

Develop a Rebuilding Plan

Knowing your program and funding options is vital to a successful recovery

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The complete article can be found at: <https://tidalbasingroup.com/publications/disaster-recovery-today/develop-a-rebuilding-plan/>



Once an applicant, the state, and FEMA have determined which recovery costs are eligible, the next step is to prioritize projects to provide the most benefit to the applicant, and to determine what steps can be taken to minimize similar damages in a future event. In this document we will discuss your funding alternatives when it comes to developing a rebuilding plan. As an applicant, you have several options: you can replace the original facility, improve upon it, or direct the money toward another project.

As It Was — The basis for all FEMA reimbursement claims (regardless of whether insurance applies) is “as it was.” What was there immediately prior to the event provides the basis for evaluation.

As It Has To Be — Due to code compliance issues raised by requirements such as the ADA (Americans with Disabilities Act), floodplain management (Executive Order 11988), and the NFPA 101 Life Safety Code, among others, an applicant must also demonstrate “what has to be.” Under the FEMA public assistance program, additional funding is available to bring public facilities up to code.

As You Want It To Be — Once these two elements — “as it was” and “as it has to be” — have been established, an applicant must then decide what “will” or “should” be done. In most cases where changes are to take place, applicants will have their funding capped using the following logic: FEMA will pay to restore the facility to “as it was” condition, plus the amount necessary to make it “as it has to be,” and this total becomes the basis of eligible funding, or the “cap.”

When that number is determined to the applicant’s satisfaction, they can then decide to pursue the goal of “as we want it to be.” The two primary methods to achieve this include Alternate and Improved Projects.

Alternate Projects:

Occasionally an applicant may determine that the public welfare would not be best served by restoring a damaged facility or its function using FEMA funds. Under these circumstances, the applicant may apply to FEMA to use the eligible funds for an Alternate Project.

Alternate projects include:

- Repair or expansion of other public facilities
- Construction of new public facilities
- Demolition of the original structure
- Purchase of capital equipment
- Funding of cost-effective hazard mitigation measures in the area affected by the disaster
- Funding project shortfalls due to mandatory NFIP reductions on applicant buildings in floodplains
- Supplemental funds used on an improved project

The alternate project option may be proposed for both small and large projects, but only for permanent restoration projects located within the declared disaster area. All requests for alternate projects must be made within 12 months of the Kickoff Meeting and approved by FEMA prior to construction.

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Alternate projects for governmental entities are eligible for 90 percent of the approved Federal share of the estimated eligible costs associated with repairing the damaged facility to its pre-disaster design, or of the approved Federal share of the actual costs of completing the alternate project, whichever is less.

Alternate projects for PNP entities are eligible for 75 percent of the approved Federal share, or of the approved Federal share of the actual costs of completing the alternate project, whichever is less. The proposed alternate project may not be located in the regulatory floodway and will have to be insured if located in the 100-year floodplain. Funding may not be used for operating costs or to meet the State or local share requirement on other public assistance projects or projects that utilize other Federal grants. Section 406 Hazard Mitigation funds cannot be applied to an alternate project. FEMA must ensure that the proposed projects are an appropriate use of funds and comply with environmental and historic preservation laws.

Improved Projects:

Applicants performing restoration work on a damaged facility may use the opportunity to make additional improvements while still restoring the facility to its pre-disaster function and capacity.

Projects that incorporate such improvements are called Improved Projects. Federal funding for improved projects is limited to the Federal share of the estimated costs of the original project or to the Federal share of the actual costs of completing the improved project, whichever is less, and to the time limits that would be associated with repairing the damaged facility to its pre-disaster design.

Funds to construct the improved project also can be combined with a grant from another Federal agency and/or a FEMA approved alternate project; however, Federal grants cannot be used to meet the grantee or local cost-share requirement unless the legislation for the other grant allows such use, e.g., the Community Development Block Grant (CDBG) program.