

City of Atascadero

Office of Administrative Services

TO: City Council

FROM: Rachelle Rickard, Administrative Services Director

SUBJECT: Federal Emergency Management Agency assistance to the City of Atascadero in the case of the Printery Building

DATE: January 18, 2008

The purpose of this memo is to provide you with information regarding the City's use of Federal Emergency Management Agency (FEMA) Printery building funding for the construction of the new Colony Park Community Center. I appreciate your desire to have the most complete information available on this subject. To that end, I've attached a 14-year timeline of activities regarding the Printery to this memo.

Additionally, I'd like to provide you with a brief recap of FEMA's regulations and process with regard to their Public Assistance (PA) program.

FEMA, along with the State Office of Emergency Services (OES), provided an informational briefing soon after the disaster. Through that briefing, and additional follow up meetings, City staff members were informed of the regulations of the Public Assistance Program.

According to "Public Assistance; Public Assistance Guide" (Guide) published by FEMA (publication FEMA 322), there are four basic eligibility criteria for public assistance funding:

1. Applicant
2. Facility
3. Work
4. Cost

Applicant

The first requirement to obtain public assistance funding is to qualify as an eligible applicant under FEMA's official definition. The Guide lists four types of categories of eligible applicants. Included in that list is local government.

Facility

After being established as an eligible applicant, the PA program requires that the facility to be funded also meets the requirements as eligible.

Facility Defined

According to page 16 of the Guide, "A facility is defined as any publicly or PNP-owned building, works, system, or equipment; or certain improved and maintained natural features." The Printery is a building and therefore meets this criteria.

Legal Responsibility

An eligible applicant must be legally responsible for the damaged facility at the time of the disaster. Page 25 of the Guide states that, "Ownership of a facility is sufficient to establish the responsibility for work to repair the facility." The City was the owner at the time of the disaster, and was legally responsible for the building from July 1994 to March 2006.

Located in Disaster Area

The building must also be located within the designated disaster area. The declared disaster area included San Luis Obispo and Santa Barbara Counties.

Active Use

Additionally, the facility must be in active use at the time of the disaster. Occupancy of the building would meet this requirement. Many activities were taking place in the Printery at the time of the San Simeon quake including cheerleading practice, rental of space to a photography studio and a karate studio, and utilization of portions of the building by the Masons and the George C. Beatie Skate Park users. The building was far from vacated.

Work

FEMA defines three general types of work that may be eligible: 1) debris removal; 2) emergency protective measures; and 3) permanent restoration. Each type has its own criteria to meet. The funding the City received for the Printery fell under the permanent restoration type.

Cost

On page 33 of the Guide, FEMA defines "costs that can be directly tied to the performance of eligible work" as eligible. Such costs must be reasonable, necessary, compliant with all procurement regulations, and net of all applicable credits. FEMA determined eligible costs for the Printery.

Improved Projects

The Stafford Act (the governing legislation for the PA program) allows eligible applicants to request Improved Projects. According to page 85 of the Guide, "The improved facility must have the same function and at least the equivalent capacity as that of the pre-disaster facility." Because the Printery was being used for several activities at the time of the quake and because the Colony Park Community Center carries at least the equivalent capacity as that of the Printery, the City is eligible for the improved project.

FEMA/OES has extensive proof process that the City had to successfully complete prior to being considered eligible for improved project funds. City staff followed all regulations and provided all requested documentation during that process.

The estimated cost to repair earthquake damage to the Printery Building was \$7,260,000. FEMA responded with a commitment to the City in the amount of \$4,051,020, which is the amount that FEMA calculated it would cost to replace the Printery.

After evaluating all of the options, the Council determined that it was in the best interest of the community to apply for an improved project rather than repairing the Printery building. By making this decision, the Council would be able to accomplish many goals simultaneously: they would provide a new and better planned facility for the youth; the Printery building would be preserved for future generations through the use of private, not public, funds; and FEMA, and ultimately the taxpayers, would save a significant amount of money, estimated in the millions of dollars, all through the legal and ethical use of FEMA's Public Assistance Program.

FEMA has very lengthy policies and requirements. The above information is a simplified executive summary of those regulations. I would be happy to review this issue in further detail and provide additional backup information.

Attachment: Printery and Community Center Timeline