



FEMA

September 16, 2004

MEMORANDUM FOR: FEMA Regional Directors
Regions I - X

ATTENTION: Mitigation Division Directors
Regions I - X

FROM: *David I. Maurstad*
David I. Maurstad
Acting Director
Mitigation Division

SUBJECT: Guidance on the Eligibility of Generator Purchases under the Hazard
Mitigation Grant Program (HMGP)

The purpose of this memorandum is to provide guidance on the purchase of generators through the Hazard Mitigation Grant Program (HMGP) authorized under Section 404 (42 U.S.C. §5170c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act). This memorandum clarifies the existing policy with the determination that mitigation activities for the sole purpose of purchasing generators or related equipment purchases, such as generator hook-ups, may be considered under the HMGP "Five Percent Initiative" but are not eligible activities under regular HMGP funding.

On September 19, 1996, James Lee Witt, Director of the Federal Emergency Management Agency (FEMA), established the "Five Percent Initiative" under the HMGP. This policy allows States to set-aside up to five percent of the total HMGP funds available for mitigation activities that are difficult to evaluate against traditional program cost-effectiveness and eligibility criteria. In lieu of a benefit cost analysis, the State should include a narrative that identifies benefits and indicates that there is reasonable expectation that future damage or loss of life or injury will be reduced or prevented.

Introduction of the HMGP "Five Percent Initiative" resulted in a range of interpretations regarding the eligibility of mitigation projects including those for the sole purpose of purchasing generators or related equipment purchases, such as generator hook-ups. As a result, some Regions have allowed mitigation activities with the sole purpose of purchasing generators under the HMGP "Five Percent Initiative," while others have not. This memorandum clarifies these activities as eligible for consideration under the HMGP "Five Percent Initiative" in all FEMA Regions.

FEMA Regional Directors
September 16, 2004
Page 2

Although stand-alone generators and related equipment purchases are not eligible for regular HMGP funding, mitigation activities designed to provide a long-term, comprehensive and independent solution to a critical facility could include the purchase of a generator or related equipment purchases, such as generator hook-ups, as a functional portion to the larger eligible mitigation activity, as long as the generator or related equipment purchase directly relates to the hazard(s) that threaten the facility. Critical facilities are defined under the PDM program guidance, issued under the authority of Section 203 of the Stafford Act, as amended by Section 102 of the Disaster Mitigation Assistance Act of 2000. Mitigation activities must adhere to all other HMGP statutes and regulations that apply to this funding category, including: Sections 404 of the Stafford Act; Hazard Mitigation Grant Program (44 CFR Subpart N); Section 1366 of the NFIA; Mitigation Planning (44 CFR Part 201); Floodplain Management and Protection of Wetlands (44 CFR Part 9); Environmental Considerations (44 CFR Part 10 and other applicable federal environmental laws); as well as applicable program guidance.