



State, Local, Tribal, and Territorial Guide to 406: Public Assistance Hazard Mitigation

The best time to protect a facility from disaster-related damage in the future is during the recovery period following a disaster. Section 406 Public Assistance provides mitigation funding to reduce the potential of similar, future damage to facilities. This Fact Sheet explains 406 funding requirements and how it can be used in conjunction with other FEMA funding to create resilient buildings and facilities.



406 Mitigation-Funded Project Requirements

- 1. Technical feasibility:** All 406 PA-funded mitigation projects must be technically feasible.
- 2. Cost-effectiveness:** Hazard mitigation measures must meet one of the following tests of cost-effectiveness:
 - Cost no more than 15 percent of the total eligible cost of eligible repair work for the damaged facility
 - Cost no more than 100 percent of the total eligible cost of eligible repair work and be included in Appendix J in FEMA's *Public Assistance Program and Policy Guide (PAPPG)*
 - Have a benefit-cost ratio equal to or greater than 1.0
- 3. Environmental Planning and Historic Preservation:** Must comply with Environmental Planning and Historic Preservations laws, regulations, and Executive Orders.
- 4. Eligibility:** Must directly reduce the potential of future damage to the damaged portions of the facility that are eligible for Public Assistance permanent repairs (Cat. C-G).

Cost-Effective Hazard Mitigation Measures

FEMA developed Appendix J of PAPPG to assist applicants with assessing the cost-effectiveness of their 406 mitigation projects. **Appendix J of PAPPG** lists mitigation measures considered to be cost-effective if the measures do not exceed 100 percent of the eligible repair cost (prior to any insurance reductions) and meet all of the eligibility requirements described in PAPPG Version 4.0.

Applicant: A non-federal entity submitting an application for assistance.

Subrecipient: A non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program. A subrecipient may also be a Recipient of other federal awards directly from a federal awarding agency.

Facility: Any publicly or private non-profit (PNP) owned building, works, system or equipment or an improved and maintained natural feature. Land used for agricultural purposes is not a facility.

Cost-effectiveness: Determined by a quantitative method for comparing the costs of alternative means of repair. In the context of hazard mitigation, any future damage and losses that are avoided are considered benefits.

Appendix J: Cost-Effective Hazard Mitigation Measures of FEMA's PAPPG document contains mitigation projects that are considered cost-effective if they do not exceed 100 percent of the eligible repair costs. There are many different projects included and they fall into the major project types listed below:

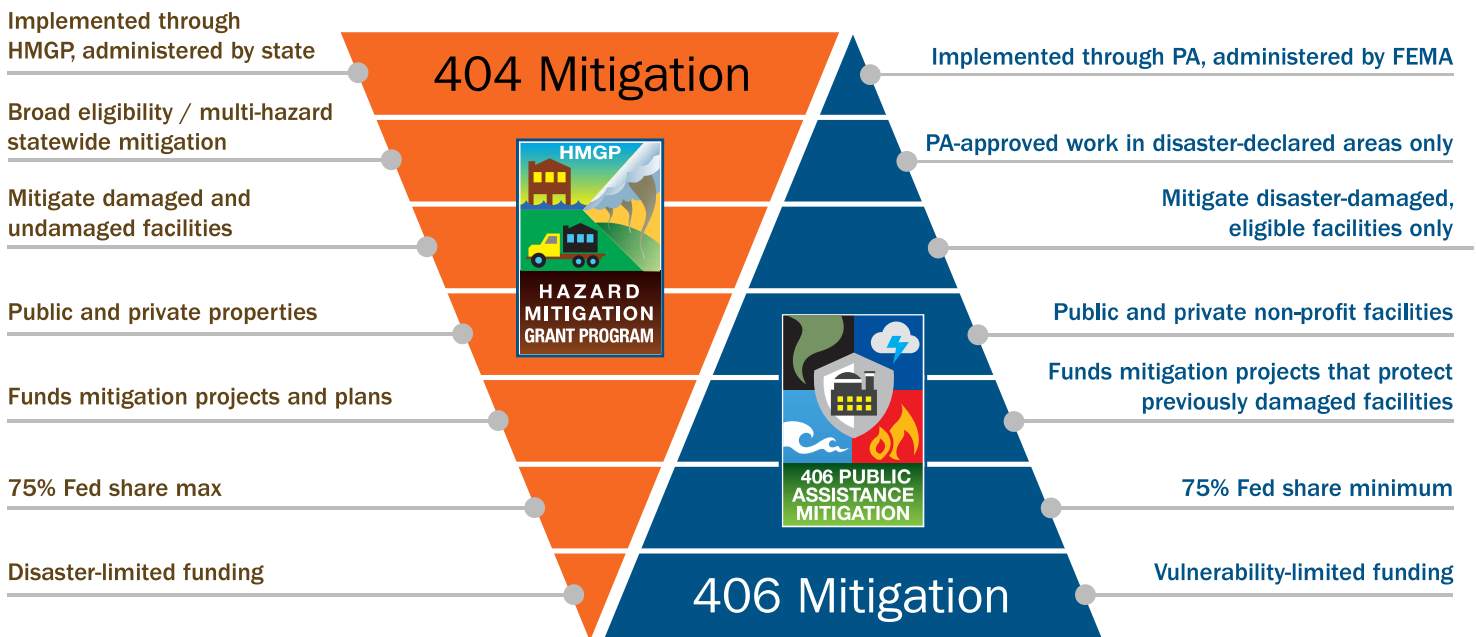
Drainage structures, transportation facilities, mechanical, electrical and plumbing (MEP) components, pipes, water/wastewater, electric power systems, storage tanks, building and structures, and signage.

For more information on Appendix J, please visit: <https://www.fema.gov/media-library/assets/documents/111781>

How do you determine whether to use 404 or 406 funding? Here are some of the similarities and differences between Section 404 (Hazard Mitigation Grant Program) and PA Section 406 (Public Assistance Mitigation) Funding Sources:

- Applicants may use both 406 and 404 mitigation funds to implement mitigation measures on the same facility, but not for the same work. The Applicant cannot use funds from one of these sources to meet the non-federal cost share requirement of the other source
- Types of eligible entities for both funding sources are the same, but Section 406 allows a broader range of private non-profit organizations to receive funding.
- Both funding sources require cost-effectiveness to be demonstrated for the proposed mitigation.

FEMA 404 Mitigation and FEMA 406 Mitigation have similarities and differences in their scopes and project requirements. For example, both 404 and 406 are post-disaster grants and both have the same cost-effectiveness requirement. The figure below highlights the requirements of each and shows how they compliment each other with respect to repairing existing damage and mitigating future damage.



Where can I go for further guidance?

FEMA's Public Assistance Program and Policy Guide (PAPPG) is a comprehensive, consolidated program and policy document for the Public Assistance Program, available here: <https://www.fema.gov/media-library/assets/documents/111781>.

If you are interested in applying for a Hazard Mitigation Assistance (HMA) grant, please contact the HMA helpline by telephone 866-222-3580 or email FEMA-HMA-Grants-Policy@fema.dhs.gov for more information.