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TO: Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff 

DATE: March 6, 2024

RE: Local State of Emergency Declaration and Access to Funding

Council Member Mary Waters has requested Legislative Policy Division (LPD) to answer the following questions, regarding Executive Order EO 2025-1, entered on Wednesday, February 19th, 2025 in regards to the massive water main failure near Beard and Rowan streets in Southwest Detroit:

Q: Pursuant to Wayne County statutes, as well as State of Michigan statutes, and federal laws and regulations, does this local declaration enable the City of Detroit, DWSD, GLWA, or any other organizations to request additional aid?

A: No, not by itself, although as discussed below there may be state and/or federal funding available under these circumstances, and therefore in a general sense this local state of emergency may be considered a first step toward receiving additional aid.

Q: How long will this State of Emergency last?

A: Unknown with any precision at this time, but Section 14-1-6 (a) of the City Code states: “Whenever an emergency exists, the Mayor may issue an executive order, or proclamation, declaring a local state of emergency. Pursuant to the Michigan Emergency Management Act, **an executive order, or proclamation, of a local state of emergency shall not be continued or renewed for a period in excess of seven days except with the consent of the City Council.**” Section 14-1-6(i) further states: “An emergency directive, order, proclamation, rule, or regulation issued by the Mayor under this chapter may be amended, continued, or rescinded, by the Mayor in accordance with the Michigan Emergency Management Act.” Logically and in terms of sound public policy, it seems safe to assume that beyond 7 days the state of emergency could be extended as long as the dangerous conditions that necessitate it exist, and as stated with Council’s approval.

Q: What would the impact be, in terms of access to funding, of having Wayne County, the State of Michigan, or the federal government declare a State of Emergency in the affected area?

A: See attached Federal Emergency Management Agency (FEMA) Guide to the Disaster Declaration Process and Federal Disaster Assistance.

Q: What is the difference between a Local State of Emergency and a declaration of a disaster as it relates to emergency funding from the county, state, or federal government?

A: The disaster declarations by the state and federal government are intended to facilitate federal relief in a cooperative federalist relationship with state authorities. As stated in the attached official FEMA document, the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5206, requires that: “All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State. . . . The Governor’s request is made through the regional FEMA/EPR office. State and Federal officials conduct a preliminary damage assessment (PDA) to estimate the extent of the disaster and its impact on individuals and public facilities. This information is included in the Governor’s request to show that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the local governments and that Federal assistance is necessary.”

“As part of the request, the Governor must take appropriate action under State law and direct execution of the State’s emergency plan. The Governor shall furnish information on the nature and amount of State and local resources that have been or will be committed to alleviating the results of the disaster, provide an estimate of the amount and severity of damage and the impact on the private and public sector, and provide an estimate of the type and amount of assistance needed under the Stafford Act. In addition, the Governor will need to certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will comply with all applicable cost-sharing requirements.

Based on the Governor’s request, the President may declare that a major disaster or emergency exists, thus activating an array of Federal programs to assist in the response and recovery effort.”

If there are additional questions or concerns regarding this matter, LPD would be happy to provide further research and analysis upon request.



FEMA

A GUIDE TO THE DISASTER DECLARATION PROCESS AND FEDERAL DISASTER ASSISTANCE

Local and State governments share the responsibility for protecting their citizens from disasters, and for helping them to recover when a disaster strikes. In some cases, a disaster is beyond the capabilities of the State and local government to respond.

In 1988, the Robert T. Stafford *Disaster Relief and Emergency Assistance Act*, 42 U.S.C. §§ 5121-5206, was enacted to support State and local governments and their citizens when disasters overwhelm them. This law, as amended, establishes a process for requesting and obtaining a Presidential disaster declaration, defines the type and scope of assistance available from the Federal government, and sets the conditions for obtaining that assistance. The Federal Emergency Management Agency (FEMA), now part of the Emergency Preparedness and Response Directorate of the Department of Homeland Security, is tasked with coordinating the response.

This paper explains the declaration process and provides an overview of the assistance available.

— THE DECLARATION PROCESS —

The Stafford Act (§401) requires that: “All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State.” A State also includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The Marshall Islands and the Federated States of Micronesia are also eligible to request a declaration and receive assistance.

The Governor’s request is made through the regional FEMA/EPR office. State and Federal officials conduct a preliminary damage assessment (PDA) to estimate the extent of the disaster and its impact on individuals and public facilities. This information is included in the Governor’s request to show that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the local governments and that Federal assistance is necessary. Normally, the PDA is completed prior to the submission of the Governor’s request. However, when

an obviously severe or catastrophic event occurs, the Governor’s request may be submitted prior to the PDA. Nonetheless, the Governor must still make the request.

As part of the request, the Governor must take appropriate action under State law and direct execution of the State’s emergency plan. The Governor shall furnish information on the nature and amount of State and local resources that have been or will be committed to alleviating the results of the disaster, provide an estimate of the amount and severity of damage and the impact on the private and public sector, and provide an estimate of the type and amount of assistance needed under the Stafford Act. In addition, the Governor will need to certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will comply with all applicable cost-sharing requirements.

Based on the Governor’s request, the President may declare that a major disaster or emergency exists, thus activating an array of Federal programs to assist in the response and recovery effort.

— ASSISTANCE AVAILABLE —

Not all programs, however, are activated for every disaster. The determination of which programs are activated is based on the needs found during damage assessment and any subsequent information that may be discovered.

FEMA/EPR disaster assistance falls into three general categories:

- **Individual Assistance** — aid to individuals and households;
- **Public Assistance** — aid to public (and certain private non-profit) entities for certain emergency services and the repair or replacement of disaster-damaged public facilities;
- **Hazard Mitigation Assistance** — funding for measures designed to reduce future losses to public and private property.

Some declarations will provide only individual assistance or only public assistance. Hazard mitigation opportunities are assessed in most situations.

A summary of each of these programs follows. Because program complexities require lengthy explanations, the discussion that follows is simply an overview.

INDIVIDUAL ASSISTANCE

Individuals And Households Program

The Individuals and Households Program (IHP) is a combined FEMA/EPR and State program. When a major disaster occurs, this program provides money and services to people in the declared area whose property has been damaged or destroyed and whose losses are not covered by insurance. In every case, the disaster victim must register for assistance and establish eligibility. The toll-free telephone registration number is 1-800-621-FEMA (or TTY 1-800-462-7585 for the hearing or speech impaired). FEMA/EPR (or the providing agency) will verify eligibility and need before assistance is offered.

What Types of Assistance Are Provided?

The IHP - Housing Assistance assures that people whose homes are damaged by disaster have a safe place to live. The IHP - Other Needs Assistance (ONA) provides financial assistance to individuals and households who have other disaster-related necessary

expenses or serious needs and do not qualify for a low interest loan from Small Business Administration (SBA). These programs are designed to provide funds for expenses that are not covered by insurance. They are available only to homeowners and renters who are United States citizens, non-citizen nationals, or qualified aliens affected by the disaster. The following is a list of the types of assistance available through this program and what each provides.

Temporary Housing - homeowners and renters receive funds to rent a different place to live or a temporary housing unit when rental properties are not available.

Repair - homeowners receive grants to repair damage from the disaster that is not covered by insurance. The goal is to make the damaged home safe and sanitary.

Replacement - under rare conditions, homeowners receive limited funds to replace their disaster damaged home.

Permanent Housing Construction - homeowners and renters receive direct assistance or a grant for the construction of a new home. This type of assistance occurs only in very unusual situations, in insular areas or remote locations specified by FEMA/EPR where no other type of housing is possible.

Other Needs Assistance (ONA) - applicants receive grants for necessary and serious needs caused by the disaster. This includes medical, dental, funeral, personal property, transportation, moving and storage, and other expenses that FEMA/EPR approves. The homeowner may need to apply for a SBA loan before receiving assistance.

Small Business Administration Disaster Loans

The U.S. Small Business Administration (SBA) can make federally subsidized loans to repair or replace homes, personal property or businesses that sustained damages not covered by insurance. The Small Business Administration can provide three types of disaster loans to qualified homeowners and businesses:

- (1) **home disaster loans** to homeowners and renters to repair or replace disaster-related damages to home or personal property,
- (2) **business physical disaster loans** to business owners to repair or replace disaster-damaged

property, including inventory, and supplies; and

- (3) **economic injury disaster loans**, which provide capital to small businesses and to small agricultural cooperatives to assist them through the disaster recovery period.

For many individuals the SBA disaster loan program is the primary form of disaster assistance.

Disaster Unemployment Assistance

The Disaster Unemployment Assistance (DUA) program provides unemployment benefits and re-employment services to individuals who have become unemployed because of major disasters. Benefits begin with the date the individual was unemployed due to the disaster incident and can extend up to 26 weeks after the Presidential declaration date. These benefits are made available to individuals not covered by other unemployment compensation programs, such as self-employed, farmers, migrant and seasonal workers, and those who have insufficient quarters to qualify for other unemployment compensation.

All unemployed individuals must register with the State's employment services office before they can receive DUA benefits. However, although most States have a provision that an individual must be able and available to accept employment opportunities comparable to the employment the individual held before the disaster, not all States require an individual to search for work.

Legal Services

When the President declares a disaster, FEMA/EPR, through an agreement with the Young Lawyers Division of the American Bar Association, provides free legal assistance to disaster victims. Legal advice is limited to cases that will not produce a fee (i.e., these attorneys work without payment). Cases that may generate a fee are turned over to the local lawyer referral service.

The assistance that participating lawyers provide typically includes:

- Assistance with insurance claims (life, medical, property, etc.)
- Counseling on landlord/tenant problems
- Assisting in consumer protection matters, remedies, and procedures
- Replacement of wills and other important legal

documents destroyed in a major disaster

Disaster legal services are provided to low-income individuals who, prior to or because of the disaster, are unable to secure legal services adequate to meet their needs as a consequence of a major disaster.

Special Tax Considerations

Taxpayers who have sustained a casualty loss from a declared disaster may deduct that loss on the federal income tax return for the year in which the casualty actually occurred, or elect to deduct the loss on the tax return for the preceding tax year. In order to deduct a casualty loss, the amount of the loss must exceed 10 percent of the adjusted gross income for the tax year by at least \$100. If the loss was sustained from a federally declared disaster, the taxpayer may choose which of those two tax years provides the better tax advantage.

The Internal Revenue Service (IRS) can expedite refunds due to taxpayers in a federally declared disaster area. An expedited refund can be a relatively quick source of cash, does not need to be repaid, and does not need an Individual Assistance declaration. It is available to any taxpayer in a federally declared disaster area.

Crisis Counseling

The Crisis Counseling Assistance and Training Program (CCP), authorized by §416 of the Stafford Act, is designed to provide supplemental funding to States for short-term crisis counseling services to people affected in Presidentially declared disasters. There are two separate portions of the CCP that can be funded: immediate services and regular services. A State may request either or both types of funding.

The **immediate services** program is intended to enable the State or local agency to respond to the immediate mental health needs with screening, diagnostic, and counseling techniques, as well as outreach services such as public information and community networking.

The **regular services** program is designed to provide up to nine months of crisis counseling, community outreach, and consultation and education services to people affected by a Presidentially declared disaster. Funding for this program is separate from the immediate services grant.

To be eligible for crisis counseling services funded by this program, the person must be a resident of the designated area or must have been located in the area at the time the disaster occurred. The person must also

have a mental health problem which was caused by or aggravated by the disaster or its aftermath, or he or she must benefit from services provided by the program.

PUBLIC ASSISTANCE

Public Assistance, oriented to public entities, can fund the repair, restoration, reconstruction, or replacement of a public facility or infrastructure, which is damaged or destroyed by a disaster.

Eligible applicants include State governments, local governments and any other political subdivision of the State, Native American tribes and Alaska Native Villages. Certain private nonprofit (PNP) organizations may also receive assistance. Eligible PNPs include educational, utility, irrigation, emergency, medical, rehabilitation, and temporary or permanent custodial care facilities (including those for the aged and disabled), and other PNP facilities that provide essential services of a governmental nature to the general public. PNPs that provide “critical services” (power, water--including water provided by an irrigation organization or facility, sewer, wastewater treatment, communications and emergency medical care) may apply directly to FEMA/EPR for a disaster grant. All other PNPs must first apply to the Small Business Administration (SBA) for a disaster loan. If the PNP is declined for a SBA loan or the loan does not cover all eligible damages, the applicant may re-apply for FEMA/EPR assistance.

As soon as practicable after the declaration, the State, assisted by FEMA/EPR, conducts the Applicant Briefings for State, local and PNP officials to inform them of the assistance available and how to apply for it. A Request for Public Assistance must be filed with the State within 30 days after the area is designated eligible for assistance. Following the Applicant’s Briefing, a Kickoff Meeting is conducted where damages will be discussed, needs assessed, and a plan of action put in place. A combined Federal/State/local team proceeds with Project Formulation, which is the process of documenting the eligible facility, the eligible work, and the eligible cost for fixing the damages to every public or PNP facility identified by State or local representatives. The team prepares a Project Worksheet (PW) for each project. Projects fall into the following categories:

- Category A: Debris removal
- Category B: Emergency protective measures

- Category C: Road systems and bridges
- Category D: Water control facilities
- Category E: Public buildings and contents
- Category F: Public utilities
- Category G: Parks, recreational, and other

For insurable structures within special flood hazard areas (SFHA), primarily buildings, assistance from FEMA/EPR is reduced by the amount of insurance settlement that could have been obtained under a standard NFIP policy. For structures located outside of a SFHA, FEMA/EPR will reduce the amount of eligible assistance by any available insurance proceeds.

FEMA/EPR reviews and approves the PWs and obligates the Federal share of the costs (which cannot be less than 75 percent) to the State. The State then disburses funds to local applicants.

Projects falling below a certain threshold are considered ‘small.’ The threshold is adjusted annually for inflation. For fiscal year 2005, that threshold is \$55,500. For small projects, payment of the Federal share of the estimate is made upon approval of the project and no further accounting to FEMA/EPR is required. For large projects, payment is made on the basis of actual costs determined after the project is completed; although interim payments may be made as necessary. Once FEMA/EPR obligates funds to the State, further management of the assistance, including disbursement to subgrantees is the responsibility of the State. FEMA/EPR will continue to monitor the recovery progress to ensure the timely delivery of eligible assistance and compliance with the law and regulations.

Hazard Mitigation

Hazard Mitigation refers to sustained measures enacted to reduce or eliminate long-term risk to people and property from natural hazards and their effects. In the long term, mitigation measures reduce personal loss, save lives, and reduce the cost to the nation of responding to and recovering from disasters.

Two sections of the Stafford Act, §404 and §406, can provide hazard mitigation funds when a Federal disaster has been declared. In each case, the Federal government can provide up to 75 percent of the cost, with some restrictions.

Through the Hazard Mitigation Grant Program (HMGP), authorized by §404 of the Act, communities can apply for mitigation funds through the State. The

State, as grantee, is responsible for notifying potential applicants of the availability of funding, defining a project selection process, ranking and prioritizing projects, and forwarding projects to FEMA for funding. The applicant, or subgrantee carries out approved projects. The State or local government must provide a 25 percent match, which can be fashioned from a combination of cash and in-kind sources. Federal funding from other sources cannot be used for the 25 percent non-federal share with one exception. Funding provided to States under the Community Development Block Grant program from the Department of Housing and Urban Development can be used for the non-federal share.

The amount of funding available for the HMGP under a disaster declaration is finite and is limited to 7.5 percent of FEMA/EPR's estimated total disaster costs for all other categories of assistance (less administrative costs). Section 322 of the Disaster Mitigation Act of 2000 emphasizes the importance of planning in reducing disaster losses. States will be required to develop a State Mitigation Plan that provides a summary of the hazards facing them, an assessment of the risks and vulnerabilities to those hazards, and a strategy for reducing those impacts. These plans will be required by November 1, 2004 as a condition of non-emergency assistance under the Stafford Act, and must be reviewed and updated every three years. States may choose to develop an Enhanced State Mitigation Plan in order to receive an increased amount of 20 percent for Hazard Mitigation Grant Program funding. By November 1, 2004, local jurisdictions also must develop mitigation plans in order to be eligible for project grant funding under the Hazard Mitigation Grant Program. In addition, States may use a set-aside of up to five percent of the total HMGP funds available for mitigation measures at their discretion. To be eligible, a set-aside project must be identified in a State's hazard mitigation plan and fulfill the goal of the HMGP, this is, to reduce or prevent future damage to property or prevent loss of life or injury.

Eligible mitigation measures under the HMGP include acquisition or relocation of property located in high hazard areas; elevation of floodprone structures; seismic rehabilitation of existing structures; strengthening of existing structures against wildfire; dry floodproofing activities that bring a structure into compliance with minimum NFIP requirements and State or local code. Up to seven percent of the HMGP funds may be used to develop State and/or local mitigation plans.

All HMGP projects, including set-aside projects,

must comply with the National Environmental Policy Act and all relevant Executive Orders. HMGP grants cannot be given for acquisition, elevation, or construction purposes if the site is located in a designated SFHA and the community is not participating in the NFIP.

FEMA/EPR's primary emphasis for HMGP funds, where appropriate, is the acquisition and demolition, relocation, elevation, or floodproofing of flood damaged or floodprone properties (non-structural measures).

- **Acquisition and demolition:** Under this approach, the community purchases the flood-damaged property and demolishes the structure. The property owner uses the proceeds of the sale to purchase replacement housing on the open market. The local government assumes title to the acquired property and maintains the land as open space in perpetuity.
- **Relocation:** In some cases, it may be viable to physically move a structure to a new location. Relocated structures must be placed on a site located outside of the 100-year floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land use regulations.
- **Elevation/Floodproofing:** Depending upon the nature of the flood threat, elevating a structure or incorporating other floodproofing techniques to meet NFIP criteria may be the most practical approach to flood damage reduction. Floodproofing techniques may be applied to commercial properties only; residential structures must be elevated. Communities can apply for funding to provide grants to property owners to cover the increased construction costs incurred in elevating or floodproofing the structure.

Funding under §406 that is used for the repair or replacement of damaged public facilities or infrastructure may be used to upgrade the facilities to meet current codes and standards. It is possible for mitigation measures to be eligible for funding under both the HMGP and §406 programs; however, if the proposed measure is funded through §406, the project is not eligible for funds under the HMGP as well.

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Region 3

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Region 5

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