is an excellent first source for identification of potential mitigation projects.
- B) PDA teams will be told about the availability and requirements of the Hazard Mitigation Grant Program so that potential projects can be identified for further study.
- C) The Public Assistance Program *Project Worksheet* is the primary form used to document the scope of work and cost estimate to an eligible damaged public facility. The sub-applicant and the State and Federal teams should identify any mitigation opportunities that can be implemented early in the recovery process during sub-applicant briefings and 'kick-off meetings.' Mitigation identified and funded from the Public Assistance Program *is not* subtracted from the HMGP mitigation funding ceiling. For DR-4169, the FEMA PA teams will be briefed on the state's Section 404 application process.

- D) Local natural hazard mitigation plans are *essential* in identifying potential mitigation projects. Other local planning processes and documents are also excellent tools to identify risk reduction measures. For example, a local Community Rating System Plan (CRS) could also identify potential flood mitigation measures, such as the acquisition of repetitive flood-loss properties. Utility damage reduction plans also address routine and special mitigation opportunities and document past successes in reducing disaster-related losses. For DR-4169, a local government *must have* a FEMA-approved (Section 201.6) mitigation plan in order to receive HMGP project grant funding. OEM Mitigation staff maintains an up-to-date inventory of FEMA-approved local mitigation plans (Multi-jurisdiction, County and City plans) as Oregon's local mitigation planning process is ongoing to include the development of new plans and plan updates. The FEMA Regional Administrator, however, has the authority to consider waivers to this requirement if a community has a mitigation planning process *actively* underway (see 44 CFR §206.434 (b)(2)). The state's priority for DR-4169 is to emphasize HMGP in those counties that are declared under this disaster, have FEMA-approved mitigation plans, and have identified mitigation actions through their local planning process.
- E) In Oregon, Special Districts are not required to develop local mitigation plans (Section 201.6) but are encouraged to participate with county, city and/or multi-jurisdiction planning efforts. Should a special district identify a potential mitigation project, they have the option to apply through the jurisdiction in which they are located that has the FEMA-approved local mitigation plan.
- F) FEMA and the state will develop a Hazard Mitigation Implementation Strategy within fifteen days of the date of the Presidential Major Disaster declaration.
- G) Hazard mitigation documents from previous disasters should be reviewed to identify projects for possible Hazard Mitigation Grant Program funding.
- H) Projects may be identified from other sources, but in all cases must support the Section 201.4/.5 and 201.6 plans in effect for the disaster area in question.
- I) At the request of the sub-applicant/Subgrantee, technical assistance (for example, to discuss potential project alternatives and strategies) can be provided by the State and/or FEMA. Neither the State nor FEMA can provide comprehensive engineering analysis or review; however, engineering costs can be an eligible project expense (as part of an overall HMGP project) when approved by the State and FEMA in advance. Assistance with benefit-cost analysis (BCA) can also be provided during the application phase by the State to help evaluate whether or not a project meets the FEMA BCA criteria. Sub-applicants can choose to develop and submit their own project BCA results at their expense. Technical assistance can be requested during project development or in the project application (early in the HMGP process) or in quarterly progress reports once a project is approved and funded.

- J) Communities that have FEMA-approved, *current* 44 CFR Section §201.6 natural hazards mitigation plans will have ‘top’ priority status and projects identified in these communities can generally be selected and approved quickly if they meet the benefit-cost requirements and have minimal environmental issues. For flood losses, homeowners that sustain substantially damaged homes (whether NFIP-insured or not) present high priority mitigation opportunities as well in any presidentially-disaster or in any wet winter in Oregon. For this disaster, DR-4169, HMGP funding is specifically targeted to 201.6 plan-eligible counties (and cities therein to include Special Districts and consumer-owned utilities) where their HMGP allocation (pending the identification and submission of eligible projects) is initially determined based on 15% (state standard mitigation plan) of the PA costs incurred in their respective county. Based on past experience and success with overhead to underground power line conversions, electric utility providers are encouraged to consider these types of mitigation projects for DR-4169.
- Local natural hazards mitigation plans are required by FEMA for all mitigation projects submitted for FEMA’s consideration. There will generally be no exceptions in regard to this requirement unless the FEMA Regional Administrator gives special consideration to the community in question. Having a previously FEMA-approved mitigation that has expired is no different than not having a FEMA-approved mitigation plan whatsoever.

## 2. Criteria for Evaluating Hazard Mitigation Projects

- A) The following criteria will serve as a way of evaluating individual mitigation projects proposed for funding under Section 404 of the Stafford Act. To be eligible for funding, a project should meet all of these criteria. The criteria are generally listed from the most important, at the top of the list, to those of lesser importance (also found as Attachment #2).
- B) Eligible projects should (shown exactly as described in CFR 44, Subpart N, section 206.434(b), (1) through (5)):
- 1) be in conformance with the *State Natural Hazards Mitigation Plan* (dated March 5, 2012) and local hazards mitigation plan developed as a requirement of Section 322, 44 CFR Part 201.6;
  - 2) have a beneficial impact upon the designated disaster area, whether or not located in the disaster area;
  - 3) be in conformance with 44 CFR part 9, Floodplain Management and Protection of Wetlands (E.O. 11988), and 44 CFR part 10, Environmental Considerations (E.O. 11990);
  - 4) solve a problem independently or constitute a functional portion of a solution where there is assurance that the project as a whole will be

completed. Projects that merely identify or analyze hazards or problems are not eligible; and

- 5) be cost effective and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster. The Grantee must demonstrate this by documenting that the project:
  - a) addresses a problem that has been repetitive, or a problem that poses a significant risk to public health and safety if left unsolved;
  - b) will not cost more than the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future disasters were to occur. Both costs and benefits will be computed on a net present value basis;
  - c) has been determined to be the most practical, effective, and environmentally sound alternative after consideration of a range of options;
  - d) contributes, to the extent practical, to a long-term solution to the problem it is intended to address; and
  - e) considers long-term changes to the areas and entities it protects, and has manageable future maintenance and modification requirements.

C) Additionally, eligible projects shall conform with the following State criteria:

- 1) be based on a hazard vulnerability analysis of the geographic area in question;
- 2) not encourage development in hazardous areas without appropriate safeguards;
- 3) meet applicable permit requirements;
- 4) whenever possible, be designed to accomplish multiple objectives including damage reduction, environmental preservation and/or enhancement, and economic development or recovery; and
- 5) whenever possible, utilize existing agencies, resources, or programs to implement the project.

### 3. Demonstration, Expedited, Phased, 5% and 7% Hazard Mitigation Projects

- A) The State, at its discretion, can select demonstration and/or priority (expedited) HMGP projects outside of the competitive selection process where FEMA can provide HMGP funds to the State early in the disaster. Expedited projects are intended to build on mitigation successes where similar projects have already proven their worth. Local community natural hazards mitigation plans provide the opportunity to document mitigation success stories and potential projects under this category. For DR-4169, expedited project opportunities will be identified during PA meetings with sub-applicants and emphasize companion projects with 406 mitigation or, simply, standalone 404 mitigation for public and/or private facilities. This requires:
- 1) approval by the Governor's Authorized Representative (GAR);
  - 2) the GAR has the authority to set aside any portion of the HMGP funds for demonstration and/or priority projects, and, optionally;
  - 3) the GAR has the authority to distribute HMGP funds on a county-by-county allocation based on a pro-rated basis of FEMA disaster assistance provided to counties and cities therein.
- B) The State, at its discretion, can establish a process to cap grant amounts per project that has the effect of distributing limited resources to more projects in the declared disaster area(s). The State can provide subsequent, additional funding phases to approved projects as funding becomes available. For DR-4169, the total (single) project cost is initially limited to \$150,000 (75% amount) and will be reevaluated based on the response to the grant offering and the types of projects identified for consideration. (Phased Projects: See Page 16 of this Plan and as described in detail by FEMA policy).
- C) The State can also set-aside up to 5% of the total HMGP funds for hazard mitigation measures that are difficult to evaluate against traditional program criteria for cost-effectiveness. When selecting 5% projects, the State will emphasize those that either encourage or build upon local hazard mitigation plans, warning systems, or other effective mitigation measures that would not otherwise be approved under the traditional program guidelines. Standalone requests for electrical generators will not be considered under the state 5% project initiative.
- D) The State can also set-aside up to 7% of the total HMGP funds for local natural hazards mitigation planning. For DR-4169, the State intends to offer the full 7% planning set-aside to facilitate local plan development and updates if there is an interest in doing so.

## **D. APPLICATION GUIDELINES**

### **1. Notification of Potential Sub-Applicants**

- A) Information on the Hazard Mitigation Grant Program (including the application process, program eligibility, and key deadlines) will be disseminated to potential sub-applicants and other sources of support through a variety of ways, including the Internet and e-mail distribution. The State will ensure this 'outreach' is accomplished by maintaining a potential list of eligible sub-applicants and in close coordination with PDA activities, sub-applicant associations, local emergency managers, and others.
- B) Information on the HMGP program will be given during Public Assistance sub-applicant briefings and 'kick-off' meetings held following the disaster.
- C) Letters and information will be sent to potentially affected parties not able to attend the Public Assistance briefings.
- D) County emergency program managers will assist the State in identifying potential sub-applicants in their community and endeavor to establish project priorities based on community mitigation action plans.
- E) Press releases may be developed and distributed to media throughout the disaster area.
- F) Applications and information, including phone and e-mail contacts, will be displayed on the OEM home page: <http://www.oregon.gov/OMD/OEM/> .
- G) The State may conduct special Hazard Mitigation Grant Program sub-applicant briefing sessions if not already provided during PA sub-applicant briefings.
- H) Information on the Hazard Mitigation Grant Program can also be provided during 'pre-disaster' offerings of the Disaster Recovery and Mitigation Course, Public Officials Conferences and during the annual meeting of the Oregon Emergency Management Association.

### **2. State Letter of Intent**

- A) The request for Hazard Mitigation Grant Program participation is included in the State's Disaster Request to the President and is applicable statewide.

### **3. Review and Revision of Oregon's *State Natural Hazards Mitigation Plan***

- A) The *State Natural Hazards Mitigation Plan* sets broad State goals and provides the supporting framework for the development of disaster specific chapters and linkage with local hazard mitigation plans.
- B) In order for the State to be eligible for the 15 percent HMGP funding (which is the case for DR-4169), FEMA must have approved the *Standard State Natural Hazards Mitigation Plan* (Section 201.5) within three years prior to the disaster declaration. Although not required by regulation, the State may review and revise the *State Natural Hazards Mitigation Plan* based on lessons learned from a disaster to reflect changing priorities. On March 5, 2012 FEMA approved the current version of Oregon's *State Natural Hazards Mitigation Plan* (Section 201.4).
- C) Local community natural hazards mitigation plans provide essential input to the State's Natural Hazards Mitigation Plan. A local government (that includes participation by Special Districts in the community) must have a mitigation plan approved pursuant to Section 201.6 in order to receive HMGP project grant funding.

### **4. Submission of Sub-applications to the State**

- A) Eligible sub-applicants should plan to develop HMGP project applications (*Basic Project Identification/Concept and Description*) as soon as possible, and begin submitting them to OEM within 90 days of the date FEMA approves the State's HMGP Administrative Plan (this Plan).
  - 1) The state's HMGP application process will be tailored to the specific disaster, offering flexibility to identify projects, and expedite the selection and review process.
  - 2) In some cases, a combined application process that brings together a sub-applicant's intent to participate (Notice of Interest) and condensed pre-application (essential projects elements and estimated cost) will be considered to quickly identify projects for consideration. An "expedited" application process will be considered during smaller disasters (such as DR-4169) where there is a limited amount of HMGP funding. In these cases, the application will most likely be initially due within 60 days of the date of the disaster declaration. The Sandy Recovery and Improvement Act (SRIA) of 2013 directs FEMA to streamline HMGP activities and implement the program in a timelier manner. This administrative plan aims to more quickly identify, select, approve, and implement HMGP-funded projects for DR-4169.
  - 3) Minimum criteria for complete applications: Incomplete project applications and placeholder applications delay FEMA project approval because they do not contain sufficient information that FEMA can use to make program eligibility determinations. To address this issue, FEMA

has developed Eligibility and Completeness (E&C) checklists for a number of project categories which identifies the minimum information required for FEMA to initiate a project application review. FEMA will no longer accept incomplete and placeholder project applications.

- 4) FEMA Timeframes for review actions and decisions: FEMA has established a standard of 60 days to review project applications. Once a project is submitted, FEMA will complete the eligibility review within 60 days, or will request additional information to make a determination. The Regional Administrator may extend this 60 day review timeframe for certain projects in extraordinary circumstances.
  - 5) Phasing projects: Applicants may delay submitting project applications for complex projects because they require additional technical and financial resources to provide the complete information required for FEMA to make full eligibility determination. To assist the applicant in these circumstances, FEMA may approve and fund certain projects in phases. For example, it may be necessary to further evaluate project feasibility (before an actual project is approved and funded) with an engineering analysis where such costs could be initially phased.
  - 6) Industry cost guides for estimates: Project application approval may be delayed because of the time FEMA takes to review cost estimates that the applicant provides. To streamline this part of the process, FEMA will accept cost estimates that the Grantee certifies were established using nationally published or local cost estimating guides to support budget and benefit cost analyses. If a cost estimate is based on a contractor's bid or historic costs from another activity, detailed documentation must be provided. The applicant must document actual costs for eligible activities at closeout.
  - 7) Industry design and construction standards: For certain types of mitigation projects, FEMA performs a detailed review of the engineering design for compliance with relevant codes and standards. This may result in delays in approving projects. To address this issue, FEMA will accept, without detail technical review for feasibility determination, the engineering design for a project if a registered professional engineer certifies that the design meets the appropriate code, or industry design and construction standards.
- B) The State is required by 44 CFR 206.436(e) to forward all selected project applications to the FEMA Regional Administrator within one-year after the date of the DR-4169 disaster declaration. DR-4169 was FEMA-declared on April 4, 2014.
- C) The State's HMGP pre-application can be found in Appendix 1 to this Administrative Plan. The application form has been structured so as to encourage and expedite the process for eligible entities making application to the Hazard Mitigation Grant Program. Once a project is selected by the State, the sub-applicant will be required to develop a thorough application package including, at least; budget, engineering, project scope of work, and schedule of

activities, benefit-cost information, and submission of environmental information. The thorough application package is based upon the data collection requirements of the National Emergency Management Information System (NEMIS) and will be tailored at the time of the disaster to meet the NEMIS requirements.

- D) For DR-4169 OEM can look favorably to past project sub-applications submitted to FEMA's Pre-Disaster Mitigation (PDM) and Flood Mitigation Assistance (FMA) grant programs that were selected for funding consideration but insufficient resources prevented their final approval.

## 5. Environmental Review

- A) Sub-applicants with projects which have potential environmental considerations must indicate this on the application and submit to OEM an assurance and documentation that appropriate environmental reviews will be supported. FEMA, as the grantor of the Federal funding, has responsibility to conduct the environmental process with support from the State and the sub-applicant. For DR-4169 greater emphasis will be placed on the sub-applicant to provide as much Environmental – Historic Preservation (EHP) information with their grant application. For example, this could include consultation with the (Oregon) State Historic Preservation Office (SHPO) for historic and/or archeological resource matters.
- B) FEMA will assist with the required Federal environmental reviews, but projects may first be required to meet a State assessment of environmental impacts. Because of these environmental considerations, NO project shall commence prior to this review and appropriate approval(s). Minimal environmental and historic compliance (EHP) information required for each and every project is included as an attachment to the HMGP project application. The sub-applicant is encouraged to work with the State Hazard Mitigation Officer and the FEMA Regional Environmental Officer to obtain and provide a reasonable level of environmental detail that is dependent on the type and location of the proposed mitigation project. The FEMA/EHP Environmental Checklist is shown in Attachment #2 and *must be completed* to flag any potential environmental considerations.
- C) Special attention must be directed toward floodplain and wetland management reviews (E.O.s 11988 and 11990), as shown on the FEMA/EHP Environmental Checklist. The State will work with the sub-applicant to ensure the pertinent floodplain information is collected and submitted to FEMA. This can include project location on FEMA flood maps, discussions from Flood Insurance Studies, Endangered Species information; anecdotal (local) reports on past flood events, public notification of proposed project activities, etc.

## 6. Review, Ranking, and Selection of Projects

- A) Upon nearing the deadline for receipt of Section 404 grant applications from sub-applicants, the State Hazard Mitigation Officer (SHMO) may arrange for a meeting of the Hazard Mitigation Grant Review Board. This meeting will occur approximately two weeks after the application deadline and will be coordinated beforehand through the State Interagency Hazard Mitigation Team. It is likely for DR-4169; the SHMO will work directly with state agencies and review board members to discuss potential projects. For DR-4169, electric utility overhead to underground power line conversions with detailed scopes-of- work, accurate budget estimates credible benefit-cost ratios, and minimal environmental concerns should move quickly through the approval review process.
- B) The State Hazard Mitigation Officer will provide the Hazard Mitigation Grant Review Board an opportunity to review the applications prior to meeting.
- C) At the Board meeting, the State Hazard Mitigation Officer will present eligible projects, which have been submitted for consideration.
- D) Since the State Hazard Mitigation Officer will have an understanding of the background, circumstances, and intent of the proposed projects, he or she will serve as non-voting technical advisor to the Board in evaluating the proposed projects.
- E) At its meeting, the Board will review the applications, rank, and select projects. The Board will first determine which projects meet the evaluation criteria (see *C.2. Criteria for Evaluating Hazard Mitigation Projects* on page 9). Projects which meet these criteria, and those which could meet them with a little more work, make the first cut. Projects that do not will be set aside and may or may not receive further consideration.
- F) Establishing project ranking will, in large part, be based on priorities identified through the Mitigation Implementation Strategy Report, State and local hazard mitigation plans, and policy/direction from the State Interagency Hazard Mitigation Team. These priorities (and related selection criteria) will be promulgated with the project applications.
- G) If there are more projects than dollars, the Board will select the most highly ranked projects up to 90% of the limit of the Federal HMGP lock-in (10% will be set aside for project contingencies).
- H) When selecting between two or more equally worthy projects, the Hazard Mitigation Grant Review Board may also consider the level of interest and commitment shown by the sub-applicant to hazard mitigation activities and programs. Past success in mitigation, however, does carry considerable weight when evaluating equal projects.
- I) Following project selection, each sub-applicant will be notified by the State Hazard Mitigation Officer of the Board's decision.

## 7. Submission of Selected Projects to the Federal Emergency Management Agency

- A) Within 90 days from the date of FEMA acceptance of the updated State HMGP Administrative Plan, State selected projects will begin to be submitted to FEMA for Federal review, and if approved, for Federal funding.
- B) The Governor's Authorized Representative (GAR) will submit sub-application to the FEMA, Region Ten Director which includes:
- 1) A summary list of projects identified for further development to include, incrementally, sub-applications that are fully developed;
  - 2) copies of all sub-applications and supporting documentation;
  - 3) sub-application review check-list;
  - 4) a completed SF-424-C cost category budget for construction projects (SF-424-B for non-construction projects); and
  - 5) environmental information (*Environmental Checklist*) consistent with 44 CFR parts 9 and 10, if applicable.
  - 6) Until notified otherwise by FEMA, the state's HMGP sub-applications are officially submitted to FEMA via NEMIS.
- C) The State Hazard Mitigation Officer will prepare the application package for submission to FEMA. The timeline for the submission of HMGP application to FEMA is within one year of the date of the disaster declaration; for DR-4169 the state application deadline to FEMA is April 2014.
- D) FEMA Sub-application Review Timelines (Post-SRIA)

<b>Request Format</b>	<b>FEMA-prescribed timeframes for review actions and decisions</b>
Informal: First Request	FEMA Region 10 requests additional information. If the requested information is not received within 30 calendar days from the date of the request, FEMA will consider the sub-application to be incomplete and not approvable. The State and FEMA may provide technical assistance if requested. The applicant may consider phasing the project if it is feasible to do so.
Informal: Second Request	The FEMA Hazard Mitigation Branch Chief requests additional information. If the requested information is not received within 14 calendar days from the date of the request, FEMA will consider the sub-application to be incomplete and not approvable. The State and FEMA may provide technical assistance if requested.. FEMA, Grantee, and sub-applicant staff should meet to resolve any open items within the allotted Request timeframe, if necessary.

Formal: Request	The FEMA Regional Administrator requests additional information and will document previous requests. If the requested information is not received within 30 calendar days from the date of the request FEMA will consider the sub-application to be incomplete and not approvable.
Formal: Denial	If the Regional Administrator does not receive the requested information within 30 days, he or she will determine the requested project application be ineligible for funding under HMGP. The second formal letter is a denial.

E) Upon notification of FEMA’s decision on the State selected projects, the State Hazard Mitigation Officer will notify sub-applicants that the project has been:

- 1) Approved, and supply a contract package; or
- 2) returned to the sub-applicant because of inadequate information or justification, or
- 3) not approved and give reasons for disapproval.

## **8. Sub-Applicant Appeal Process**

A) Appeal of State Decision

Sub-applicants whose projects are not selected by the Hazard Mitigation Grant Review Board will be notified by the State Hazard Mitigation Officer and advised of the following appeal process:

- 1) Appeals must be submitted to the Governor’s Authorized Representative (GAR) within 30 days of receipt of notice of non-selection; and
- 2) The appeal must be submitted in writing, and must contain sufficient additional information. For example, the sub-applicant must be prepared to defend their benefit-cost analysis score if their project is denied for that reason.

B) Appeal of Federal Decision

See 7. D), FEMA Sub-application Review Timelines

## **E. PROGRAM ADMINISTRATION**

### **1. General Administration**

- A) The Fiscal Coordinator, under the direction of the Governor’s Authorized Representative (GAR), is responsible for the financial administration of the Hazard Mitigation Grant Program.

- 1) Management of project files, which contain correspondence, applications, vouchers, reports, receipts, and related documentation.
  - 2) Development of a State/Subgrantee contract for the work to be done and associated costs.
- B) Reports and communications submitted by the Sub-applicant's Agent to the State Hazard Mitigation Officer
- 1) Progress Reports. Subgrantee's quarterly progress reports to the State (and, subsequently, the State's reports to FEMA) indicating the status and completion date for each measure funded. The Subgrantee must submit quarterly reports to the State by the 15th of the month following the end of the calendar year quarter. If the Subgrantee does not submit a report by the aforementioned due dates, they risk the possibility of losing project funding.
  - 2) Any problems or circumstances affecting completion dates, scope of work, technical assistance, or project costs are expected to result in noncompliance with the approved grant condition are described in the quarterly progress report.
  - 3) The State will work closely with the Subgrantee should issues involving schedule, scope of work and budget be identified in the quarterly progress report. In turn, the State will advise FEMA of any performance or budget issues of concern and address those concerns through project schedule readjustments and/or budgetary considerations. In general, schedule and/or budget adjustments are only considered under extenuating circumstances.
  - 4) Changes to the project scope of work, once funding is approved and obligated, require coordination through the Grantee to FEMA for FEMA's review, consideration and approval. Any changes to the project scope must meet approved EHP considerations and ensure the approved benefit-cost ratio, if so calculated, is not diminished. The Subgrantee should not assume that they can automatically exceed the scope of work deliverables if there is a project cost under-run.
  - 5) Final Report. Subgrantee's final report to the State certifying approved work was completed.
- C) Progress reports (prepared and submitted by the State Hazard Mitigation Officer), financial reports (prepared and submitted by the Grants Program Accountant, and a final report from the Grantee (the State Hazard Mitigation Officer) to FEMA on program accomplishments. These reports are submitted to FEMA 30 days after the end of the traditional calendar year quarters of the Federal Fiscal Year; October 30, January 30, April 30, and July 30.
- 1) Progress Reports. The State Hazard Mitigation Officer will submit the consolidated Subgrantee quarterly reports to FEMA integral with the Federal Financial Reports.
  - 2) Federal Financial Reports (FFR). The State will submit the FFR, SF-425, to the FEMA Regional Office with financial information

gathered from the State's Financial Management System, OEM's Smartlink Account and FEMA's NEMIS system. The non-federal share is substantiated in the subgrantee's reimbursement for request form which clearly shows the state only reimburses nominal 75% Federal share of the billed, eligible costs based on documentation provided by the Subgrantee. The State will file the final FFR no later than 90 days after the end of the performance period.

- 3) State Management Cost Reporting. *Quarterly progress reports* are submitted in accordance with 44 CFR 207.8(c). *Annual Expense Reports* and supporting documentation of costs to validate the standards for financial management systems with 44 CFR Part 13. are submitted on an annual basis.
- 4) Federal Cash Transaction Reports. The State will file the appropriate Federal Cash Transaction Report (PSC 272) 30 days after the end of each quarter prepared by the Grants Program Accountant.

## 2. Funding and Financial Management

### A) Funding

- 1) FEMA Section 404 funds are available following a Presidential Major Disaster Declaration for eligible mitigation projects in the declared counties (as initially established by the state's preference). The Federal share of any selected project cannot exceed seventy-five percent of the total project cost.
- 2) For the state natural hazards mitigation plan (applicable to DR-4169): the maximum FEMA funds (mitigation ceiling) available through Section 404 shall not exceed 15% of the total estimated Federal assistance provided under 42 U.S.C. 5170b, 5172, 5173, 5174, 5177 and 5183 of the Stafford Act for the major disaster declaration. The 15% calculation is based on the state having a FEMA-approved *Standard State Natural Hazards Mitigation Plan* current within three years of the date of the disaster declaration. Thus, the total of Section 404 grants for projects may not exceed the mitigation ceiling, but the management cost calculation (see 2.D.) does not count against the ceiling. For large, catastrophic disasters 44 CFR §206.432(1) caps the total amount of HMGP.
- 3) The 12-month lock-in provides the maximum amount available for HMGP except in extraordinary cases for catastrophic disasters where an 18-month lock-in will be considered. FEMA will review all submitted projects and obligate funds based on the Grantee's prioritization, up to the 75% limit. Prior to 12 months, total obligations are limited to not more than 75% of any current estimate.
- 4) The non-federal share may be State or local government funds (to include the sub-applicant/subgrantee), private non-profit funds, other funds (such as homeowner or business owner), eligible in-kind services (aka soft match) and/or materials, or a combination of these. The non-federal share is substantiated in the subgrantee's *reimbursement request form* which

clearly shows the state only reimburses 75% (or other approved Federal share at the time of FEMA sub-grant approval and funding obligation) of the billed, eligible costs based on documentation provided by the Subgrantee. Therefore, the HMGP non-federal share is accurately tracked by the state for each Major Disaster: 1) Initially in the application for HMGP funding, 2) During the reimbursement process and, finally, 3) When grant funding is reconciled at project close-out. This information is used for OEM's Quarterly Financial Reports that are completed for all federal grants. In general, the only time the State provides the non-federal share is in those circumstances where the project is submitted by a State agency for the benefit of State government.

- 5) Under most circumstances Federal funds from other programs cannot be used as a match for Federal funds provided under Section 404 of the Stafford Act. However, Community Block Development Grants (CBDG) and some Bureau of Indian Affairs funds as well as rate-payer revenue from the Bonneville Power Administration can be used to match Federal dollars. Companion HMGP projects with 406 (Public Assistance Program) mitigation projects still require a 25% non-Federal share match; the 406 program does not provide for the non-Federal share match to Section 404. SBA loans and other Federal agency loans (such as USDA-RD) are also eligible for the non-Federal match share as loans are a future payment liability to the sub-applicant.
- 6) Hazard Mitigation Grants cannot be used as a substitute or replacement to fund projects or programs that are available under Other Federal Agency authorities, except under limited circumstances in which there is an *extraordinary* threat to life, public health or safety, or improved property.
- 7) Recoupment. Any project work accomplished outside of the original scope of work as approved by FEMA could be deemed ineligible for reimbursement or if determined to be ineligible for reimbursement after being reimbursed for said costs is liable for recoupment. Recoupment is administered by the Grantee and imposed on the Subgrantee. All recouped funds are returned to FEMA by the Grantee.

#### B) Financial Management Overview

- 1) Oregon Emergency Management will serve as the Section 404 Grantee in accordance with 44 CFR, Part 13. Subgrantee(s) are accountable to the Grantee, and will account for expenses and the progress of work performed on the project, as outlined herein.
- 2) Management cost rates, aggregated for both the Grantee and Subgrantee, are NOT included in the HMGP project funding ceiling that is calculated at 15% (per eligibility of the *Standard State Natural Hazards Mitigation Plan*) of other Stafford Act assistance. For HMGP, FEMA has established a State Management Cost (SMC) rate cap of 4.89% that also includes the former Grantee and Subgrantee administrative allowances into an aggregated total amount. The actual dollar amount of the HMGP Management Cost is

based upon the calculation of (up to) 4.89% of the state's HMGP project ceiling. The State shall endeavor to determine and apply for management costs as soon as possible after the disaster declaration, preferably within 90 days but in no case after 120 days. The state can request an initial (estimated) management cost allocation equal to no more than 25% of the total estimated amount early in the disaster upon approval of this Administrative Plan. See 44 CFR §207.7(d)(1), (2), and (3) for the type of documentation needed to support costs and activities for which the projected lock-in for management cost funding will be used.

- a. SMC Close-out. At the time of disaster close-out, the remaining SMC costs not verified will be reconciled based on documentation of eligible charges and payments. Any unspent SMC funds will be noted as such and deobligated.
  - b. SMC Audit. The same audit procedures apply to SMC funding consistent with Section L - Federal Audit and Sub-recipient Monitoring of this plan.
- 3) HMGP projects costs are reimbursed based on the submission and review of eligible project expenses based on the FEMA-approved scope of work and project budget. Cost reimbursement sub-grants will comply with the requirements of 44 CFR 13.42 and Part 206. When OEM receives the Reimbursement Request Form, OEM will reimburse nominal 75% Federal Share of total eligible expenses and will retain the documentation on the nominal 25% non-federal share. *Before* OEM makes the reimbursement payment to the Subgrantee, the federal funds are drawn down using the State's Smartlink Account. The State does not advance federal funding to a Subgrantee with the *only* exception being property acquisitions per 44 CFR Part 80. OEM shall reconcile HMGP project funds with the State's Financial Management System, as well as OEM's Smartlink Account and FEMA's NEMIS system.
  - 4) SRIA allows FEMA to provide up to 25 percent of the estimated costs for eligible hazard mitigation measures to a State Grantee before eligible costs are incurred. The amount of assistance is limited to 25 percent of the HMGP ceiling or \$10 million, whichever is less. For DR-4169, it is not the State's intent to implement this Advance Assistance provision.
  - 5) When convened, the Hazard Mitigation Grant Review Board will initially obligate no more than 90% percent of Federal Section 404 funds available in order to provide for cost contingencies in specific projects. If successful appeals are a possibility, a lower initial obligation percentage may be used.
  - 6) Prior to project kick-off, a State/Subgrantee contract will be developed and executed which establishes a legal relationship to the FEMA-obligated project expenses and project work schedule. The contract shall list assurances whereby the Subgrantee agrees to abide by all applicable federal and state rules, regulations and conditions that relate to the Hazard Mitigation Grant Program and the responsibilities of a Subgrantee.

- 7) The contract also outlines how real property acquisitions are accounted for, including accounting for equipment purchased with grant funds. In general, equipment acquired with project grant funding will be used during the course of project activities whether or not the project continues to be supported by Federal funds. Specific requirements related to project-related equipment acquisitions (described in 44 CFR Subpart C, Financial Administration, 13.32) will be the responsibility of the Subgrantee to follow per prescribed documentation and accounting requirements. Disposition of project-acquired equipment will be made as follows:
  - Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
  - Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
  - In cases where a Grantee or Subgrantee fails to take appropriate disposition actions, the awarding agency may direct the Grantee or Subgrantee to take excess and disposition actions.
  - The State also tracks equipment or property purchased in excess of \$5,000 through the State's Fixed Asset Inventory System.
  - Where properties are acquired and returned to open space in perpetuity will require three-year monitoring and reporting as required.
- 8) HMGP funds are disaster-specific and tracked at the Federal level in NEMIS (using NEMIS project ID) and at the state level in the State Financial Management System by a unique project number specific to the HMGP for a disaster.

#### C) Partial Payments

After the Hazard Mitigation Project is approved and contract agreements signed between the Grantee and the Subgrantee, the Subgrantee may request a partial payment as soon as eligible expenses have been incurred.

- 1) A payment request is initiated by means of a letter to Oregon Emergency Management and a *Payment Request for Reimbursement (form)*. The form should indicate the requested amount, referenced by project number. Each partial payment is limited to expenditures already incurred and paid by the Subgrantee but not yet reimbursed. The HMGP Grants Program Accountant, in consultation with the SHMO, evaluates requests for partial payments. The GAR or alternate must approve the amounts for payment.
- 2) Subgrantees that have identified properties for acquisition must submit appropriate documentation before receiving final payment. With proper escrow closing documentation, project funds can be *advanced* on behalf of

the Subgrantee *prior* to closing but only when held in a non-interest bearing escrow account for the benefit of the property acquisition. This includes, minimally: a certified property appraisal, title search and title insurance, buyer/seller closing documents prepared for escrow, warranty deed, duplication of benefits validation, and affidavit to certify voluntary acceptance and agreement to the sales transaction. Demolition funds can be advanced as well but only when held in a non-interest bearing escrow holdback account that includes both the Federal and non-Federal shares. Any ICC funds paid for demolition (after escrow closing) will be reconciled to assure there is no duplication of payments.

D) Management Cost Funding (State Management Cost – SMC)

SMC funding is intended to reimburse eligible Grantee management expenses (for expenditures associated with managing the state's implementation of HMGP activities) as well as administrative expenses incurred by the Grantee and Subgrantee. For disasters declared after November 13, 2007, management costs include management *and* administrative activities (as described under the previous cost structure for administrative-related expenditures).

Management cost funding is provided by FEMA on a 4.89% basis with *no* non-federal match required. State management costs are based on the personnel needs of the State and generally represent regular time and necessary overtime salaries of State mitigation staffs. Management costs *do not* count against the mitigation project funding ceiling. Outside of grant management activities, administrative cost reimbursement is essential to offset eligible expenditures for travel, per diem and staff time associated with HMGP technical assistance activities, financial/performance reviews, and project inspections.

For this disaster, management costs (for both the Grantee and, potentially, Subgrantee) are based on the following eligible cost categories:

- 1) For the Grantee: Necessary, grant-related travel and per diem based on the federal travel regulations as adopted by Oregon DAS or the local government entity,
- 2) For the Grantee and Subgrantee: consulting contractor costs should the state choose to retain a contractor to assist with HMGP management and technical assistance activities (such as consulting services for benefit-cost analysis support), and
- 3) For the Grantee and Subgrantee: Employee straight-time to include approved fringe benefit costs.

Detailed cost sheets will be maintained by the Grantee and Subgrantee to substantiate these costs but in no case will these costs exceed the FEMA management cost cap. If so, the costs that exceed the cap are not eligible for reimbursement.

In those instances where the Grantee chooses to provide grant management technical assistance directly to the Subgrantee, those costs will be rolled into this management cost structure but will not be subtracted from the Subgrantee sliding allowance as described in the next section (E).

#### E) Subgrantee Management Cost Calculation

- 1) Subgrantee costs for grant administration are now part of the overall management cost component of HMGP.

To simplify the calculation of the Subgrantee management cost allowance (for their administrative expenses) and provide consistency and equitability among all Subgrantees, the Subgrantee management/administrative allowance may be reimbursed up to the following amounts:

- \$1,000 Subgrantee management cost allowance for projects up to \$50,000 of the 100% total project cost, and
- For the 100% amount above \$50,000 but no more than \$500,000 at 2.00% for Subgrantee management cost allowance.

Subgrantee and Grantee administrative costs must be supported by back-up documentation to receive reimbursement. It is possible that the allowance as calculated above could be reimbursed at a lesser rate with insufficient back-up documentation or simply be capped so as not to exceed the total state management cost allocation as determined by FEMA (whichever is less). Please note: It is also possible that there will be no Subgrantee management cost allocation whatsoever at the state's discretion.

#### F) State Management Costs

Grantee management costs are now part of the overall management cost structure and described in the preceding section.

#### G) Davis-Bacon Act

- 1) The Davis-Bacon Act is a law that requires Federal construction contractors to pay their workers the "prevailing wage" based on the local union wage scale defined by the Department of Labor.
- 2) The provisions of the Davis-Bacon Act do not apply to state or local contracts using Federal assistance funds under the Stafford Act to include the Hazard Mitigation Grant Program. However, the Davis-Bacon provisions may apply to Subgrantees that comingle other Federal funds.
- 3) Subgrantees are required to comply with all Oregon Bureau of Labor and Industries (BOLI) provisions (aka Oregon's "*Little Davis-Bacon*").
- 4) Davis-Bacon and BOLI prevailing wage rates do not apply to property demolitions (or deconstruction) as a result of an acquisition project unless said demolition (or deconstruction) is a precursor to site redevelopment.
- 5) Matters related to BOLI prevailing wage rate rules shall be submitted directly to Oregon BOLI as a "coverage determination request."

- H) Procurement Standards (Grantee and Subgrantee)
- 1) Grantees and Subgrantees must follow their own, established procurement procedures that reflect regulations and standards that conform to applicable local, State and Federal laws.
  - 2) All procurements initiated by the Grantee and Subgrantee will be required to conform to Federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404 (Excluded Parties List).
  - 3) All consultants, contractors, sub-contractors and suppliers shall be vetted against the Federal Excluded Parties Listing (see: <https://www.sam.gov>).
- I) The Buy American Act (BAA, 41 USC 10a et seq.) does not apply to HMGP sub-grants. FEMA does not mandate BAA obligations. The BAA primarily applies only to contracts dealing with the public buildings or works used or owned by the Federal Government, not Grantees or Subgrantees.
- J) Cost Overruns
- 1) *Cost overruns are the responsibility of the Subgrantee and will be borne fully by the Subgrantee.* The Subgrantee may request approval of additional project costs, providing justification for evaluation by the Grants Program Accountant and State Hazard Mitigation Officer. However, there is no implied commitment by FEMA or the State to provide funding over and above the obligated and contracted amount for the project.
  - 2) The State Hazard Mitigation Officer will review the requests on a case-by-case basis and make a recommendation to the Governor's Authorized Representative.
  - 3) If justified, and if additional funds are available, the Governor's Authorized Representative will recommend approval to the FEMA Regional Administrator for the additional amount, if available, from within the existing HMGP lock-in.
  - 4) If a project is canceled or the final cost is significantly less than the original estimate, then all remaining dollars will be returned (de-obligated) to the Hazard Mitigation Grant Program fund for the designated disaster. The funds are then subject to the original review board's selection process and priorities, with emphasis for those projects that were previously selected but not fully funded (such as those projects that received 'phased' funding). If there are no other approved and unfunded Hazard Grant Mitigation Grant Program projects, the Review Board will be reconvened at the discretion of the GAR. However, projects can only be submitted during the twelve month period after the date of the disaster declaration, unless an extension has been requested and approved by the FEMA Regional Administrator.
- K) Program Income
- 1) Program income includes income from such sources as: use or rental of real or personal property acquired with grant funds; sale of commodities or

items fabricated under a grant agreement such as salvage value; and payments of principal and interest on loans made with grant funds.

- 2) FEMA encourages states and Subgrantees to generate program income to help defray program costs. Subgrantees deduct this income from total project costs as specified in the grants management common rule (44 CFR Part 13). Authorization for States to follow other alternatives is granted by the FEMA Regional Administrator sparingly. However, once the grant period is ended, any income generated from the land itself (such as the open space, floodplain property acquisition) belongs to the Subgrantee.

L) Final Payment and Project Closure (Close-out)

- 1) The Subgrantee will submit a final report to the HMGP Grants Program Accountant after the project work has been completed.
- 2) The State requires a final inspection before final payment is made.
  - a) For some HMGP projects, a *joint FEMA/State* on-site inspection and documentation review of project records may occur.
  - b) Any HMGP-funded project could be re-inspected after the project is closed to insure continuing compliance with Federal, State and local regulations. This is generally the case for those projects that involve the elevation or acquisition of properties in the mapped floodplain.
- 3) A close-out letter will be sent to the Subgrantee by the Fiscal Coordinator only after FEMA has closed-out the disaster's HMGP by letter to the Grantee.. Project files will be updated to reflect that project closeout has been accomplished.
  - a) For all HMGP projects, the State will close such projects by notifying FEMA by letter. The letter with attachments will include the following:
    1. Language requesting closeout and confirming that:
      - a. All expenses have been paid. Identifying any cost underrun.
      - b. All expenses paid were eligible and allocable to the sub-grant award.
      - c. The Scope of Work was accomplished, or if not, why not. (Sometimes a project falls through, with few or no expenses paid. This project sub-grant must still be "closed-out".)
      - d. All conditions were met: programmatic, EHP, and financial.
    2. Final Financial Status Report  
Final Financial Narrative/Spreadsheet showing expenses vs. approved Cost Estimate. (this can be part of the letter above)  
Site Inspection report for projects, including before and after photos.  
Copy of FEMA approval letter for planning grants
    3. Other required programmatic and EHP documentation, e.g. copies of 404 permits, copies of recorded deeds.
  - b) Any excess grant funds remaining at close-out (based on the amount in total obligated for the project) will be identified by the state and presented to FEMA for deobligation. FEMA and the state will determine

whether or not any funding identified for deobligation could be applied (reobligated) to another previously approved and funded HMGP project should such project have unanticipated, yet eligible additional expenses.

- c) The Grantee will retain all records and supporting documentation for a period of six years following close-out of the FEMA/State Agreement which is consistent with state policy and exceeds FEMA requirements.

M) Federal Audit and Sub-recipient Monitoring

- 1) FEMA has the authority, and may elect to conduct a Federal audit on the hazard mitigation grant or any of the subgrants. OMB Circular No. A-133, which describes audits of states, local governments, and non-profit organizations, has been superseded by the OMB Super Circular. Specific audit policies are forthcoming from the Federal government. Section 200.501 Audit Requirements of the Super Circular raises the Single Audit threshold from \$500,000 in Federal awards per year to \$750,000 in Federal awards per year.
- 2) In Oregon, sub-recipient monitoring is coordinated by the Oregon Department of Administrative Services (DAS). At the end of every fiscal year the Oregon Military Department (OMD), on behalf of OEM, reports to DAS a schedule of expenditures of federal awards. DAS then combines OMD's report with all other state agencies and assigns the agency that sent the most money to a sub-recipient, over \$750,000, the responsibility of the sub-recipient monitoring for that entity. This entails requesting the financial reports from the sub-recipient and completing a ten-page check off list, provided by DAS, of things to look for in the financial reports. After the OMD has completed the checklists for all sub-recipients that it was tasked to oversee, letters are then sent out to DAS and all the agencies that sent money to the sub-recipient stating whether or not they complied with the A-133 audit requirements. If problems are found that need corrections, OMD will work with the sub-recipient to clear up any findings of fault.
- 3) For each sub-grant (Subgrantee), the Grantee has the authority and responsibility to ensure programmatic, EHP and financial compliance for the duration of the sub-grant performance period through close-out. Every sub-grant award will include the following minimal Grantee monitoring activities: 1) Project Kick-off Meeting, 2) At least one on-site programmatic and financial monitoring visit to validate award conditions compliance, and 3) project close-out inspection for all sub-grant award conditions. Depending on the complexity, scope and duration of a sub-grant activity, more than one on-site monitoring during project implementation may be considered and undertaken. Virtual monitoring (phone and other electronic communications) can happen at any time when requested by the Grantee.
- 4) Document Retention. All books, records, documents, and other material relevant to FEMA-funded projects shall be retained for six years by the

Grantee and Subgrantee after date of final payment or an extended period as established by FEMA in 44 CFR 13.42 and by Oregon requirements.

- 5) Specific procedures used to comply with audit requirements can be found in 44 CFR §13.26.

Appendix 1, Disaster-Specific Requirements and Considerations

**FEMA-4169-DR-OR, April 4, 2014**

From the *Preliminary Damage Assessment (PDA)*, damages by Public Assistance Program (PA) category (in \$ - dollars, 100% amounts):

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>TOTAL</b>
\$2,277,743	\$258,833	\$338,115	\$-0-	\$72,115	\$5,521,368	\$6,000	\$8,474,174

- A: Debris Clearance**
- B: Protective Measures**
- C: Road Systems**
- D: Water Control Facilities**
- E: Buildings — anticipated insurance proceeds deducted**
- F: Public Utilities**
- G: Parks, Recreational Facilities and Other**

**DR-4169 HMGP State Priorities**

- People’s Utility Districts, Rural Electronic Co-ops, Municipal Electric Utilities and Consumer-owned Electric Utilities will be considered priority applicants in the declared counties for DR-4169 project sub-applications that emphasize overhead to underground power line conversions.
- All permanent repair Public Assistance projects (Categories C through G) will be reviewed for Section 406 (Public Assistance) mitigation where feasible, cost-effective and eligible.
- Companion 406 and 404 mitigation projects will be identified and, where feasible and cost effective, be submitted for HMGP funding consideration.
- Stand-alone HMGP projects will be identified during JFO operations while FEMA and state Public Assistance personnel are in the field working on the delivery of the Public Assistance Program.
- Potential HMGP projects will emphasize (but not exclusively):
  - Mitigation of future damages to public facilities not already mitigated using Section 406 mitigation particularly where there has been a history of repetitive hazard losses
- Natural Hazards Mitigation planning per 44 CFR Section 201.6 (new plans and/or plan updates: up to 7% of the total HMGP allocation to the State)
- Some mitigation activities are difficult to evaluate using FEMA-approved benefit-cost analysis (BCA) methodologies. Up to 5 percent (5% Initiative) of the total HMGP funds may be set aside to consider such activities. For example, this could include the use, evaluation, demonstration, and/or application of new, unproven mitigation techniques, technologies, methods, procedures, or products. The amount of funding for the 5% Initiative is

extremely limited and highly competitive and explained further in this Basic Application.

- For DR-4169 OEM will look favorably to past project sub-applications submitted to FEMA's Pre-Disaster Mitigation (PDM) and Flood Mitigation Assistance (FMA) grant programs that were selected for funding consideration but insufficient resources prevented their final approval. OEM will work directly with those sub-applicants to determine their interest in moving those unfunded sub-applications to HMGP DR-4169 for consideration.

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