U.S. Department of Homeland Security
Federal Emergency Management Agency
Washington, DC 20472

FEMA

October 1, 2024

MEMORANDUM FOR: FEMA Regional Administrators
Regions I – X

ATTENTION: Federal Coordinating Officers
Regional Recovery Division Directors

FROM: William C. Hagmaier
Assistant Administrator
Recovery Directorate

WILLIAM C HAGMAIER
Digitally signed by WILLIAM C HAGMAIER
Date: 2024.10.01 12:54:08 -04'00'

SUBJECT: Issuance of the *Public Assistance Mitigation Cost Share Incentives Policy (Interim)*

Today, we published Interim Policy (FP-104-24-002) *Public Assistance Mitigation Cost Share Incentives*[1], which details an incentive structure to encourage communities to take actions that will build resilience through recovery and increase their readiness for future disasters. This policy complements our DARE to *make recovery more resilient* and is a key component of the recently announced strategy, Resilient Recovery: A National Strategy for Maximizing Mitigation. Progress towards achieving our ambitious goal of doubling post-disaster mitigation by the end of 2026 can be tracked in our new Public Assistance Mitigation Dashboard.

The Bipartisan Budget Act of 2018[2] amended the Stafford Act[3] to add a new provision in Section 406(b)(3) authorizing FEMA to provide an adjustment from the standard Federal cost share of 75% up to 85% for the repair, replacement and restoration of damaged facilities and directed FEMA to issue comprehensive guidance regarding eligible measures for the cost share increase.

The Public Assistance Mitigation Cost Share Incentives policy applies to PA-eligible applicants, including State, Local, Tribal and Territorial (SLTT) governments and certain private nonprofit organizations, for major disasters declared on or after the date of signature, September 26, 2024.

As outlined in the policy, FEMA will provide an additional 5% Federal cost share for PA projects when applicants maximize hazard mitigation during recovery and or 10% if they have also adopted the latest hazard resistant building and energy conservation codes and standards.

[1] Public Assistance Mitigation Cost Share Incentives Policy (Interim), https://www.regulations.gov/document/FEMA-2024-0029-0002
[2] Bipartisan Budget Act of 2018, Section 20606, https://uscode.house.gov/statutes/pl/115/123.pdf
[3] Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, 42 U.S.C. 5121 et seq., https://www.fema.gov/sites/default/files/documents/fema_stafford_act_2021_vol1.pdf.

- To be eligible for 5% increase, applicants must complete an eligible Hazard Mitigation Proposal for a PA Permanent Work project for which the total mitigation costs are equal to or greater than 20% of the total eligible repair/restoration costs of the project at the time of obligation. **The new total Federal cost share for projects that comply with this requirement will be 80%.**

- To be eligible for a 10% increase, applicants must complete an eligible Hazard Mitigation Proposal for a PA Permanent Work project for which the total mitigation costs are equal to or greater than 20% of the total eligible repair/restoration costs of the project **and** have adopted the current 2024 edition or the previous 2021 edition of the International Building Code (IBC) and International Energy Conservation Code (IECC) for commercial buildings, or equivalent code or standard. **The new total Federal cost share for projects that comply with these requirements will be 85%.**

The interim policy will be effect for four years from publication, at which point FEMA will reevaluate the policy. A public comment notice of availability has been posted to the *Federal Register* (Docket ID: FEMA-2024-0029) at https://www.regulations.gov/docket/FEMA-2024-0029/document requesting feedback to inform future policy development. Comments must be received no later than January 29, 2025. FEMA may revise the policy sooner based on feedback received during the public comment period.

In the coming weeks, we will be hosting internal and external webinars to help you and our partners implement this policy effectively. More information will be forthcoming soon. If you have questions in the interim, I do hope you'll reach out so that we can integrate this policy into Public Assistance as soon as possible.

I am excited that we are moving the needle forward on our strategy to double mitigation and infuse more resilience into recovery. However, I cannot stress enough the crucial role that you have in ensuring our partners understand the potential of this incentive and how it can support their recovery and mitigation efforts. Thank you for your partnership and advocacy.

If you have questions about this policy, please contact Robert Pesapane, Director, Public Assistance Division at Robert.Pesapane@fema.dhs.gov.

Attachment: Public Assistance Mitigation Cost Share Incentives Policy (Interim), PDF

CC: Keith Turi, Associate Administrator (Acting), Office of Response & Recovery
Leiloni Stainsby, Deputy Associate Administrator (Acting), Office of Response & Recovery
Victoria Salinas, Senior Official Performing the Duties of Deputy Administrator, Resilience
Robin Keegan, Associate Administrator, Resilience (Acting)
Chris Logan, Deputy Associate Administrator, Resilience
Derrick Hiebert, Assistant Administrator, Hazard Mitigation Directorate
Samantha Medlock, Assistant Administrator, Resilience Strategy
Robert Pesapane, Director, Public Assistance Division
Tod Wells, Deputy Director, Public Assistance Division