

Hazard Mitigation Assistance Program Guidance

Pre-Disaster Mitigation, Flood Mitigation Assistance,
Repetitive Flood Claims, Severe Repetitive Loss

June 19, 2008



FEMA

TABLE OF CONTENTS

ACRONYMS	viii
1. SECTION 1: INTRODUCTION	1
1.1 RATIONALE FOR COMBINING HMA GUIDANCE	1
1.2 PROGRAM GUIDANCE UPDATES	2
1.2.1 Funding Appropriations	3
1.2.2 Unified HMA Application Period	3
1.2.3 Grant Cycle Timelines.....	3
1.3 HOW TO USE THIS GUIDANCE	4
2. SECTION 2: GENERAL HMA GUIDANCE	7
2.1 GRANT APPLICATION GUIDANCE	7
2.1.1 Authorization and Appropriation	7
2.1.2 Application Consideration under Other Mitigation Grant Programs	7
2.1.3 Grant Program Eligibility	8
2.1.3.1 Eligible Applicants.....	8
2.1.3.2 Eligible Subapplicants.....	8
2.1.3.3 Program Requirements.....	9
2.1.3.3.1 Mitigation Plan Requirement for Applicant	9
2.1.3.3.2 NFIP Participation Requirement	9
2.1.3.3.3 Non-Discrimination Compliance	9
2.1.3.3.4 Cost Effectiveness.....	10
2.1.3.3.5 NFIP Repetitive Loss Data.....	10
2.1.3.4 Program Restrictions.....	11
2.1.3.4.1 Duplication of Programs	11
2.1.3.4.2 Duplication of Benefits	11
2.1.3.4.3 Conflict of Interest and Procurement	11
2.1.3.4.4 Cost Overruns and Cost Under-Runs	12
2.1.3.4.5 Period of Performance.....	12
2.1.4 Eligible and Ineligible Activities and Associated Costs.....	12
2.1.4.1 Eligible Activities and Associated Costs.....	12
2.1.4.2 Ineligible Activities and Associated Costs	12
2.1.5 Application Process	13
2.1.5.1 FEMA’s Electronic Grants System	13
2.1.5.2 Applicant Review of Subapplications	13
2.1.6 Cost Share Requirements	14
2.1.6.1 Cost Share Documentation.....	14
2.1.6.2 Federal Funds Allowed to be used as a Non-Federal Cost Share	15
2.2 MANAGEMENT COSTS	16
2.2.1 Eligible Management Cost Activities.....	16
2.2.2 Limitation on Management Costs	17
2.2.2.1 Pre-Award Management Costs.....	17
2.2.2.2 Project Implementation Prior To Award	17
2.2.3 Period of Performance.....	17

2.2.4	Subapplicant Management Costs	17
2.2.5	Cost Share	18
2.3	MITIGATION PROJECT SUBAPPLICATION GUIDANCE	19
2.3.1	Eligible Project Activities and Associated Costs	19
2.3.2	Ineligible Project Activities and Associated Costs.....	19
2.3.3	Period of Performance.....	19
2.3.4	Pre-Award Activities and Costs	19
2.3.5	Mitigation Project Requirements.....	20
2.3.5.1	Mitigation Plan Requirement for Project Subapplications	20
2.3.5.1.1	Repetitive Loss Strategy	20
2.3.5.2	Eligibility Criteria	22
2.3.5.3	Feasibility and Effectiveness Requirement	22
2.3.5.4	Flood Insurance Requirement	23
2.3.5.5	Access to NFIP Repetitive Loss Data	23
2.3.5.6	Federal Income Tax on Mitigation Project Funds	23
2.3.5.7	Geocoding Requirements	23
2.3.5.8	Project Maintenance.....	24
2.3.6	Project Subapplication Scope of Work.....	24
2.3.6.1	Scope of Work Documentation	25
2.3.6.2	Scope of Work Changes.....	26
2.3.7	HMA Program Funding Limits	26
2.3.8	Cost Estimate.....	26
2.3.8.1	Cost Estimate Requirements	27
2.3.8.2	Cost Estimate Documentation.....	28
2.3.8.3	Cost Estimate Changes.....	28
2.3.9	Cost Effectiveness Analysis	28
2.3.9.1	Benefit-Cost Analysis	29
2.3.9.2	BCA Methodology.....	30
2.3.9.3	Cost Effectiveness Documentation	30
2.3.10	Environmental/Historic Preservation	31
2.3.10.1	Conditions for the Award of Funds.....	32
2.3.10.2	Environmental/Historic Preservation Requirements and Documentation	32
2.3.10.3	Environmental/Historic Preservation Review Compliance Process	33
2.3.11	Content of a Project Subapplication	34
2.3.12	FEMA Eligibility, Completeness, and Technical Review.....	34
2.3.13	Property Acquisition and Relocation for Open Space.....	34
2.3.13.1	General.....	34
2.3.13.1.1	Purpose and Scope	35
2.3.13.1.2	Roles and Responsibilities	35
2.3.13.2	Requirements Prior to Award.....	36
2.3.13.2.1	Eligible and Ineligible Costs	36
2.3.13.2.1.1	Allowable Costs	36
2.3.13.2.1.2	Property-Related Costs That Are Not Allowable	37
2.3.13.2.1.3	Duplication of Benefits	38
2.3.13.2.1.4	Negligence, Tortious Conduct, Legal Obligations	38
2.3.13.2.2	Project Eligibility	38
2.3.13.2.2.1	Hazardous Materials	39
2.3.13.2.2.2	Open Space Restrictions	39
2.3.13.2.3	Subapplication Information.....	40
2.3.13.2.3.1	Project Information	40
2.3.13.2.3.2	Assurances	41
2.3.13.2.3.3	Deed Restriction Language	42
2.3.13.2.3.4	Documentation of Voluntary Interest.....	42
2.3.13.2.3.5	Tenant Information	43
2.3.13.2.3.6	Consultation Regarding Other Ongoing Federal Activities.....	43
2.3.13.2.3.6.1	U.S. Army Corps of Engineers Coordination.....	43
2.3.13.2.3.6.2	Department of Transportation Coordination	44
2.3.13.2.3.6.3	Other Federal Agency Coordination	44

2.3.13.3	Post-award Requirements.....	45
2.3.13.3.1	Project Implementation	45
2.3.13.3.1.1	Hazardous Materials	45
2.3.13.3.1.2	Clear Title	45
2.3.13.3.1.3	Statement of Voluntary Participation	46
2.3.13.3.1.4	Mitigation Offer	46
2.3.13.3.1.5	Purchase Offer	46
2.3.13.3.1.5.1	Property Valuation	47
2.3.13.3.1.5.2	Purchase Offer and Nationality	48
2.3.13.3.1.6	Deductions from Purchase Offer.....	49
2.3.13.3.1.7	Additions to Purchase Offer.....	51
2.3.13.3.1.8	Tenants.....	52
2.3.13.3.1.8.1	Rental Payments.....	53
2.3.13.3.1.8.2	Homepad Tenants	54
2.3.13.3.1.8.3	Tenant Business	55
2.3.13.3.1.9	Increased Cost of Compliance and Cost Share.....	55
2.3.13.3.1.10	Relocation and Removal of Existing Buildings	55
2.3.13.3.1.11	Conversion to Open Space	56
2.3.13.3.2	Land Use and Oversight.....	56
2.3.13.3.2.1	Future Federal Benefits	56
2.3.13.3.2.2	Open Space Requirements/Land Use	56
2.3.13.3.2.3	Subsequent Transfer of a Property Interest	58
2.3.13.3.2.4	Monitoring and Reporting and Inspection.....	59
2.3.13.3.2.5	Enforcement.....	59
2.3.13.4	Post-Grant Requirements	60
2.3.13.4.1	Closeout Requirements	60
2.4	MITIGATION PLANNING SUBAPPLICATION GUIDANCE	62
2.4.1	Purpose	62
2.4.2	Mitigation Plan Requirement for Planning Subapplications	62
2.4.3	Planning Overview	62
2.4.3.1	Eligible Planning Activities and Associated Costs.....	62
2.4.3.2	Funding Limitations	63
2.4.3.3	New Plan Development.....	63
2.4.3.4	Comprehensive Update	64
2.4.3.5	Risk Assessment	64
2.4.4	Subapplicant Management Costs for Planning.....	65
2.4.5	Pre-Award Planning Activities and Costs	65
2.4.6	Ineligible Planning Activities and Associated Costs	66
2.4.7	Mitigation Planning Criteria.....	66
2.4.8	Planning Subapplication Scope of Work.....	68
2.4.8.1	Scope of Work Changes.....	69
2.4.9	Planning Subapplication Checklist.....	69
2.4.10	Cost Estimate.....	69
2.4.10.1	Cost Estimate Changes.....	70
2.4.11	Cost Overruns and Cost Under-runs.....	70
2.4.12	FEMA Pre-Award Activities for Planning Subapplication	70
2.4.13	Period of Performance.....	70
2.4.14	Recoupment of Funds.....	71
2.5	FEMA REVIEW PROCESS	72
2.5.1	FEMA Eligibility and Completeness Review	72
2.5.2	National Ranking and National Evaluation	72
2.5.3	FEMA National Technical Review	72
2.5.3.1	Benefit-Cost Technical Review	72
2.5.3.2	Engineering Feasibility and Effectiveness Technical Review	74
2.5.4	Selection, FEMA Pre-Award Activities, and Awards	75
2.5.4.1	Selection.....	75

2.5.4.2	Notification of Status of Subapplications.....	75
2.5.4.3	FEMA Pre-Award Activities.....	76
2.5.4.4	Reconsideration Process.....	76
2.5.4.5	Environmental/Historic Preservation Review	77
2.5.4.6	Environmental/Historic Preservation Conditions for the Award of Funds.....	77
2.5.4.7	Awards.....	77
2.6	POST-AWARD GRANTS MANAGEMENT REQUIREMENTS AND CLOSEOUT.....	78
2.6.1	Reporting Requirements.....	78
2.6.1.1	Federal Cash Transaction Reports.....	78
2.6.1.2	Financial Status Reports.....	78
2.6.1.3	Performance Reports.....	78
2.6.1.4	Final Reports.....	78
2.6.2	Period of Performance.....	78
2.6.3	Extensions	79
2.6.4	Closeout Requirements.....	80
2.6.4.1	Grantee Closeout Process.....	80
2.6.4.2	Subgrantee Closeout Process	81
2.6.4.3	Updating Repetitive Loss Database for Mitigated Properties.....	82
2.6.4.4	Special Flood Hazard Area Requirement.....	82
2.7	RESOURCES AND TOOLS	83
2.7.1	eGrants Helpdesk	83
2.7.2	Grant Mitigation Guidance.....	83
2.7.2.1	Catalog of Federal Domestic Assistance Number.....	83
2.7.2.2	NFIP Repetitive Loss Data.....	83
2.7.3	Mitigation Project Resources	83
2.7.3.1	Engineering Help Module	83
2.7.3.2	Engineering Case Studies.....	84
2.7.3.3	Procedures for Developing Scope of Work.....	85
2.7.3.4	Flood Elevation Data	85
2.7.3.5	Geocoding Requirements	86
2.7.3.6	Environmental/Historic Preservation Review	86
2.7.3.7	National Register of Historic Places	86
2.7.4	Mitigation Project Subapplication Guidance.....	86
2.7.4.1	Property Acquisition and Relocation	87
2.7.4.2	Post-Award Requirements for Acquisition and Relocation.....	87
2.7.4.3	Cost Effectiveness Documentation	87
2.7.5	Techniques Used for Elevating Structures	88
2.7.6	Mitigation Planning Resources	88
2.7.6.1	Planning Guidance and Requirements.....	88
2.7.7	Mitigation Planning Subapplication Guidance.....	88
2.7.7.1	Procedures for Developing Scope of Work.....	88
2.7.7.2	Risk Assessment – Mapping Activities.....	89
2.7.8	Technical Assistance	89
2.7.8.1	Engineering Feasibility Technical Assistance.....	90
2.7.8.2	Benefit-Cost Analysis Technical Assistance.....	91
2.7.8.3	Environmental/Historic Preservation Technical Assistance.....	91
2.7.8.4	Technical Assistance Hotline.....	92
2.7.9	Grant Application Checklist.....	92
2.7.10	Applicant’s Management Cost Subapplication Checklist	93
2.7.11	Subapplication Checklist.....	94
2.7.11.1	Planning Subapplication Checklist.....	94
2.7.11.2	Project Subapplication Checklist	96
2.7.12	Post-Award Requirements and Closeouts	98
2.7.12.1	Grantee Requirements.....	98
2.7.13	SRL Consultation, Offer, and Appeal Process	98

2.7.14	Regional Contact Information	99
3.	SECTION 3: HMA PROGRAM-SPECIFIC GUIDANCE	101
3.1	PRE-DISASTER MITIGATION PROGRAM.....	101
3.1.1	Program Overview	101
3.1.2	Purpose	108
3.1.3	PDM Grant Application Guidance	108
3.1.3.1	Authorization and Appropriation	108
3.1.3.2	Funding Limits	108
3.1.3.3	Eligible Project Activities and Associated Costs	109
3.1.3.4	Ineligible Project Activities and Associated Costs	110
3.1.3.5	Applicant Ranking of Subapplications	111
3.1.3.6	National Evaluation.....	112
3.1.3.7	Technical Review.....	113
3.1.3.8	National Ranking	113
3.1.3.9	Cost Overruns and Cost Under-Runs	114
3.1.3.10	Cost Share Requirements	114
3.1.3.10.1	Small and Impoverished Communities	114
3.1.3.10.2	Non-Federal Cost Share	115
3.1.4	Evaluation Information.....	115
3.1.5	Selection.....	116
3.1.6	Awards	116
3.2	FLOOD MITIGATION ASSISTANCE PROGRAM.....	117
3.2.1	Program Overview	117
3.2.2	Purpose	121
3.2.3	FMA Grant Application Guidance	121
3.2.3.1	Authorization and Appropriation	121
3.2.3.2	Funding Limits.....	121
3.2.3.3	Eligible Activities and Associated Costs.....	121
3.2.3.4	Ineligible Activities and Associated Costs	122
3.2.3.5	National Evaluation.....	124
3.2.3.6	Cost Share Requirements	125
3.2.3.6.1	Non-Federal Cost Share	125
3.2.3.7	Cost Overruns and Cost Under-Runs	125
3.3	REPETITIVE FLOOD CLAIMS PROGRAM	126
3.3.1	Program Overview	126
3.3.2	Purpose	130
3.3.3	RFC Grant Application Guidance	130
3.3.3.1	Authorization and Appropriation	130
3.3.3.2	Funding Limits.....	130
3.3.3.3	Eligible Properties.....	130
3.3.3.4	Eligible Activities and Associated Costs.....	130
3.3.3.5	Ineligible Activities and Associated Costs	131
3.3.3.6	Non-Federal Cost Share and Documentation	132
3.3.3.7	Cost Overruns and Cost Under-Runs	132
3.3.3.8	Reduced Capacity Requirement and Small and Impoverished Communities.....	133
3.3.3.9	National Ranking and Selection	135
3.4	SEVERE REPETITIVE LOSS PROGRAM	136
3.4.1	Program Overview	136
3.4.2	Purpose	141
3.4.3	SRL Grant Application Guidance	142
3.4.3.1	Authorization and Appropriation	142
3.4.3.2	SRL Target Allocations Application Selection	142
3.4.3.3	Redistribution of Funds.....	142

3.4.3.4	SRL 10 Percent Set-Aside Application Selection	143
3.4.3.5	Application Process.....	143
3.4.3.6	SRL Program Eligibility	144
3.4.3.7	Eligible Properties.....	145
3.4.3.8	Eligible Activities and Associated Costs.....	145
3.4.3.9	Criteria for Subapplicant Consideration of Project Type	146
3.4.3.10	Ineligible Activities and Associated Costs	149
3.4.3.11	Cost Share Requirements	150
3.4.3.12	Non-Federal Cost Share	151
3.4.3.13	Repetitive Loss Strategy	151
3.4.3.14	Cost Overruns and Cost Under-Runs	153
3.4.4	The SRL Consultation, Offer, and Appeal Process	153
3.4.4.1	The SRL Consultation Process.....	153
3.4.4.2	Subapplicant Responsibilities during the Consultation Process	154
3.4.4.3	Preparation for Consulting	154
3.4.4.4	Consultation with the Property Owner.....	154
3.4.4.5	Criteria for Subapplicant Consideration of Project Type	155
3.4.4.6	Consultation Meetings	155
3.4.4.7	Consultation Process Required Information.....	158
3.4.4.8	Documentation of the Consultation Process.....	159
3.4.4.9	Possible Outcomes of the Consultation Process.....	160
3.4.4.10	Privacy of the Property Owner.....	160
3.4.4.11	Reimbursement for Consultation Costs.....	160
3.4.5	Mitigation Offer Process	160
3.4.5.1	Subgrantee’s Responsibilities during the Mitigation Offer Process	161
3.4.5.2	Content of Mitigation Offer	162
3.4.5.3	Personal Representative for the SRL Property Owner	164
3.4.5.4	Possible Outcomes of the Mitigation Offer Process.....	164
3.4.5.5	Period of Mitigation Offer	164
3.4.6	Increased Insurance Premiums and Subsequent Claims Payments	164
3.4.6.1	Implementation of Insurance Premium Rate Increases	165
3.4.6.2	Actuarial Risk Premium Rate Limitation.....	166
3.4.7	Requirements to Appeal an Insurance Premium Rate Increase.....	168
3.4.7.1	Request for Appeal.....	168
3.4.7.2	Stay of Increased Insurance Premium Rate Pending Appeal.....	168
3.4.7.3	FEMA Regional Administrator Review of Appeal	169
3.4.7.4	Appeal to Independent Third Party	169
3.4.7.5	Six Grounds for Appeal	172
3.4.7.5.1	Appeals Relating to Inability to Purchase Replacement Property (Acquisition Projects Only)	172
3.4.7.5.2	Appeals Relating to Insufficient Funding for Acquisition, Relocation, Elevation, Mitigation Reconstruction, and Floodproofing.....	173
3.4.7.5.3	Appeals Relating to Diminishing Integrity of Historic Properties.....	174
3.4.7.5.4	Appeals Relating to Third Party Violations Affecting Multifamily Properties	175
3.4.7.5.5	Appeals Relating to Reliance on FIRM Current at the Time of Purchase	175
3.4.7.5.6	Appeals Relating To Cost Effectiveness of Alternative Project.....	176
3.4.8	Mitigation Reconstruction	177
3.4.8.1	Summary of Mitigation Project Requirements.....	178
3.4.8.2	Compliance with Local Standards.....	179
3.4.8.3	Eligible Mitigation Reconstruction Activities and Costs	179
3.4.8.4	Eligible Demolition/Removal Activities	181
3.4.8.5	Ineligible Mitigation Reconstruction Activities and Costs.....	182
3.4.8.6	Feasibility/Effectiveness Requirement.....	182
3.4.8.7	Mitigation Reconstruction Project Scoping.....	183
3.4.8.8	Certificate of Occupancy.....	184
3.4.8.9	Approximation of Original Square Footage.....	186
3.4.8.10	Codes and Standards	186
3.4.8.11	Plan Review and Inspections.....	187
3.4.8.12	Builder Certification	187
3.4.8.13	Additional Design and Construction Guidance.....	187
3.4.8.14	Scope of Work for Mitigation Reconstruction Projects.....	188
3.4.8.15	General Requirements.....	188

3.4.8.16	Pre-Construction	189
3.4.8.17	Site Preparation.....	189
3.4.8.18	Foundation Construction.....	189
3.4.8.19	Structural Shell Construction.....	190
3.4.8.20	Interior Finishes	190
3.4.8.21	Construction Completion	190
3.4.8.22	Scope of Work Changes for Mitigation Reconstruction Projects	191
3.4.8.23	Cost Estimate	191
3.4.8.24	Cost Estimate Documentation.....	192
3.4.8.25	Cost-Effectiveness	193
3.4.8.26	Methodology	193
3.4.8.27	Data Requirements for Mitigation Reconstruction Projects	193
3.4.8.28	Closeouts.....	194
3.4.9	Special Flood Hazard Area Requirement	194
4.	APPENDIX	195
4.1	REFERENCED STATUTES, REGULATIONS, AND GUIDANCE.....	195
4.2	HMA PROJECT DECISION MATRIX.....	207
4.3	FEMA ELIGIBILITY AND COMPLETENESS CHECKLIST	209
4.4	FORMS.....	213

TABLES

Table 1-1: HMA Eligible Projects	5
Table 1-2: Approved Mitigation Plan Requirement for Funding	6
Table 1-3: Cost Share Requirements (Percent of Federal/Non-Federal Share).....	6
Table 2-1: HMA Ineligible Projects and Activities	21
Table 3-1: Pre-FIRM Premium Excluding ICC and Federal Policy Fee	166
Table 3-2: Pre-FIRM Premium Increased By 50% Excluding ICC and Federal Policy Fee.....	167
Table 3-3: Eligible Mitigation Reconstruction Activities.....	180

FIGURES

Figure 3-1: RFC Reduced Capacity Requirement	134
Figure 3-2: Property Acquisition Decisionmaking Tree.....	148
Figure 3-3: Structural Elevation Decisionmaking Tree	149



ACRONYM	DEFINITION
ABFE	Advisory Base Flood Elevation
ADR	Alternative Dispute Resolution
ANSI	American National Standards Institute
ASCE	American Society of Civil Engineers
BCA	Benefit-Cost Analysis
BCR	Benefit-Cost Ratio
BEA	Department of Commerce, Bureau of Economic Analysis
BFE	Base Flood Elevation
BLS	U.S. Bureau of Labor Statistics
CATEX	Categorically Excluded
CBRA	Coastal Barrier Resources Act
CDBG	Community Development Block Grant
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CRS	Community Rating System
DDT	Data Documentation Templates
DHS	Department of Homeland Security
DMA	Disaster Mitigation Act
DOB	Duplication of Benefits
DOT	Department of Transportation
DUNS	Data Universal Numbering System
eGrants	Electronic Grants System
E.O.	Executive Order
ESA	Endangered Species Act
FEMA	Federal Emergency Management Agency
FHBM	Flood Hazard Boundary Map
FHWA	Federal Highway Administration
FIRM	Flood Insurance Rate Map
FIS	Flood Insurance Study
FMA	Flood Mitigation Assistance
FR	Federal Register
FY	Fiscal Year
GIS	Geographic Information Systems



ACRONYM	DEFINITION
GPS	Global Positioning System
HAZUS	Hazards United States
HMA	Hazard Mitigation Assistance
HMGP	Hazard Mitigation Grant Program
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBC	International Building Code
ICC	Increased Cost of Compliance
IRS	Internal Revenue Service
ITP	Independent Third Party
MAT	Mitigation Assessment Team
NAP	Non-Insured Crop Disaster Assistance Program
NEPA	National Environmental Policy Act
NFIA	National Flood Insurance Act
NFIRA	National Flood Insurance Reform Act
NFIF	National Flood Insurance Fund
NFIP	National Flood Insurance Program
NFMF	National Flood Mitigation Fund
NFPA	National Fire Protection Association
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NRHP	National Register of Historic Places
NRIS	National Register Information System
OMB	Office of Management and Budget
PDM	Pre-Disaster Mitigation
PNP	Private Nonprofit
POC	Point of Contact
RFC	Repetitive Flood Claims
SBA	Small Business Administration
SEI	Structural Engineering Institute
SFHA	Special Flood Hazard Area
SRL	Severe Repetitive Loss
SOW	Scope of Work



ACRONYM	DEFINITION
SQANet	Simple and Quick Access Network
USGS	United States Geological Survey
URA	Uniform Relocation Assistance and Real Property Acquisition Act of 1970
USACE	United States Army Corps of Engineers
USBL	United States Bureau of Labor Statistics
U.S.C.	United States Code
USPAP	Uniform Standards of Professional Appraisal Practice



1. SECTION 1: INTRODUCTION

The Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance (HMA) grant programs present a critical opportunity to protect individuals and property from natural hazards while simultaneously reducing reliance on Federal disaster funds. The HMA programs provide pre-disaster mitigation grants annually to States, Territories, Tribes, and local communities. The statutory origins of the programs differ, but all share the common goal of reducing the loss of life and property due to natural hazards.

The Pre-Disaster Mitigation (PDM) program is authorized by the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) and focuses on mitigation project and planning activities that address multiple natural hazards, although these activities may also address hazards caused by manmade events. The Flood Mitigation Assistance (FMA) program, Repetitive Flood Claims (RFC) program, and Severe Repetitive Loss (SRL) program are authorized by the National Flood Insurance Act (NFIA), and focus on reducing claims against the National Flood Insurance Program (NFIP).

For the current application cycles, FEMA’s Mitigation Directorate is unifying the multi-hazard PDM program with the FMA, RFC, and SRL programs into a unified HMA program application cycle. The intent of this alignment is to enhance the quality and efficiency of grant awards on an allocation and competitive basis to State, Territory, Tribal, and local entities for worthwhile, cost-beneficial activities designed to reduce the risks of future damage in hazard-prone areas. Best practices from the programs will be identified and adopted as the standard for all programs throughout this unification process. In addition, a unified process achieves economies of scale and portfolio management for Federal, State, and local officials by allowing resources to be dedicated to program training and technical assistance as needed. At the same time, unification streamlines FEMA’s program delivery and review processes, which offer new opportunities and additional resources to expand national outreach for all types of mitigation.

1.1 RATIONALE FOR COMBINING HMA GUIDANCE

Combining guidance for the PDM, FMA, RFC, and SRL programs into one comprehensive document accomplishes HMA objectives of efficiency and ease of use. First, it consolidates each program’s eligibility information under one cover. Second, it outlines both the common elements and spells out the unique requirements among the programs so that Federal, State, and local officials can easily identify key similarities and differences between the various programs. Tables 1-1 to 1-3 that follow Section 1.3 (How to Use this Guidance) provide tools for Federal, State, and local officials to select the appropriate program(s) for a proposed mitigation activity. Third, the combined guidance creates a platform for future updating and refinements of program policies and practices to make them more unified and user-friendly. Ultimately, the Hazard Mitigation Grant Program (HMGP) will be integrated into this HMA Guidance, providing a single guidance and referenced documents for both pre- and post-disaster hazard mitigation

assistance. Any future program or project policy revisions and best practices will be incorporated into the unified guidance.

1.2 PROGRAM GUIDANCE UPDATES

While many of the specific requirements of each program remain the same as Fiscal Year (FY) 2008, the primary changes to the guidance are the grouping of common elements in Section 2 (General HMA Guidance), and unique program requirements in Section 3, (HMA Program-Specific Guidance).

The following are the major changes made in this HMA Guidance:

- Combined common guidance from FY 2008 PDM, FMA, RFC, and SRL programs by eliminating any duplication or inconsistent policies in the following sections:
 - Grant Application Guidance;
 - Management Costs;
 - Mitigation Project Subapplication Guidance;
 - Mitigation Planning Subapplication Guidance;
- Section 2.3.13 (Property Acquisition and Relocation for Open Space) is intended to provide guidance on implementing the regulations governing the acquisition of real property and improvements at Title 44 of the Code of Federal Regulations (CFR) Part 80. This guidance follows the organizational structure of the property acquisition and relocation regulations;
- Created sections FEMA Review Process (Section 2.5) and Post-Award Grants Management Requirements and Closeout (Section 2.6) to clearly delineate the application review, selection, and implementation processes. Specifically, Special Flood Hazard Area Requirement (Section 2.6.4.4), was created to distinguish programmatic eligibility requirements from subgrant closeout requirements;
- The Resources and Tools (Section 2.7), formerly the Technical Assistance Resources section, is significantly enhanced. Additional resources were added to this section, including: mitigation project resources, mitigation planning resources, and application and subapplication requirements. Applicants and/or subapplicants can access engineering case studies and sample scopes of works through the Web links available in the mitigation project resources;
- Section 3 (HMA Program-Specific Guidance), provides program-specific guidance for the PDM, FMA, RFC and SRL programs. Distinctions among the programs regarding eligible activities, intent, and other considerations remain and reside in the program-specific guidance; and
- The Appendix, new to this HMA Guidance, provides additional resources, including referenced statutes, regulations and guidance, grant decision matrices, and useful forms for grant management.

The following changes were made in the program-specific guidance:

PDM Program

- Mitigation Plan subgrant funding limits are changed as follows:
 - New plan development subgrant may not exceed \$800,000 Federal share;
 - Comprehensive update of a plan subgrant may not exceed \$400,000 Federal share;
- Requirements for safe room projects are added;
- National Ranking and Evaluations factor percentages are modified; and
- Additional ranking points are provided for all eligible mitigation planning and project subapplications on the basis of predetermined, objective, and quantitative factors.

FMA Program

- FMA Planning grant recipients are now required to meet the planning criteria found in 44 CFR Part 201; and
- What was known as Applicant Technical Assistance under the FMA program is now codified at 44 CFR Part 79 as management costs, and reflected in this Guidance accordingly.

1.2.1 Funding Appropriations

HMA programs are subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds. Furthermore, availability of the PDM program is subject to anticipated reauthorization of the program beyond September 30, 2008.

1.2.2 Unified HMA Application Period

The Unified HMA application period is from June 19, 2008 through December 19, 2008. Applicants must submit an FY 2009 grant application to FEMA through the *eGrants* system by December 19, 2008, at 11:59:59 p.m. Eastern Standard Time.

1.2.3 Grant Cycle Timelines

The timelines below are specific to the FY 2009 grant cycle.

- *Guidance* – Available June 19, 2008
- *Application Period* – June 19, 2008 to December 19, 2008
- *FEMA Eligibility and Completeness Review* – December 20, 2008 to January 25, 2009
- *National Evaluation and National Technical Review* – starts January 26, 2009
- *Selection for Further Review* – March 2009

1.3 HOW TO USE THIS GUIDANCE

For the purpose of this HMA Guidance, “Applicant” is the State, Territory, or Indian Tribal government applying to FEMA for a grant that will be accountable for the use of the funds. Once grant funds are awarded, the Applicant becomes the “Grantee.” “Subapplicant” means the entity or community that submits a subapplication for FEMA assistance to the State, Territory, or Indian Tribal Applicant/Grantee. Once funding is awarded, the subapplicant becomes the “subgrantee.”

In addition to providing comprehensive guidance to the four HMA grant programs, this Guidance is intended to help States, Territories, Indian Tribal governments, and local communities navigate the different program regulations to more quickly determine which program(s) is most suitable for their mitigation activity. This Guidance contains following four major sections:

- **Section 1 – Introduction:** Discusses the purpose of the HMA programs and the advantages of combining guidance for the four programs, identifies the program guidance updates and timelines, and describes how to use this Guidance;
- **Section 2 – General HMA Guidance:** Includes seven subsections to provide detailed guidance to potential Applicants and subapplicants regarding eligibility, program restrictions, cost share requirements, and the application process. Section 2 also describes eligible amounts and uses of management costs for Applicant and subapplicants, application requirements, scope of work requirements, and eligible uses of the HMA funding. Applicants/subapplicants should also refer to the Electronic Grants System (eGrants) for HMA grant applications and specific requirements;
- **Section 3 – HMA Program-Specific Guidance:** Provides specific guidance for the PDM, FMA, RFC and SRL programs. Guidance for Mitigation Reconstruction is included in Section 3.4.8; and
- **Section 4 – Appendix:** Provides additional resources and tools useful in making grant application decisions.

Tables 1-1, 1-2, and 1-3 provide tools for the user to identify key project requirements and the appropriate program(s) for a proposed mitigation activity.

This policy represents FEMA’s interpretation of a statutory or regulatory requirement. The policy itself does not impose legally enforceable rights and obligations, but sets forth a standard operating procedure or agency practice that FEMA staff follow to be consistent, fair, and equitable in the implementation of the agency’s authorities.

Table 1-1: HMA Eligible Projects

Mitigation Project	PDM	FMA	RFC	SRL
1. Property Acquisition and Demolition or Relocation Project				
Property Acquisition and Demolition or Relocation	✓	✓	✓	✓
2. Construction Type Projects				
Property Elevation	✓	✓	✓	✓
Mitigation Reconstruction ¹				✓
Localized Minor Flood Reduction Projects	✓	✓	✓	✓
Dry Floodproofing of Residential Property ²		✓		✓
Dry Floodproofing of Non-residential Structures		✓	✓	
Stormwater Management	✓	✓		
Infrastructure Protection Measures	✓			
Vegetative Management/Soil Stabilization	✓			
Retrofitting Existing Buildings and Facilities (Wind/Earthquake)	✓			
Safe room construction	✓			
3. Non-construction Type Projects				
All Hazard/Flood Mitigation Planning	✓	✓		
<p>1. The SRL Program allows Mitigation Reconstruction projects located OUTSIDE the regulatory floodway or Zone V as identified on the effective Flood Insurance Rate Map (FIRM), or the mapped limit of the 1.5-foot breaking wave zone. Mitigation Reconstruction is only permitted if traditional elevation cannot be implemented.</p> <p>2. The residential structure must meet the definition of "Historic Structure" in 44 CFR § 59.1.</p>				

See Section 2.3 (Mitigation Project Subapplication Guidance) and Section 2.4 (Mitigation Planning Subapplication Guidance) for details.

Table 1-2: Approved Mitigation Plan Requirement for Funding

Plan Requirement	PDM		FMA		RFC	SRL
	Funding Type					
	Project	Planning	Project	Planning	Project	Project
State or Tribal Mitigation Plan	✓		✓		✓	✓
Local Mitigation Plan	✓		✓			✓
Repetitive Loss Strategy (to be eligible for 90%/10% cost share)			✓			✓

See Sections 2.1.3.3.1 (Mitigation Plan Requirement for Applicant), Section 2.3.5.1 (Mitigation Plan Requirement for Project Subapplications), and Section 2.4.2 (Mitigation Plan Requirement for Planning Subapplications), for details.

Table 1-3: Cost Share Requirements (Percent of Federal/Non-Federal Share)

Programs	Project Grant	Planning Grant	Management Cost () Percent of Total Grant Award	
	Subgrantee	Subgrantee	Grantee	Subgrantee
PDM-Regular	75/25	75/25	75/25 (10)	75/25 (5)
PDM-Small & Impoverished	90/10	90/10	75/25 (10)	90/10 (5)
FMA-Regular	75/25	75/25	75/25 (10)	75/25 (5)
FMA-SRL Property with Repetitive Loss Strategy	90/10		90/10 (10)	90/10 (5)
RFC	100/0		100/0 (10)	100/0 (5)
SRL-Regular	75/25		75/25 (10)	75/25 (5)
SRL- with Repetitive Loss Strategy	90/10		90/10 (10)	90/10 (5)

See Section 2.1.6 (Cost Share Requirements) for details.



2. SECTION 2: GENERAL HMA GUIDANCE

2.1 GRANT APPLICATION GUIDANCE

2.1.1 Authorization and Appropriation

PDM was authorized by Section 203 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 United States Code [U.S.C.] § 5133). FMA is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended (NFIA) (42 U.S.C. § 4101c) with the goal of reducing or eliminating claims under the NFIP. SRL and RFC are authorized by Sections 1361A and 1323, respectively, of the NFIA, as amended by the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (NFIRA), (42 U.S.C. § 4102a, 4030) to provide funding to reduce or eliminate the long-term risk of flood damage to repetitive loss structures insured under the NFIP.

The common elements of each program's guidance are found in this section. For guidance specific to each program, please see Section 3 (HMA Program-Specific Guidance). More information and tools regarding each program can be found on FEMA's Web site:

- PDM - <http://www.fema.gov/government/grant/pdm/>;
- FMA - <http://www.fema.gov/government/grant/fma/>;
- RFC - <http://www.fema.gov/government/grant/rfc/>; and
- SRL - <http://www.fema.gov/government/grant/srl/>.

2.1.2 Application Consideration under Other Mitigation Grant Programs

Eligible subapplications submitted but not funded under a specific grant program may be considered for another mitigation grant program(s). Applicants seeking this option should consider addressing eligibility requirements of alternative programs in their application in order to ensure that their application can be considered for all available funding options.

Applicants must include a statement in their grant application under the “Comments for FEMA” field indicating their interest in having their subapplications considered for another mitigation grant program (the Applicant should specify the additional mitigation grant program(s) and corresponding Catalog of Federal Domestic Assistance (CFDA) number(s) (see Section 2.7.2.1, Catalog of Federal Domestic Assistance Number). FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.

2.1.3 Grant Program Eligibility

2.1.3.1 Eligible Applicants

Entities eligible to apply for grants include State emergency management agencies or a similar office of the State (i.e., the office that has primary emergency management or floodplain management responsibility); the District of Columbia; the U.S. Virgin Islands; the Commonwealth of Puerto Rico; American Samoa; Guam; the Commonwealth of the Northern Mariana Islands; and federally recognized Indian Tribal governments. Each State, Territory, or federally recognized Indian Tribal government shall designate one agency to serve as the Applicant for each individual program.

In accordance with 44 CFR and FEMA policy “Government-to-Government Relations with American Indian and Alaska Native Tribal Governments,” published in the January 12, 1999 issue of the Federal Register, federally recognized Indian Tribal governments may choose to apply for grants either through the State as a subapplicant or directly to FEMA as an Applicant. This choice is independent of a designation under other FEMA grants and programs. Some State regulations prohibit the State from acting as an Applicant for an Indian Tribe. In such cases, or if the federally recognized Indian Tribal government chooses, the Tribal government may act as an Applicant. If awarded funding, the Indian Tribal government assumes the full responsibilities of a Grantee for the purposes of administering the grant. FEMA has determined that the unique status of Indian Tribal governments justifies providing this option to apply directly to FEMA. However, when legally permitted, Indian Tribal governments are encouraged to continue existing relationships with the State.

2.1.3.2 Eligible Subapplicants

Only the following entities are eligible to apply for project and planning grants:

- a) State-level agencies, including State institutions;
- b) Federally recognized Indian Tribal governments participating in the NFIP, including State-recognized Indian Tribes, authorized Indian Tribal organizations, and Alaska Native villages;
- c) Public or Tribal colleges or universities (for PDM only); and
- d) Local jurisdictions that are participating in the NFIP.

Private nonprofit (PNP) organizations and individuals are not eligible subapplicants; however, a relevant State agency or local community in which the PNP or individual resides may act as the subapplicant and apply to the Applicant for assistance to mitigate a private or PNP property.

There are two exceptions to the NFIP requirement for PDM only (see Section 2.1.3.3.2, NFIP Participation Requirement).

Certain non-participating political subdivisions (e.g., Councils of Governments, Regional Planning Commissions, or County governments) may apply and act as subgrantee on behalf of the NFIP-participating community in areas where the political subdivision provides zoning and building code enforcement, or planning and community development professional services for

that community. Only those NFIP-participating communities or federally recognized Indian Tribal governments that are not suspended or withdrawn from the NFIP are eligible to receive HMA grant funds.

2.1.3.3 Program Requirements

2.1.3.3.1 Mitigation Plan Requirement for Applicant

In accordance with 44 CFR Part 201, all Applicants must have a FEMA-approved State Mitigation Plan (Standard or Enhanced) or Tribal Mitigation Plan by the application deadline to be eligible to apply for and receive HMA grant funding.

2.1.3.3.2 NFIP Participation Requirement

All subapplicants must be participating in the NFIP, and must not be suspended or have withdrawn from the NFIP, to be eligible to apply for HMA grant funds and to act as subgrantee. Certain non-participating political subdivisions (i.e., Councils of Governments, Regional Planning Commissions, or County governments) may apply and act as subgrantee on behalf of the NFIP-participating community in areas where the political subdivision provides zoning and building code enforcement or planning and community development professional services for that community. In addition, federally recognized Indian Tribal governments applying directly to FEMA for HMA grant funds must also be participating in the NFIP. HMA grant funds shall not be used to support project activities in communities that are not participating in the NFIP.

There are two exceptions for PDM only:

- Applicants/subapplicants that have not been identified or issued a Flood Hazard Boundary Map (FHBM) or FIRM are eligible for the PDM program; and
- Federally recognized Indian Tribal governments may be eligible to receive PDM planning grants even if they have been issued a FHBM or FIRM and are not participating in the NFIP. Tribal governments will not be eligible for PDM project grants, however, until they are participating in the NFIP.

2.1.3.3.3 Non-Discrimination Compliance

In accordance with the Robert T. Stafford Act Section 308 and Title VI of the 1964 Civil Rights Act, all FEMA mitigation programs must be administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status. In addition, Federal assistance distributed by State and local governments is to be implemented in compliance with all applicable laws.

Applicants and subapplicants will ensure that no discrimination is practiced. Applicants and subapplicants must consider fairness, equity, and equal access when prioritizing and selecting project subapplications to submit with their grant application. Subapplicants must also ensure fairness and equal access to property owners and individuals that benefit from mitigation activities.

2.1.3.3.4 Cost Effectiveness

To ensure cost-effective mitigation activities are funded, a FEMA-approved Benefit-Cost Analysis (BCA) is required for all mitigation projects. Project subapplications must demonstrate cost effectiveness through a BCR of 1.0 or greater (see Section 2.3.9, Cost Effectiveness Analysis).

2.1.3.3.5 NFIP Repetitive Loss Data

The State should check with its Attorney General about applicable State public records acts or privacy laws that may affect the disclosure and use of severe repetitive loss, or other categories of repetitive loss, data. The records are protected pursuant to the Privacy Act of 1974 (5 U.S.C. § 552a) and must not be publicly disclosed. Currently FEMA shares this information with States, but may choose not to provide this information in the future to States or communities if it finds unauthorized use of this information has occurred. Individuals may seek access to information from States and communities about their own property, such as whether their property address is on the severe repetitive loss list or other repetitive loss list, the number of claims filed, and amounts paid to previous owners.

State NFIP Coordinators may access an Internet-based version of BureauNet called Data Exchange and they, along with the State Hazard Mitigation Officer and other approved State staff, may also access an Internet portal called Simple and Quick Access Network (SQANet) developed as part of the FEMA NextGen project. Data Exchange allows the State to access and download current claims, policy guidance, and repetitive loss data. SQANet allows the State to download repetitive loss data and SRL data validated by FEMA, aiding the identification of repetitive loss and SRL properties eligible for mitigation under HMA programs.

Currently, communities cannot access either of these systems and it is the responsibility of the State or FEMA to provide repetitive loss property data and, if necessary, claims and policy information to the communities. States may access this sensitive data and provide it directly to community governments on the basis of their status as an approved user. Approved users are limited to those engaged in floodplain management, improved real property acquisitions, and relocation projects that are consistent with the NFIP. These uses are authorized pursuant to notices published in the Federal Register, most recently on January 23, 2002 (DHS/FEMA-008).

State staff wishing to gain access to sensitive NFIP data may request a login ID and password for SQANet by visiting <http://www.nfipnextgen.com/help.html>. States accessing BureauNet and SQANet records are advised of, and must acknowledge, the sensitive nature of the information and the need to protect the release of the data to unauthorized users. When the data are released to a local government by either the State or the FEMA Regional Office, the local government must be notified in writing that the records relating to individuals and individual properties are:

“being made available through the FEMA routine use policy for the specific purposes of mitigation planning, research, analysis, and feasibility studies consistent with the NFIP and for uses that further the floodplain management and hazard mitigation goals of the States and FEMA.”

2.1.3.4 Program Restrictions

2.1.3.4.1 Duplication of Programs

FEMA will not provide assistance for activities that it determines another Federal program has a more specific or primary authority to provide. FEMA also will not provide assistance for the Applicant or subapplicant's legal obligations. FEMA may disallow or recoup amounts that duplicate other authorities.

2.1.3.4.2 Duplication of Benefits

FEMA will not provide assistance under HMA programs for activities that duplicate benefits received by or available to Applicants, subapplicants, and other project participants from insurance, other assistance programs, legal awards, or any other source to address the same purpose. Such individuals or entities must notify the Grantee and FEMA of all benefits that they receive or anticipate from other sources for the same purpose, and must seek all such benefits available to them. FEMA will reduce the grant by the amounts available for the same purpose from another source.

If FEMA provides assistance under HMA programs when other benefits are available, the Grantee will be liable to FEMA for any duplicative amounts that are received from other sources, and must reimburse FEMA for such amounts. FEMA also will not provide assistance for the Applicant or subapplicant's legal obligations, such as those imposed by a legal settlement, court order, or State law.

FEMA funds cannot duplicate amounts available to the property owner from other sources. The property owner must identify any other sources of funds that may be reasonably available to the property owner for the mitigation activity, such as:

- Funds to compensate in whole or part for the value of the property;
- Funds to address any property damage, such as applicable insurance policies; and
- Other assistance, legal claims, or third-party legal obligations.

If such amounts become available to the property owner, even after the offer of mitigation is made, for example after the acquisition of a property, the amounts received from FEMA will then be considered a duplication of benefits (DOB), and the property owner must inform the subapplicant and repay such duplicated amounts.

This DOB policy applies to the projects previously submitted under other FEMA mitigation grant programs, including HMGP, PDM, FMA, RFC, and SRL.

For further details and examples of DOB, see Section 2.3.13.3.1.6 (Deductions from Purchase Offer).

2.1.3.4.3 Conflict of Interest and Procurement

Applicants and subapplicants must avoid conflict of interest. Subapplicants must comply with the procurement guidelines at 44 CFR § 13.36, which urges subapplicants to avoid situations

where local officials with oversight authority might benefit financially from the grant disbursement.

The subgrantee is required to ensure that their procurements are subject to full and open competition and undergo a cost or price analysis before award as stated in 44 CFR § 13.36. Applicants must comply with guidelines for awarding and administering subgrants as stated in 44 CFR § 13.37.

2.1.3.4.4 Cost Overruns and Cost Under-Runs

Each HMA program has specific guidance for cost overruns and under-runs (see Section 3.1.3.9 for PDM, Section 3.2.3.7 for FMA, Section 3.3.3.7 for RFC, and Section 3.4.3.14 for SRL).

2.1.3.4.5 Period of Performance

The period of performance is the period of time during which the Grantee is expected to complete the grant activities and to incur and expend approved funds. The grant period of performance is specified in the Agreement Articles.

The period of performance for the grant shall begin on the date that the grant is awarded and end on the last day of the period of performance of the subgrant with the longest period of performance awarded to the Grantee. The period of performance for subgrant awards shall not exceed 3 years from date of award. The Grantee is responsible for monitoring the progress of each subgrant to ensure timely progress and closeout.

2.1.4 Eligible and Ineligible Activities and Associated Costs

2.1.4.1 Eligible Activities and Associated Costs

Mitigation plans and projects must be long term, feasible, and meet all requirements referenced in this guidance. Projects also must demonstrate cost effectiveness.

The following are eligible activities for the HMA program:

- Mitigation planning (PDM and FMA programs);
- Mitigation projects (PDM, FMA, RFC, and SRL programs); and
- Applicant management costs (PDM, FMA, RFC, and SRL programs).

Each program has specific guidance for eligible activities and associated costs (see Section 3.1.3.3 for PDM, Section 3.2.3.3 for FMA, Section 3.3.3.4 for RFC, and Section 3.4.3.8 for SRL). A summary table outlining eligible project activities for each program is part of this Guidance (see Table 1-1, HMA Program Eligible Projects). For eligible planning activities and associated costs, see Section 2.4.3.1.

2.1.4.2 Ineligible Activities and Associated Costs

Each program has specific guidance for ineligible activities and associated costs (see Section 3.1.3.4 for PDM, Section 3.2.3.4 for FMA, Section 3.3.3.5 for RFC, and Section 3.4.3.10 for

SRL). A summary matrix outlining ineligible project activities for each program is part of this Guidance (see Table 2-1, HMA Ineligible Projects and Activities). For ineligible planning activities and associated costs, see Section 2.4.6.

2.1.5 Application Process

2.1.5.1 FEMA's Electronic Grants System

FEMA requires Applicants use *eGrants* to submit all HMA grant applications for projects, planning, and management cost subapplications. This system encompasses the entire grant application process and provides the means to electronically create, review, and submit a grant application via the Internet.

FEMA's *eGrants* system incorporates all elements of the application in a user-friendly format for both Applicant and subapplicant use. Applicants and subapplicants can access *eGrants* at <https://portal.fema.gov/famsVuWeb/home>. The electronic process eliminates the paper-based process since subapplicants' project/plan subapplications may be electronically submitted to the Applicant for review and approval in *eGrants*. After approval, the Applicant must attach the approved subapplications to a grant application, along with the Applicant's own project/plan and management cost subapplications, if any, and submit the entire application to FEMA. FEMA uses the *eGrants* system to monitor ongoing performance, manage the flow of Federal funds, and close out the grant award when all work is completed (see Section 2.7.1, *eGrants* Helpdesk, for additional *eGrants* resources).

Only grant applications submitted through the *eGrants* system will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant's paper subapplication(s) into the *eGrants* system on their behalf using the Paper Subapplication Intake function. Paper project/plan subapplications that follow the *eGrants* format are available in the *eGrants* system for subapplicants to use. Applicants must submit any supporting documentation that cannot be electronically attached to the *eGrants* application (e.g., engineering drawings, photographs, maps) to the appropriate FEMA Regional Office. The entire application, including all paper documentation, must be received by the appropriate FEMA Regional Office by the application deadline. Paper duplicates of attachments submitted with subapplications in *eGrants* are not necessary.

See Section 2.7.9 (Grant Application Checklist) for required information in the HMA grant application.

2.1.5.2 Applicant Review of Subapplications

Applicants must review and approve all subapplications in *eGrants* before the subapplications can be attached to a grant application. Applicants should review all project subapplications for eligibility, completeness, and consistency with the Applicant's Standard or Enhanced Mitigation Plan and the goals and objectives of the applicable local mitigation plan prior to inclusion in the Grant application. Applicants may return subapplications to subapplicants for revisions in *eGrants* as necessary prior to the application deadline.

FEMA strongly encourages Applicants to review the subapplicant's responses to the Evaluation Information questions, including the assessment of the frequency and severity of hazards for

mitigation planning activities, and the BCA for mitigation projects. This information may support the subapplication's competitiveness. The Applicant may wish to revise or augment this information in consultation with the subapplicant.

Applicants must certify that they have evaluated the activities included in each subapplication to address all program requirements, and that activities will be implemented in accordance with 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

In addition, the Applicant must provide a narrative in the comment field for the subapplication in eGrants to describe:

- Whether the proposed activity is consistent with the Applicant's mitigation goals and objectives as stated in the Applicants' Mitigation Plan as well as the goals and objectives of the subapplicant's local or Tribal mitigation plan;
- Whether the proposed activity is feasible and will provide a long-term, independent solution to mitigate natural hazards; and
- If the subapplicant is able to manage the grant funds and complete the activity in the time specified.

2.1.6 Cost Share Requirements

Under HMA programs, the total cost to implement approved mitigation activities is generally funded by a combination of Federal and non-Federal sources.

In addition to the general guidance below, each program has specific guidance for cost share requirements (see Section 3.1.3.10 for PDM, Section 3.2.3.6 for FMA, Section 3.3.3.6 for RFC, and Section 3.4.3.11 for SRL).

2.1.6.1 Cost Share Documentation

Requirements for in-kind contributions can be found in 44 CFR § 13.24. In-kind contributions must be comprised of eligible program costs. The following documentation is required for third-party cash and in-kind contributions:

- Record of donor;
- Dates of donation;
- Rates for staffing, equipment or usage, supplies, etc.;
- Amounts of donation; and
- Deposit slips for cash contributions.

According to 44 CFR § 13.24, this documentation is to be held at the Applicant and subapplicant level.

2.1.6.2 Federal Funds Allowed to be used as a Non-Federal Cost Share

HMA grant funds generally cannot be used as cost share for another federally funded activity. In addition, funds contributing to the non-Federal cost share for HMA programs cannot also be used as cost share for other Federal grant programs. In general, the non-Federal cost share may not include funds from other Federal agencies, except for Federal funds that have authorizing statutes that explicitly allow the funds to be used as a cost share for other Federal grants.

Exceptions include:

- Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) monies may be used as cost share for property acquisition projects as long as the projects are eligible under the CDBG program;
- The U.S. Small Business Administration loan funds and the U.S. Department of Agriculture's Farm Service Agency loan funds, which lose their Federal identity once the loan is approved, may be used as a cost share;
- Tribal Health Services funds may be used as cost share for PDM funds, as long as the mitigation activity "contributes to the purposes for which grants...are made" under the Tribal Health Services statute;
- Bureau of Tribal Affairs funds may be used as cost share;
- Appalachian Regional Commission funds may be used as cost share, per 40 U.S.C. § 14321(a)(3);
- Funds derived from Title III of the Secure Rural Schools and Community Self-Determination Act of 2000, 16 U.S.C. § 500, may be used as cost share, as long as the use is also consistent with the purposes of that Act; and
- The NFIP Increased Cost of Compliance (ICC) claim payment from previous flood events may be used to meet the non-Federal cost share requirements, as long as the period for making such a claim remains open.

2.2 MANAGEMENT COSTS

Applicants may apply for a maximum of 10 percent of the total funds requested in their grant application budget (Federal and non-Federal shares) for management costs to support the planning and project subapplications included as part of their grant application. Applicants requesting Applicant management costs must submit a separate Management Costs subapplication in eGrants. This subapplication must be included in their overall grant application or the request will not be considered. See Section 2.7.10 (Applicant's Management Cost Subapplication Checklist) for a list of required information in the Management Cost subgrant application.

Subapplicants may include a maximum of 5 percent of the total funds requested in their subapplication for management costs to support the activity (see Section 2.2.4, Subapplicant Management Costs).

2.2.1 Eligible Management Cost Activities

Eligible management cost activities include:

- The solicitation, review, and processing of subapplications and subgrant awards;
- Providing technical assistance to subapplicants regarding BCA and Environmental/Historic Preservation documentation;
- Geocoding mitigation projects selected for further review (see Section 2.3.5.7, Geocoding Requirements);
- Delivery of technical assistance (e.g., plan reviews, planning workshops, training) to support the implementation of mitigation activities;
- Managing grants (e.g., quarterly reporting and closeout);
- Technical monitoring (e.g., site visits, technical meetings); and
- Staff salary costs directly related to performing the activities listed above.

Management cost activities must be consistent with Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

Indirect costs, if requested, must be included as part of the cost estimate for the Applicant's management cost subapplication, and must not exceed 10 percent of the total cost of the grant application. Indirect costs are included as part of the total project cost and must be specified in the cost estimate. Indirect costs in excess of the 10 percent management cost limit may not be used as part of the non-Federal cost share. There will be no exception to permit the increase in Applicant management costs. Indirect costs must be supported with a current Indirect Cost Rate approved by a Federal Cognizant Agency and submitted with the application/subapplication.

2.2.2 Limitation on Management Costs

Applicant management costs may be approved for up to 10 percent of the total amount awarded for the Applicant's subgrants or the amount of management costs requested by the Applicant, whichever is less. Applicants will not request subapplicant management costs in their own planning or project subapplications under any circumstance (see Section 2.2.4, Subapplicant Management Costs). Applicants who are not awarded grant funds will not receive reimbursement for management costs.

2.2.2.1 Pre-Award Management Costs

Pre-award management costs include eligible management costs incurred after the application period has opened but prior to the grant award. FEMA may fund eligible pre-award management costs as funds are available. In most cases, Grantees will be reimbursed for eligible pre-award management costs. Eligible pre-award management costs must be included as separate line items in the cost estimate for the Management Cost subapplication.

In lieu of requesting pre-award management costs, Applicants may submit eligible management costs incurred prior to award, but after the application period has opened, as their non-Federal cost share.

Each program has specific guidance for Non-Federal Cost Share Requirements (see Section 3.1.3.10.2 for PDM, Section 3.2.3.6.1 for FMA, Section 3.3.3.6 for RFC, and Section 3.4.3.12 for SRL).

2.2.2.2 Project Implementation Prior To Award

Management costs will not be reimbursed for activities associated with project implementation, project initiation, or projects completed prior to award. Therefore, implementation activities initiated or completed prior to award will not be eligible.

2.2.3 Period of Performance

The period of performance for the Applicant management costs grant shall begin on the date that the management costs grant is awarded and end on the last day of the period of performance of the longest subgrant awarded to the Grantee including any extensions approved by FEMA.

2.2.4 Subapplicant Management Costs

Subapplicants may include a maximum of 5 percent of the total funds requested in their subapplication for management costs to support the planning or project activity. Subapplicant management cost activities must be consistent with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. Subapplicants requesting management costs should provide supporting documentation and include these costs as separate line items in the cost estimate portion of the subapplication in order to be considered. **Subapplicant management costs must be included in the BCA for a project.** Indirect costs, if requested, must be included as part of the subapplicant management costs, not to exceed 5 percent of the total cost of the subapplication. Indirect costs should be supported with a current Indirect Cost Rate that is approved by a Federal Cognizant Agency. There will be no exception to permit the increase in subapplicant management costs for the PDM, FMA, and RFC programs.

For SRL Only:

There may be limited exceptions made to permit an increase in subgrantee management costs under the SRL program. If cost overruns are anticipated for obligated project activities, the Grantee shall inform the FEMA Regional Administrator who will verify the circumstances, including costs incurred and activities completed, and either approve or disapprove requests for funding.

2.2.5 Cost Share

Management costs are generally funded by a combination of Federal and non-Federal sources. For more details on cost share requirements, see Section 2.1.6 (Cost Share Requirements).

2.3 MITIGATION PROJECT SUBAPPLICATION GUIDANCE

The following section provides guidance for Applicants and subapplicants applying for funding for a mitigation project activity (PDM, FMA, RFC and SRL programs). For guidance in applying for funding for a mitigation planning activity (PDM and FMA programs only), refer to Section 2.4 (Mitigation Planning Subapplication Guidance).

2.3.1 Eligible Project Activities and Associated Costs

Each program has specific guidance for eligible project activities and associated costs (see Section 3.1.3.3 for PDM, Section 3.2.3.3 for FMA, Section 3.3.3.4 for RFC, and Section 3.4.3.8 for SRL).

2.3.2 Ineligible Project Activities and Associated Costs

Certain project activities and their associated costs are not eligible (see Table 2-1, HMA Ineligible Projects and Activities). Project subapplications that propose ineligible activities will be removed from consideration. FEMA will not separate ineligible activities from project subapplications for funding consideration. Each program has specific guidance for ineligible project activities and associated costs (see Section 3.1.3.4 for PDM, Section 3.2.3.4 for FMA, Section 3.3.3.5 for RFC, and Section 3.4.3.10 for SRL).

2.3.3 Period of Performance

The period of performance is the period of time during which the Grantee is expected to complete the grant activities and to incur and expend funds approved for the HMA grant. The grant period of performance is specified in the Agreement Articles.

The period of performance for the grant shall begin on the date that the grant is awarded and end on the last day of the period of performance of the subgrant with the longest period of performance awarded to the Grantee. The period of performance for subgrant awards shall not exceed 3 years from date of award. Project subapplications that propose a work schedule in excess of 3 years will not be accepted. The Grantee is responsible for monitoring the progress of each subgrant to ensure timely progress and closeout. Requests for extensions to the period of performance will be considered but are not guaranteed (see Section 2.6.3, Extensions).

2.3.4 Pre-Award Activities and Costs

Eligible project costs incurred after the HMA application period has opened, but prior to the date of the grant award, are identified as pre-award costs. FEMA may allow eligible pre-award project costs as funds are available. Grantees and subgrantees may be reimbursed for eligible pre-award costs incurred after the publication of the HMA Guidance for activities directly related to developing the project proposal. Activities may include, but are not limited to, development of the BCA and Environmental/Historic Preservation data, and documentation and engineering design. Pre-award project costs should be identified as separate line items in the cost estimate of the project subapplication. Costs associated with project implementation, project initiation, or projects completed prior to award will not be eligible if they are incurred prior to award.

In lieu of requesting pre-award project costs, Applicants and subapplicants may submit eligible costs incurred prior to award, but after the HMA application period has opened, as their non-Federal cost share, if applicable.

2.3.5 Mitigation Project Requirements

2.3.5.1 Mitigation Plan Requirement for Project Subapplications

All Applicants must have a FEMA-approved State Mitigation Plan (Standard or Enhanced) or Tribal Mitigation Plan by the application deadline to be eligible to apply for and receive project grant funding under HMA programs in accordance with 44 CFR Part 201. In addition, all subapplicants to the FMA, PDM and SRL programs must have a FEMA-approved local mitigation plan by the application deadline to be eligible to apply for, and receive, project grant funding. The exception to this requirement is RFC program, which **does not** have this requirement at the subapplicant level.

A local or Tribal government with a mitigation plan that expires prior to the award of a grant or subgrant must provide a FEMA-approved mitigation plan in accordance with 44 CFR Part 201 in order to receive grant funding.

Projects submitted for consideration must be consistent with the goals and objectives identified in the current FEMA-approved State Mitigation Plan or Tribal Mitigation Plan and local or Tribal mitigation plan for the jurisdiction in which the activity is located.

2.3.5.1.1 Repetitive Loss Strategy

In order to be eligible for an increased Federal cost share of up to 90 percent under the SRL or FMA program (PDM and RFC do not have this option), the FEMA-approved State or Tribal Mitigation Plan must be in effect at the time of grant award and must also meet all of the requirements described in Section 3.4.3.13 (Repetitive Loss Strategy).

Table 2-1: HMA Ineligible Projects and Activities

Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, waterway channelization, and erosion projects related to beach nourishment or re-nourishment.
Phased or partial projects dependent on another phase or part to be effective and/or feasible.
Activities for which implementation has already been initiated or completed.
Studies not directly related to the design and implementation of the proposed mitigation project (e.g., engineering designs, feasibility studies, or drainage studies that are not integral to the proposed project).
Flood studies or flood mapping (e.g., general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination).
Projects that solely address operation, maintenance, or repairs of existing structures, facilities, or infrastructure (e.g., dredging, debris removal, bridges and dam repair/rehabilitation).
Purchase and installation of generators, and related equipment, such as generator hook-ups, for non-critical facilities or as a stand-alone activity.
Purchase and installation of warning and alert notification systems (e.g., National Oceanic and Atmospheric Administration [NOAA] weather radios).
Purchase and installation of response and communication equipment.
Legal procedures related to litigation for an approved application or subapplication.
Mitigation Reconstruction activities ¹ . Mitigation Reconstruction is defined as any activity where an existing building and/or foundation is partially or completely demolished or destroyed and an improved, elevated building is constructed on the same site. This includes, but is not limited to, pre-existing buildings that were substantially damaged or destroyed as a result of a declared event.
Landscaping for ornamentation (trees, shrubs, etc.).
Site remediation of hazardous contaminants.
Water quality infrastructure projects.
Projects that address ecological or agricultural issues.
Projects located in a coastal barrier area as defined by the Coastal Barrier Resources Act (CBRA) Zone.
Dry-floodproofing of residential structures ² .
Projects that solely address a manmade hazard.
Localized flood reduction projects that constitute a section of a larger flood control system.
Any project for which another Federal agency has primary authority.
Any project soliciting benefits that are available from another source for the same purpose.

1. SRL program allows Mitigation Reconstruction projects located **OUTSIDE** regulatory floodway or Zone V as identified on the effective FIRM, or the mapped limit of the 1.5-foot breaking wave zone. Mitigation Reconstruction is only permitted if traditional elevation cannot be implemented. See Section 3.4.8, Mitigation Reconstruction, for further details.

2. Only historic residential properties listed or eligible for inclusion on the National Register of Historic Places are eligible under FMA and SRL programs

These ineligible projects and activities are common to all HMA programs. For additional ineligible projects and activities, see program-specific guidance in Section 3.

2.3.5.2 Eligibility Criteria

Proposed mitigation projects must meet all programmatic requirements including:

- Be cost-effective and able to substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster;
- Have a BCA using a FEMA-approved methodology that results in a BCR of 1.0 or greater. Only mitigation projects with a BCR of 1.0 or greater will be considered;
- Conform with 44 CFR Part 9, Floodplain Management and Protection of Wetlands, and 44 CFR Part 10, and any applicable environmental laws and regulations;
- Not duplicate benefits available from another source for the same purpose or assistance that another Federal agency or program has the primary authority to provide;
- Be technically feasible and have the ability to be implemented. The project cost estimate must reflect the engineering design, if applicable, and include all anticipated costs;
- If a community has a FIRM or a FHBM, that community must not be suspended or withdrawn from the NFIP program;
- Solve a problem independently or constitute a functional portion of a solution where there is assurance that the project as a whole will be completed; and
- Meet the requirements of applicable Federal, State, Indian Tribal, and local laws, implementing regulations, and Executive Orders (E.O.).

2.3.5.3 Feasibility and Effectiveness Requirement

Mitigation projects must be both feasible and effective at mitigating the hazard(s) for which the project was designed. To determine both feasibility and effectiveness, FEMA will use the information provided in the project subapplication, including the Scope of Work (SOW) and project cost estimate sections, as well as any supporting documentation to review the engineering feasibility of the proposed project (see Section 2.7.3.3, Procedures for Developing Scope of Work). To allow FEMA to assess the effectiveness and feasibility of the proposed project, the subapplicant should include proposed schematic or detailed engineering drawings, or engineering designs for projects that demonstrate the design parameters and how the project will achieve the stated objectives, if applicable.

Project subapplications must address the level of protection provided by the proposed project, as well as any residual risk to the structure after project implementation. Upon request, FEMA will provide technical assistance regarding engineering documentation and cost estimating (see Section 2.7.3.1, Engineering Help Module, and Section 2.7.3.2, Engineering Case Studies). Project subapplications that do not include appropriate documentation to support the determination of feasibility and effectiveness may be removed from consideration.

2.3.5.4 Flood Insurance Requirement

Properties included in a project subapplication for FMA, RFC or SRL funding must be NFIP-insured at the time of the application submittal and flood insurance must be maintained at least through completion of the mitigation activity or, for acquisition projects, until the transfer of ownership under the HMA program.

For structures that remain in the Special Flood Hazard Area (SFHA) after the implementation of the mitigation project, flood insurance must be maintained for the life of the structure. The SFHA is defined as the land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year. Minor physical flood mitigation projects that reduce localized flooding problems must reduce or eliminate the risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP.

Additional requirements are provided in Section 2.6.4.4 (Special Flood Hazard Area Requirement).

2.3.5.5 Access to NFIP Repetitive Loss Data

Currently, communities cannot access NFIP Repetitive Loss Data and it is the responsibility of the State or FEMA to provide repetitive loss property data and, if necessary, claims and policy information to the communities. States may access this sensitive data and may provide it directly to community governments on the basis of their status as an approved user. Approved users are limited to those engaged in floodplain management, improved real property acquisitions, and relocation projects that are consistent with the NFIP. These uses are authorized pursuant to notices published in the Federal Register, most recently on January 23, 2002 (DHS/FEMA-008).

State staff wishing to gain access to sensitive NFIP data may request a login ID and password for SQANet by visiting <http://www.nfipnextgen.com/help.html>.

2.3.5.6 Federal Income Tax on Mitigation Project Funds

FEMA mitigation payments that benefit property owners through the mitigation of their structures **are not subject** to Federal income taxation. FEMA mitigation payments to acquire a property will be treated as an involuntary conversion for tax purposes. For more information, property owners should consult their Internal Revenue Service (IRS) office or a tax advisor.

2.3.5.7 Geocoding Requirements

The location of all submitted mitigation projects must be geocoded by the Applicant, prior to award, using standard datum. Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided as follows:

- Property-specific information on each individual property directly benefitting from an acquisition, elevation, minor localized flood reduction project, or other mitigation activity; and

- For vegetation management projects under PDM, an accurate recording of the official acreage, using Geographic Information System (GIS) shape files, must be provided in the subapplication.

The guidance for geocoding mitigation data is available online from the FEMA Information Resources Library located at <http://www.fema.gov/library/viewRecord.do?id=1849> and from FEMA Regional Offices.

2.3.5.8 Project Maintenance

FEMA will not fund activities to address deferred or future project maintenance. FEMA will not pay for any future maintenance, such as dredging, debris removal, or mowing of open space. Subapplicants must provide a maintenance plan prior to award that identifies the maintenance tasks, budget, and entity that will perform long-term maintenance, and include a description of maintenance agreements to be in place for long-term upkeep of the proposed project. Maintenance costs must not be included in the project cost estimate, since these costs are not eligible for funding. However, anticipated future maintenance costs must be included in the BCA.

2.3.6 Project Subapplication Scope of Work

The SOW describes the objectives, methodology, feasibility, outcomes, timeline, milestones, resources, deliverables, and benefits of, as well as reasons for, the proposed project. The narrative must establish the “who, what, where, when, and how” of the proposed project and the anticipated timeline. Subapplicants must demonstrate that they can complete the project within the 3 year period of performance limitation.

The project subapplication SOW should include the following, as well as applicable references and supporting documentation:

- Purpose of the project (e.g., What are you planning to do? What is the intended outcome of the project? How does the project meet the intent of the local mitigation plan?);
- Clear, concise description of the proposed project and the means to implement and construct it, including a description of any associated construction activities such as temporary access roads or staging yards (i.e., How will the project be implemented and by whom?);
- Outcomes (e.g., What are the expected accomplishments? What members of the community population directly or indirectly benefit from the project?);
- Identification of the hazards to be addressed;
- Location within the community and/or geographical extent of the project (natural, built, and socioeconomic environments);

- Feasibility and effectiveness provided by the proposed project, including engineering design parameters and copies of, or references to:
 - Proposed schematic or detailed engineering drawings, or engineering design;
 - Applicable building code/edition or engineering standard used (e.g., for drainage projects this may be a State or local standard or requirement);
 - Level of protection provided by the proposed project (i.e., building code/edition, wind speed, debris impact standard);
 - Any residual risk to the structure from flood risk after project implementation (i.e., adequacy of the structural systems, roof coverings, building envelope, or local load path continuity);
- Description of the alternatives considered prior to deciding upon the project;
- Description of the maintenance agreements to be in place for long-term upkeep of the proposed project;
- For new technology, information regarding laboratory tests, field-testing and other aspects of the technology; and
- Work schedule for all project tasks (e.g., survey, appraisal, permitting, inspection requirements, site preparation), and significant milestones throughout the entire period of performance (see Section 2.3.3, Period of Performance).

For SRL Only: The SOW should include assurance that all post-FIRM SRL structures that will be mitigated were built in compliance with State or local laws or ordinances in effect at the time of construction.

Section 2.7.3.3 (Procedures for Developing Scope of Work) contains more detailed procedures by project type for developing SOWs.

2.3.6.1 Scope of Work Documentation

Documentation provided will be used by FEMA to evaluate the SOW and to determine eligibility of the proposed subapplication. Examples of documentation, where applicable to the project, include: proposed schematic or detailed engineering drawings, photographs, maps, sketches and/or drawings (e.g., appropriate sections of Flood Insurance Studies [FISs] and FIRMs) to document elements of the project and project parameters, data sources, references, citations, and/or notations.

Subapplicants must identify the project location and the extent of the proposed project through a graphic and visual representation of the proposed project location on at least a 1:24,000 scale United States Geological Survey (USGS) topographic map, a site plan, and any relevant photographs provided with the project subapplication.

Whenever possible, data that is being used to document existing conditions, or the hazard itself, must be obtained from recognized sources such as Federal agencies (e.g., USGS and NOAA), State agencies, and academic organizations. The references and/or supporting documentation

from qualified and credible sources (e.g., professional engineer or local government records) should be included when using local data. Any deviations from standard procedures, methods, techniques, or best practices must be thoroughly explained and documented.

2.3.6.2 Scope of Work Changes

FEMA will not consider changes to the SOW of project subapplications between the close of the application period and the completion of the selection process. Requests for changes to the SOW after award are permissible as long as they do not change the nature of the activity and do not result in a BCR less than 1.0. Requests to change the SOW must be supported by adequate justification from the Applicant in order to be processed. The justification must include a description of the proposed change, a written explanation of the reason or reasons for the change, an outline of remaining funds available to support the change, and a description of the work necessary to complete the activity. All requests must be submitted in writing and the final decision will be at FEMA's discretion. There is no guarantee that SOW changes will be approved.

Mitigation Reconstruction projects under SRL have additional SOW change requirements (see Section 3.4.8.14, Scope of Work for Mitigation Reconstruction Projects).

2.3.7 HMA Program Funding Limits

Section 3, HMA Program-specific Guidance, details funding limits (see Section 3.1.3.2 for PDM, Section 3.2.3.2 for FMA, Section 3.3.3.2 for RFC, and Section 3.4.8.3 for SRL).

2.3.8 Cost Estimate

The cost estimate describes all estimated costs associated with the proposed project activity and represents the subapplicant's best estimate of the total value of the proposed activity.

Sufficient detail must be provided regarding various cost item categories such as:

- Labor;
- Materials;
- Equipment;
- Subcontractor costs; and
- Anticipated cash and in-kind non-Federal match (if applicable).

The labor cost line item must estimate anticipated donated in-kind labor from various agencies and/or other participating jurisdictions that will count toward the non-Federal match.

Documentation of all project cost estimates, including the dates of the estimates and anticipated dates of construction, must be provided, if applicable.

2.3.8.1 Cost Estimate Requirements

The project cost estimate must include all anticipated project costs including the following, as applicable:

- Anticipated environmental resource impact mitigation or historic property treatment measures;
- Engineering designs/specifications including hydrologic and hydraulic studies/analyses required as an integral part of the project design;
- Other related construction/demolition/relocation costs, such as survey, permitting, site preparation, and material disposal;
- Other related property acquisition costs, such as appraisals, legal recordation, and displacement costs for renters;
- Costs associated with any information dissemination activities and/or subapplicant management costs: These must be identified as a separate line item to ensure cost thresholds for these activities are not exceeded;
- Pre-award costs: Indicate all costs that may be incurred prior to grant award but subsequent to the HMA application period opening (e.g., conducting the BCA). These must be identified as separate line items;
- Potential cost under-runs: Indicate any item within which a cost has been over-estimated, which could result in a cost under-run (e.g., if a quotation received from a contractor will increase if the project is not awarded 1 year after the date of the receipt of initial quotation, the cost must be over-estimated and noted as such);
- Anticipated future funding requirements: Describe identified sources of future funding once the initial grant has been implemented and no further funding is available from the HMA program. For example, will the local government be charged with supporting the project in the future, or will the Applicant agency be responsible?
- Back-up documentation: Provide back-up documentation for all costs, including the basis for each (e.g., salary and fringe benefit rates for personnel involved in the project, bids from qualified professionals, and nationally published or local cost estimating guides); and
- Maintenance costs: Maintenance costs are not eligible and must not be included in the project cost estimate, but they must be included in the BCA.

Note: Contingency costs are not permitted as undocumented line items in project cost estimate.

SRL has additional cost estimate requirements for Mitigation Reconstruction projects; these are described Section 3.4.8.23 (Cost Estimate) and Section 3.4.8.24 (Cost Estimate Documentation).

2.3.8.2 Cost Estimate Documentation

Documentation provided will be used by FEMA to evaluate the project cost estimate in order to determine eligibility. **Subapplicants shall submit detailed budgets, shall avoid lump sum items, and shall provide references for all sources of the project cost estimate (i.e., RSMMeans).** The subapplication should identify sources of cost items (e.g., documented local cost, bids from qualified professionals, and nationally published or local cost estimating guides) and provide documentation supporting each source, as appropriate (e.g., salary and fringe benefit rates for personnel involved in the project, bids from qualified professionals, and cost estimating guides published nationally or locally). If another project is used as the source of the project cost estimate, detailed documentation showing the related project scope items must be provided.

The project must be identified with enough details so that material, labor, and other costs associated with the project can be identified. The cost estimating tools used must be identified and a detailed project cost estimate must be provided. Examples of cost estimating tools may include: national cost estimating guides, an Applicant's own cost estimating guides, an estimate based on bids, or an estimate based on awarded contracts for similar work.

2.3.8.3 Cost Estimate Changes

FEMA will not consider changes to the project cost estimate between the close of the application period and the completion of the selection process.

Revisions to the approved budget may be considered after the selection process as long as the SOW of the approved project is not adversely impacted. In accordance with 44 CFR Part 13, adjustments may be made among cost line items in the approved budget up to a cumulative threshold of 10 percent of the total budget without seeking formal approval from FEMA. Adjustments exceeding this threshold must be approved in advance by FEMA. As with SOW changes, requests for a budget revision must be supported by adequate justification from the Applicant/Grantee in order to be processed. In any case, the limitations on information dissemination and subapplicant management costs still apply, and the Federal share will not be increased. Project cost estimate changes are not allowed without prior, written FEMA approval.

2.3.9 Cost Effectiveness Analysis

HMA only funds cost-effective mitigation activities. Cost effectiveness is determined by a BCA, which is required for all projects. A BCA is a well-established method for quantitatively comparing the benefits and costs of mitigation projects. The end result is a BCR, which is derived from a project's total net present value of benefits (i.e., the value of benefits today versus the value of future benefits after taking inflation and rate of return into account) divided by the total project cost, including all documented project and maintenance costs. Only project subapplications with a BCR of 1.0 or greater will be considered; all others will be removed.

The Applicant or subapplicant is required to perform a BCA for each property, including repetitive flood loss properties and substantially damaged properties. For projects that address multiple structures (e.g., acquisition or elevation), the BCR must be calculated by totaling the anticipated or net present value of benefits for each structure and then those are aggregated to obtain the project's total net present value of benefits and dividing the total project benefits by the total project cost estimate. Applicants/subapplicants are encouraged to ensure that the BCA

includes all benefits associated with the proposed mitigation project, summarized in the following section. Subapplicants are required to submit adequate documentation to support their BCA (see Section 2.7.8.2, Benefit-Cost Analysis Technical Assistance).

2.3.9.1 Benefit-Cost Analysis

FEMA BCA procedures are governed by the OMB Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*. Accordingly, the benefits of mitigation projects are avoided damages, disruptions, losses, and casualties. Examples of common benefits include avoided or reduced:

- Damages to buildings, contents or infrastructure;
- Economic impacts of loss of function of buildings;
- Displacement costs for temporary quarters;
- Loss of public services;
- Loss of net business income;
- Economic impacts of loss of function of infrastructure;
- Road or bridge closures;
- Loss of utility services; and
- Deaths and injuries.

The OMB circular excludes indirect benefits or “multiplier” effects. For example, long-term changes in regional economic activity, future employment, and tourism, which are not directly linked to the project, would be considered indirect benefits. For further details on categories of benefits that may or may not be counted see *What Is a Benefit? Guidance on Benefit-Cost Analysis of Hazard Mitigation Projects* located on FEMA’s Mitigation BCA Toolkit CD. This document provides standardized benefit categories, approaches, and data inputs for many common mitigation projects and can be obtained by contacting the FEMA Regional Office or the BCA helpline via telephone: (866) 222-3580, or via e-mail: bchelp@fema.gov.

The cost of performing the BCA and providing supporting documentation may be included by the subapplicant as a line item in the project cost estimate or by the Applicant as part of its management costs.

If the Applicant/subapplicant is submitting a project for which FEMA performed a BCA in the past, the Applicant/subapplicant must certify that they accept the BCA as their own before submitting the BCA as part of their project subapplication. Applicants/subapplicants submitting projects prepared for other FEMA mitigation programs are strongly encouraged to revisit the BCAs to ensure complete documentation for mitigation project benefits and costs.

2.3.9.2 BCA Methodology

FEMA BCA Software: Applicants and subapplicants must use a FEMA-approved methodology to conduct the BCA. Using FEMA-approved software will ensure that all calculations are prepared in accordance with OMB Circular A-94 and FEMA's standardized methodologies and approaches and will facilitate FEMA's review process. **Projects that use the Flood Very Limited Data Module will be removed from consideration.** The Flood Very Limited Data Module must not be used to demonstrate cost effectiveness for subapplications; it is to be used to screen projects for cost effectiveness. The OMB-mandated discount rate for the HMA programs is 7 percent. This discount rate is incorporated into all FEMA software programs as a default and must not be modified. Subapplicants are encouraged to consult the FEMA Web site for the most current BCA software (see Section 2.7.8.2, Benefit-Cost Analysis Technical Assistance).

Use of Non-FEMA BCA Software: Non-FEMA BCA software may be used only when the proposed methodology either addresses a non-correctable flaw in FEMA's current BCA modules or proposes a new methodology that FEMA does not currently have available and cannot accommodate through the BCA modules. Alternative BCA methodologies will be considered only if FEMA approves the software prior to the Applicant's submission of the grant application to FEMA. The Applicant/subapplicant must provide verification that FEMA has approved the alternative BCA software or methodologies. An e-mail or letter signed and dated by FEMA is considered appropriate verification. Applications that use BCAs conducted with non-FEMA software not approved in advance by FEMA will not be considered for funding.

FEMA Alternative BCA Approach: FEMA has developed a simplified, alternative approach to conduct the BCA for property acquisition or elevation projects. This alternative approach may be used in lieu of a traditional BCA for certain properties insured under the NFIP and included in the Pilot NFIP Repetitive Loss Properties List. Documentation must be provided to prove the property is on the Pilot NFIP Repetitive Loss Properties List. The list of properties and the guidance for using this alternative approach are available from the Regional Offices or the BCA helpline via telephone: (866) 222-3580 or via e-mail: bchelp@hhs.gov.

2.3.9.3 Cost Effectiveness Documentation

FEMA will not consider project subapplications without legible and complete BCAs. For each BCA, the Applicant/subapplicant must provide a copy of each page of the actual analysis used, whether the BCA was performed using FEMA software or a pre-approved alternative methodology. An electronic version of the BCA must be provided as well. BCA cover pages or summary reports will not constitute submission of a complete BCA. Project subapplications without a complete BCA may be removed from consideration.

The documentation provided in the subapplication must support figures, assumptions, data derivation, and calculation methods used in the BCA.

Subapplications must include full and credible documentation, which:

- Clearly explains the data used in the analysis, including the source;

- Explains reasons and sources of information for the use of non-default values in the BCA;
- Is well organized; and
- Provides references to the appropriate parts of the analysis.

Project subapplications must include surveys, copies of elevation certificates, copies of appropriate sections of the FIS and FIRM, copies of relevant supporting information from engineering reports and other documentation to support figures used in the BCA. The subapplicant should prepare their materials so that a subject matter expert is able to calculate the BCA based upon the information provided in the subapplication without any additional explanation. FEMA has prepared BCA Data Documentation Templates (DDTs) to assist subapplicants in organizing and addressing all required documentation in support of the BCA. **Use of the FEMA DDT is required for each project BCA.**

The DDT templates are found in the FEMA online library or can be reached through <http://www.fema.gov/government/grant/resources/index.shtm>.

The credibility of data sources is extremely important. FEMA recommends obtaining information from published technical sources, in particular engineering studies such as FIS and technical Web sites such as those operated by the USGS, NOAA, and a range of academic organizations and State agencies and including this information with the project subapplication. Professional licensure is strongly preferred in all cases (e.g., a licensed structural engineer to provide fragility curves for an earthquake mitigation project). In addition, data from FEMA software and default values from FEMA BCA guidance located on the Mitigation BCA Toolkit CD will be accepted as completely credible, when software is used correctly and documentation is provided (see Section 2.7.8.2, Benefit-Cost Analysis Technical Assistance).

2.3.10 Environmental/Historic Preservation

FEMA will review the completeness of the responses to the questions in the Environmental/Historic Preservation review section of the project subapplication and supporting documentation. Project subapplications and individual properties that do NOT include the required information may result in a delay in identifying outstanding Environmental/Historic Preservation compliance measures and may prohibit FEMA from awarding grants by the deadline.

The purpose of providing the Environmental/Historic Preservation information for review is threefold:

- It helps a subapplicant understand the compliance requirements for the proposed project and how in meeting some of those requirements, the overall design and cost of the project may be affected;
- It helps FEMA determine how well the subapplicant understands these issues and has addressed them in the project design; and

- It helps to expedite the actual Environmental/Historic Preservation compliance process that FEMA must complete before final approval of the project.

Applicants and subapplicants are strongly encouraged to request technical assistance (see Section 2.7.8.3, Environmental/Historic Preservation Technical Assistance) from FEMA with their Environmental/Historic Preservation questions by contacting the FEMA helpline by telephone: (866) 222-3580 or by e-mail: ehhelpline@dhs.gov or by contacting the applicable FEMA Regional Office.

2.3.10.1 Conditions for the Award of Funds

Applicants/subapplicants are required to provide information to support FEMA’s Environmental/Historic Preservation compliance review process. **Funds will NOT be awarded and the Applicant/subapplicant may NOT initiate the project until FEMA has completed its review** (see Section 2.5.4.5, Environmental/Historic Preservation Review).

2.3.10.2 Environmental/Historic Preservation Requirements and Documentation

The following information is provided to ensure subapplicants include appropriate details in their subapplication.

Project Scope of Work: The project SOW should be accurate and thorough to provide crucial information to FEMA for their Environmental/Historic Preservation review.

As part of completing the subapplication, the Applicant/subapplicant must answer a series of Environmental/Historic Preservation review questions to provide information about potential environmental resources and/or historic properties in the project area and potential impacts to those resources. If the potential resources are identified, the Applicant/subapplicant must provide the following information in order for the project subapplication to be considered complete, along with the source and date for all information provided:

- The property address and original date of construction for any buildings or structures that are 50 years or more in age;
- Any identified federally listed threatened or endangered species and/or its designated critical habitat in the project area;
- Vegetation, including amount (area), type, and extent to be removed or affected;
- Identification of all surface waters in the project area regardless of drainage area, size, or perceived hazard level. Information about surface waters should include dimensions, proximity of the project activity to the water, and the expected and possible impacts of the project upon surface waters, if any; and
- Description of any adverse effects on low income or minority populations in the project area.

Cost Estimate for Impact Mitigation and Treatment Measures: The subapplicant should ensure, to the best of their ability, that costs of any treatment measures necessary to address potential adverse impacts are realistically reflected in the project cost estimate. Cleanup costs associated with hazardous materials are not eligible project costs (see Section 2.3.2, Ineligible Project Activities and Associated Costs). The subapplicant is encouraged to provide an explanation of how the project cost estimate was developed, including costs associated with anticipated impact mitigation and treatment measures. All such costs identified through the review and consultation process, except for cleanup of hazardous materials, may be eligible if included as part of the project subapplication cost estimate.

While completing the Environmental/Historic Preservation review, FEMA may identify required environmental impact mitigation or historic preservation treatment measures necessary to avoid, minimize, or compensate for adverse effects caused by the project. Depending on the type of property or resource affected and the scope of the project, the measures may be minimal or extensive. These required environmental impact mitigation or historic preservation treatment measures will be required conditions placed on the award of the grant.

FEMA will not consider changes to the SOW between the subapplication deadline and the completion of the selection process. It may be possible for the Applicant and subapplicant to avoid or minimize adverse effects by revising the SOW during the Pre-Award process. The Applicant and subapplicant must explain in the revised SOW how any identified impacts to environmental resources and/or historic properties will be addressed.

The amount of the Federal share may NOT be increased to cover any additional impact mitigation and treatment measure costs identified after the subapplication deadline. If the estimated additional costs of these measures exceed the project cost estimate submitted, the Applicant/subapplicant may accept the subgrant award and pay the additional costs or decide not to accept the subgrant award.

Coordination with State and Federal Agencies: The Applicant/subapplicant should initiate coordination with relevant State or Federal agencies as early in the project planning stages as possible in order to identify any Environmental/Historic Preservation compliance issues associated with proposed projects.

2.3.10.3 Environmental/Historic Preservation Review Compliance Process

Review and Compliance Process: FEMA will use the information provided in the SOW, cost estimate, and Environmental/Historic Preservation sections of the project subapplication to perform the Environmental/Historic Preservation review of the proposed projects. **To facilitate the required compliance process, FEMA strongly encourages the Applicant/subapplicant to:**

- Work with Federal and State resource agencies to begin collecting information about potential Environmental/Historic Preservation impacts from the proposed project and provide any documentation from the resource agency. The Applicant/subapplicant should also determine if the mitigation projects will impact historically significant properties;

- Evaluate how identified Environmental/Historic Preservation impacts could affect the overall project feasibility or if project alternatives or changes to the design, scope or location of the project may be required to minimize potential adverse impacts;
- Determine if potential environmental impact mitigation measures and historic preservation treatment measures, or changes to the project to minimize adverse effects to environmental resources or historic properties, may affect the overall project costs. For example, certain structures may be eligible for floodproofing if acquisition, Mitigation Reconstruction, or elevation would diminish the historic value of the property; and
- Provide supporting documentation at the time of the subapplication submission to include clearly labeled maps, diagrams, photographs, letters, or other documentation from resource agencies.

For additional information and resources see Resources and Tools for the “eLearning Tool” (see Section 2.7.3.6, Environmental/Historic Preservation Review).

2.3.11 Content of a Project Subapplication

Details on the contents of subapplication are covered later in this guidance (see Section 2.7.11.2, Project Subapplication Checklist).

2.3.12 FEMA Eligibility, Completeness, and Technical Review

FEMA will review all applications for Eligibility and Completeness. Applications that do not satisfy the Eligibility and Completeness requirements will not be considered. Comments may be provided by FEMA so that subapplicants can modify their application for resubmission in future grant cycles.

An “Eligibility and Completeness Checklist” is presented in Appendix 4.3 (FEMA Eligibility and Completeness Checklist).

FEMA’s review process includes:

- Eligibility and completeness review;
- Benefit cost technical review; and
- Engineering feasibility and effectiveness review.

More information about the review process can be found in Section 2.5 (FEMA Review Process).

2.3.13 Property Acquisition and Relocation for Open Space

2.3.13.1 General

For property acquisition and relocation projects, FEMA HMA Applicants and subapplicants must comply with 44 CFR Part 80, FEMA’s Property Acquisition and Relocation for Open

Space regulation, and this HMA Program Guidance. A project may not be framed in a manner that has the effect of circumventing these requirements.

This section applies to all the HMA Programs and is also applicable to HMGP, and replaces the following portions of the HMGP Desk Reference, Publication FEMA 345, dated October 1999:

- Section 7
 - Page 7-5 and 7-6, “Applicant Agreement to Property Acquisition Requirements” section;
- Section 11
 - Page 11-5, “Duplication of Benefits” paragraph;
 - Pages 11-6 and 11-7;
 - Pages 11-10 through 11-24;
 - Job Aid 11-2, 11-3, and 11-4;
- Section 12
 - Page 12-4; and
- Related tools or job-aids

This section, with the exception of Section 2.3.13.2.2 (Open Space Requirement/Land Use) applies to projects for which the funding program application period opens, or for which funding is made available pursuant to a major disaster declared on or after December 3, 2007. Prior to that date, applicable program regulations and guidance in effect for the funding program shall apply. Section 2.3.13.2.2 (Open Space Requirement/Land Use) applies as of December 3, 2007, to all FEMA-funded property acquisitions for the purpose of open space, regardless of when the application period opened or when the major disaster was declared.

2.3.13.1.1 Purpose and Scope

Generally, FEMA-funded property acquisition projects consist of a community purchasing flood-prone structures from willing sellers and either demolishing the structures or relocating the structures to a new site outside of the floodplain. The purchased property is then maintained for open-space purposes in perpetuity in order to restore and/or conserve the natural floodplain functions. While some communities may elect to develop a new site outside of the floodplain for participating residents to move to, FEMA encourages communities to opt for the simpler acquisition and structure removal model. These projects require only minimal environmental review, are considerably less expensive, and allow homeowners to determine where to relocate.

2.3.13.1.2 Roles and Responsibilities

Applicants/Grantees and subapplicants/subgrantees are responsible for ensuring that applications for acquisition/relocation open space projects and the implementation of approved projects meet all requirements of Part 80 and this Guidance, and for providing the necessary information to enable FEMA determinations of eligibility, technical feasibility, cost effectiveness, and Environmental/Historic Preservation compliance for proposed projects. They must also ensure that applications/subapplications are not framed in a manner that has the effect of circumventing any regulatory requirements. Because Federal law requires properties acquired with FEMA funds to be maintained as open space in perpetuity, Grantees and subgrantees are also responsible for

oversight in ensuring and enforcing proper land use, and for coordinating with FEMA on any future land use or property disposition issues.

During development of a project, property owners are responsible for notifying the subapplicant of their interest in participating in the proposed project. They must provide all requested information to the subapplicant, and they must take all required actions necessary for completing the grant subapplication and for implementing the property acquisition activities.

A more complete listing of the responsibilities of all parties can be found at 44 CFR § 80.5.

2.3.13.2 Requirements Prior to Award

2.3.13.2.1 Eligible and Ineligible Costs

2.3.13.2.1.1 Allowable Costs

Allowable costs are those costs that are necessary and reasonable for the proper and efficient performance and administration of the Federal award. Allowable costs for property acquisition/structure removal projects depend upon the scope of the project.

- The following costs associated with the acquisition of hazard-prone real property and the demolition of structures are generally allowable:
 - Market value of the real property (land and structures) either at the time of sale or immediately prior to the most recent disaster or flood event subject to applicable adjustments. See Section 2.3.13.3.1.5 (Purchase Offer). However, for land already owned by an eligible entity, compensation will be for the structure and for development rights only, not for the land. This includes any entity eligible to apply for grant or subgrant funding under the relevant funding program, even if they are not the Applicant or subapplicant for the project;
 - Fees for necessary appraisal costs, title search, title insurance, property inspection, and survey (if necessary);
 - Fees associated with title transfer, contract review, and other costs associated with conducting the real estate settlement including recordation of the deed and deed restrictions; and
 - Demolition and removal of structures.

- The following costs associated with the acquisition of hazard-prone property and relocation of structures are generally allowable:
 - Market value of the real property (land only). See Section 2.3.13.3.1.5 (Purchase Offer). However, for land already owned by an eligible entity compensation will be for the development rights. This includes any entity eligible to apply for grant or subgrant funding under the relevant funding program, even if they are not the Applicant or subapplicant for the project;
 - Fees for necessary appraisal costs, title search, title insurance, property inspection, and survey (if necessary);

- Fees associated with title transfer, contract review, other costs associated with conducting the real estate settlement, including recordation of the deed and deed restrictions;
 - Jacking and moving of structure to new site;
 - Necessary individual site preparations including foundation, water, sewer, and utility hookups, but not aesthetic improvements and landscaping, new property acquisition, or public infrastructure and utility development; and
 - Demolition, site restoration, and site stabilization for the acquired site.
- The following costs of demolition activities at the vacated site are generally allowable if necessary for either property acquisition/structure removal project type:
 - Removal of demolition debris to an approved landfill (this includes debris from the demolition of houses, garages, driveways, sidewalks and above-grade concrete slabs);
 - Asbestos abatement;
 - Removal of septic tanks (if not removed, floors and walls must be cracked or crumbled so the tank will not hold water, and be filled with sand or other clean fill);
 - Removal of all structure foundation and basement walls to at least 1 foot below the finish grade of the site;
 - Filling of basements with compacted clean fill (basement floors must have a minimum one foot diameter hole in the floor to allow for drainage);
 - Removal of only those trees that restrict the demolition work on any structure;
 - Termination of all abandoned utilities at least 2 feet below the finish grade of the site;
 - Capping of all wells and/or removal of associated components; and
 - Grading, leveling, and site stabilization of all demolition sites.

In addition to the allowable costs identified above, in exceptional circumstances there may be a significant shortfall between the amount the subgrantee pays an owner for his/her damaged residence and the cost of a comparable replacement home in a non-hazard-prone location. In that case, the State/Grantee may allow the subgrantee to provide owner-occupants a payment to apply to the difference between the two amounts, up to \$22,500 per property. More information about supplemental housing payments can be found in Section 2.3.13.3.1.7 (Additions to Purchase Offer).

2.3.13.2.1.2 Property-Related Costs That Are Not Allowable

Costs that are not allowable under FEMA's mitigation grant programs include, but are not limited to, the following:

- Compensation for land that is already held by an eligible entity. This is the case even if the eligible entity is not the subapplicant for the project. In that event, however, compensation for development rights (i.e., obtaining an open space easement) may be an allowable cost; and

- The cleanup or remediation of contaminated properties, except for permitted disposal of incidental demolition and household hazardous wastes.

2.3.13.2.1.3 Duplication of Benefits

Costs that duplicate amounts received by or available to the Applicant, subapplicant, property owner, or affected tenant from another source for the same purpose are not allowable. FEMA and the Grantee must avoid DOB between FEMA mitigation grant program funds and any other source, as required by 44 CFR § 80.9 (c) and this guidance. More information about DOB can be found in Section 2.3.13.3.1.6 (Deductions from Purchase Offer). FEMA will recoup duplicative amounts identified after grant funds have been expended. Property owners who receive duplicative payments following the conclusion of the property settlement are responsible for reimbursing the subgrantee for those duplicated funds.

2.3.13.2.1.4 Negligence, Tortious Conduct, Legal Obligations

Mitigation grant funds are not available when an Applicant, subapplicant, other project participant, or third party’s negligence or intentional actions contributed to the conditions that result in the need for mitigation. Additionally, mitigation grant funds are not available to satisfy or reimburse for legal obligations, such as those imposed by a legal settlement, court order, or State law.

2.3.13.2.2 Project Eligibility

To be eligible, the subapplicant must acquire the full fee title of properties from willing, voluntary sellers, or retain such interest. The subapplicant must commit not to use eminent domain should the property owner choose not to participate, and must verify that the property is not needed as a part of an intended planned project. A property may not be subdivided prior to acquisition, except for portions outside the identified hazard area, such as the SFHA or any risk zone identified by FEMA (see Section 2.3.13.3.1.10, Relocation and Removal of Existing Buildings).

Properties that are eligible for acquisition include those where:

- The property will be acquired from a willing, voluntary seller;
- The property contains a structure that may or may not have been damaged or destroyed due to an event;
- For the FMA, RFC and SRL programs, the property contains a structure insured by the NFIP at the time of Application submittal;
- All incompatible easements or encumbrances can be extinguished;
- The property cannot be contaminated with hazardous materials at the time of acquisition, other than incidental demolition or household waste;

- Any relocated structure must be placed on a site located outside of the SFHA, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land use regulations;
- The property cannot be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (examples include roads and flood control levees); and
- The property will not be subdivided prior to acquisition, except for portions outside the identified hazard area, such as the SFHA or any risk zone identified by FEMA.

2.3.13.2.2.1 Hazardous Materials

At the time of acquisition, property to be acquired cannot be contaminated with hazardous materials other than incidental demolition or household waste. The presence of non-leaking underground storage tanks, septic systems, home heating oil tanks, and normal quantities of lead, asbestos, and household hazardous materials does not preclude the use of grant funds for acquisition. Costs associated with disposing of these materials should be addressed in the project budget. More information on hazardous materials can be found in Section 2.3.13.3.1.1 (Hazardous Materials).

2.3.13.2.2.2 Open Space Restrictions

To be eligible, a project must result in property acquisition that meets all of the requirements of 44 CFR Part 80 and this Guidance governing the use of grant funds and the use of acquired real property, including:

- The subgrantee will dedicate and maintain the property in perpetuity for uses compatible with open-space, recreational, or wetlands management practices, and consistent with conservation of natural floodplain functions, by recording deed restrictions consistent with the model deed (see Section 2.3.13.2.3.3, Deed Restriction Language);
- The property acquired, accepted, or from which structures are removed will carry a permanent deed restriction providing that the property be maintained for open-space, recreational, or wetlands management purposes only;
- No new structures will be built on the property except as indicated below:
 - A public building that is open on all sides and functionally related to a designated open-space or recreational use;
 - A public restroom;
 - A structure that is compatible with open-space, recreational, or wetlands management usage and proper floodplain management policies and practices, which the FEMA Regional Administrator approves in writing before the construction of the structure begins;

- Any structures built on the property according to the third subparagraph above will be elevated or flood-proofed to the Base Flood Elevation (BFE) plus 1 foot of freeboard and meet applicable requirements of the NFIP floodplain management regulations at 44 CFR § 60.3;
- After settlement, no Federal disaster assistance for any purpose from any Federal source, nor flood insurance payments, may be made with respect to the property, and no person or entity shall seek such amounts;
- The subgrantee must obtain the approval of the State/Grantee and the FEMA Regional Administrator before conveying ownership (fee title) of the property to another public agency or qualified conservation organization. Property transfer to private citizens and corporations will not be approved. All development rights in the form of a conservation easement on the property must be conveyed to the conservation organization or retained by the subgrantee or other public entity; and
- The subgrantee accepts responsibility for monitoring and enforcing the deed restriction and/or easement language.

2.3.13.2.3 Subapplication Information

2.3.13.2.3.1 Project Information

Subapplicants are responsible for meeting the requirements specified at 44 CFR § 80.13, and must provide information necessary for the Applicant and FEMA to determine the eligibility of the project, as specified in the subapplication package. This includes project description and property information (including Environmental/Historic Preservation information). Project cost estimate information for the value of the properties must be provided as appropriate: for the HMGP, a cost estimate for each property is required; for the PDM, FMA, RFC, and SRL programs, market value documentation is required. Subapplicants must include cost effectiveness information, including the net present value of the project benefits for each property to be acquired. Additionally, subapplicants must identify each property address included in the SOW, and provide a photograph of each property.

The subapplicant should include additional, alternate properties it may substitute should one or more of the other properties drop out due to eligibility or owner withdrawal. The subapplicant shall provide the same level of information for the alternate properties as provided for the proposed properties.

The subgrantee must identify an appeal or reconsideration process for property owners who dispute the amount of the purchase offer property valuation.

The subapplicant must also provide certification that each participant who will receive pre-event value is a National of the United States or qualified alien. Subgrantees will ask all acquisition project participants (property owners) to certify that they are either a National of the United States or a qualified alien. Subgrantees will offer participants who refuse to certify, or who are not Nationals of the United States or qualified aliens, no more than the appraised current market value for their property (see Section 2.3.13.3.1.5.2, Purchase Offer and Nationality).

2.3.13.2.3.2 Assurances

Subapplicants requesting assistance for property acquisition or building relocation must include a written Statement of Assurances in their subapplication. Acquisition projects without these formal assurances will not be considered for funding. The Statement of Assurances must be signed by the subapplicant's authorized agent and a model statement is available at:

http://www.fema.gov/government/grant/resources/acq_assurances.shtm. The Statement of Assurances must provide acknowledgment of, and agreement to, the following requirements that apply to acquisition of the property:

- Participation by property owners is voluntary. The prospective participants have been/will be informed in writing that participation in the program is voluntary, and that the subapplicant will not use its eminent domain authority to acquire their property for the project purposes should negotiations fail.

Example Notices of Voluntary Interest are available at:

http://www.fema.gov/government/grant/resources/vol_notice1.shtm and http://www.fema.gov/government/grant/resources/vol_notice2.shtm;

- Each property owner will be informed, in writing, of what the subapplicant considers to be the market value of the property. The subapplicant will use the model Statement of Voluntary Participation to document the market value of the property and will provide a copy for each property after award. This model Statement of Voluntary Participation is available on FEMA's Web site at: http://www.fema.gov/government/grant/vol_participation.shtm;
- All of the requirements of 44 CFR §§ 80.17 and 80.19, this program guidance, and the deed restrictions governing the use of the subgrant funding and the use of acquired land are applicable. The property shall be dedicated and maintained in perpetuity as open space for the conservation of natural floodplain functions and restricted from use or development that interferes with that purpose;
- Properties associated with the proposed project are not part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements. Examples include planned construction of, or improvements to, publicly owned buildings, road construction projects, flood control levees, or other development projects. The acquired land will be unavailable for these and all other such incompatible uses. Any intent to use any of the properties proposed for acquisition as part of an intended, planned, or designated project area could make the project ineligible for mitigation grant funding. Subapplicants shall coordinate with the appropriate FEMA Regional Office for further information;
- Existing buildings will be removed within 90 days of settlement;

- Once the subgrantee acquires the property it may convey a property interest only with the prior approval of the FEMA Regional Administrator and only to certain entities in accordance with 44 CFR § 80.19 and this program guidance;
- Every 3 years from the date of acquiring the property, the subgrantee must submit to the Grantee, who will submit to the FEMA Regional Administrator a report certifying that it has inspected the subject property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the grant. If the subject property is not maintained according to the terms of the grant, the Grantee and FEMA, its representatives, successors and assigns are responsible for taking measures to bring the property back into compliance;
- For an offer of pre-event value, the subgrantee will obtain documentation from the property owner demonstrating that the property owner is a National of the United States or qualified alien;
- After settlement, no disaster assistance for any purpose from any Federal entity may be sought or provided with respect to the property, and FEMA will not distribute flood insurance benefits for that property for claims related to damage occurring after the date of the property settlement; and
- At closeout, the subgrantee will provide information in accordance with 44 CFR § 80.21 and this program guidance.

Subapplications that do not include a signed Statement of Assurances acknowledging these requirements are incomplete and **will not** be considered for funding.

2.3.13.2.3.3 Deed Restriction Language

The subapplication must also include the deed restriction language, consistent with the language in the FEMA Model Deed, that the subapplicant intends to record with each property deed (but need not include property specific details). A Model Deed Restriction is available on FEMA's Web page at <http://www.fema.gov/government/grant/resources/pre-award.shtm>. The subapplicant must seek approval from FEMA's Office of Chief Counsel, through the FEMA Regional Office, for any changes in language differing from the Model Deed Restriction language. Changes may be made to comply with local legal form requirements, but changes to substantive, programmatic provisions will not be entertained.

2.3.13.2.3.4 Documentation of Voluntary Interest

Documentation of voluntary interest signed by each property owner must be submitted with the project subapplication. This documentation should be accomplished as early in the project development process as is feasible. Participation in acquisition/relocation projects by property owners is voluntary. The prospective participants must be informed in writing that participation in the program is voluntary, and that the subapplicant will not use its eminent domain authority to acquire their property for the project purposes should negotiations fail and the property owner chooses not to participate.

The Notice of Voluntary Interest can be documented using individual signed statements, or through a group sign-up sheet (as identified in the examples cited below). The documentation must record the **name and signature** of interested property owners associated with each property and must also clearly show each property owner acknowledging the following language:

“This project for open space acquisition is voluntary and neither the [Applicant] nor the [subapplicant] will use its eminent domain authority to acquire the property for open space purposes should negotiations fail and the property owner chooses not to participate.”

Example Notices of Voluntary Interest are available at:

http://www.fema.gov/government/grant/resources/vol_notice1.shtm and
http://www.fema.gov/government/grant/resources/vol_notice2.shtm.

For the SRL Program, documentation of voluntary interest from each property owner may be documented in the Pre-Award Consultation Agreement and included with the project subapplication (see Section 3.4.4.4, Consultation with the Property Owner).

During the implementation of the project, the subgrantee shall execute a more formal Statement of Voluntary Participation with the owner of each property identified in the subapplication’s Statement of Work (see Section 2.3.13.3.1.3, Statement of Voluntary Participation).

2.3.13.2.3.5 Tenant Information

Although the property owner must voluntarily agree to participate in the open space project, participation is not voluntary for tenants whose property is being acquired as a result of an acquisition project. Therefore, the project subapplication must document properties occupied by tenants. Tenant assistance may include costs such as moving expenses, replacement housing rental payments, and relocation assistance advisory services. These costs must be estimated, and included in the project cost estimate. More specific information on costs related to tenant relocation can be found in Section 2.3.13.3.1.8 (Tenants).

2.3.13.2.3.6 Consultation Regarding Other Ongoing Federal Activities

Because properties acquired under HMA programs must be permanently converted to open space and will be unavailable for future development, subapplicants must coordinate to ensure that other Federal actions are not anticipated that would affect the same parcels considered for acquisition for open space.

2.3.13.2.3.6.1. U.S. Army Corps of Engineers Coordination

The subapplicant must demonstrate in its subapplication for mitigation assistance that it has consulted with the United States Army Corps of Engineers (USACE) regarding each subject property’s potential future use for the construction of a flood levee system (including berms, floodwalls, or dikes) and that USACE will reject future consideration of such use if the subapplicant accepts FEMA assistance to convert the property to permanent open space. FEMA will not award funds for any property without this documentation. The construction of flood levee systems on these lands is incompatible with open space uses and, therefore, will not be

allowed. This restriction generally does not apply to structures for ecosystem preservation, restoration, or enhancement.

If this initial level of consultation with the subapplicant indicates that the local government wishes to consider a flood damage reduction levee in the area, the subapplicant or local government must then undertake an expanded consultation process with the State/Grantee, FEMA, and USACE. The consultation will involve the identification and full consideration of future potential land use conflicts to enable the local government to make an informed decision regarding how it should proceed. There may be situations where the local government may be able to pursue both the open space acquisition and flood damage reduction levee projects in the same community without any land use conflicts (i.e., the levee will not cross acquired land). If, however, the local government determines that such conflicts cannot be resolved and chooses to pursue the USACE flood damage reduction levee, the local government must notify FEMA, through the State/Grantee, that it will not submit a subapplication for FEMA mitigation grant funding for property acquisition or relocation for open space.

If the local government decides to pursue an acquisition project following the consultation process, the subapplicant will include in its subapplication assurances a resolution or a comparable document adopted by the governing body of the local government that indicates:

- In consultation with USACE, the local government has addressed and considered the potential future use of these lands for the construction of flood damage reduction levees, and has chosen to proceed with acquisition of permanent open space; and
- The local government understands that land acquired for open space purposes under the relevant mitigation grant program will be restricted in perpetuity to open space uses and will be unavailable for any use that is incompatible with the open space and floodplain purposes designated for the property, including the construction of flood damage reduction levees, paved roads, and other development.

2.3.13.2.3.6.2. Department of Transportation Coordination

The subapplicant must demonstrate in their subapplication for mitigation assistance that they have coordinated with the relevant State Department of Transportation (DOT) to ensure that no future, planned improvements or enhancements to the Federal aid systems, or other State transportation projects, are under consideration that will affect the proposed project area. The construction of such improvements, enhancements, or projects on these lands is incompatible with open space uses and, therefore, will not be allowed.

2.3.13.2.3.6.3. Other Federal Agency Coordination

The State/Grantee and subapplicant must demonstrate in the application/subapplication for mitigation assistance that they have consulted with other Federal agencies, as appropriate, regarding other program requirements and/or activities, and identified the relationship to FEMA mitigation grant activities and funding. Other Federal agencies' requirements may apply to the mitigation grant activities if other agency funds are used for activities related to the project in the community, or to match the mitigation grant funding, such as CDBG funds. In the limited cases when another Federal agency's funds may be used to contribute to the non-Federal share of a

FEMA-funded mitigation project, both programs' requirements apply to the whole project. The State/Grantee is responsible for coordinating the various programs available within the State. It is important to include local program representatives. Therefore, it is important to coordinate approaches and schedules with other programs involved. The objective should be to make the process as simple and consistent as possible for subapplicants and homeowners.

2.3.13.3 Post-award Requirements

2.3.13.3.1 Project Implementation

Before the subgrantee acquires a property, it will ensure the property is not contaminated with hazardous materials, confirm a clear title, and determine the appropriate mitigation offer for the property and any additional payments associated with the property acquisition. After acquiring the property, the subgrantee must take steps to convert and maintain the property permanently as open space.

2.3.13.3.1.1 Hazardous Materials

The subgrantee shall take steps to ensure that a property with past or present commercial or industrial use, or that is adjacent to such property, or that is suspected of having hazardous contaminants may be present at the site, is not contaminated at the time of acquisition. It shall ensure that the property owner provides information identifying what, if any, hazardous materials have been deposited or stored on the property (this does not include household hazardous wastes). The subgrantee shall require the owner to remove hazardous materials and containers. The owner must provide certification from the appropriate State agency that the site is clean before the subgrantee can purchase any interest in the property. Any cleanup costs associated with obtaining clean-site certification, and any costs associated with hazardous materials are not eligible project costs. The seller must also agree to indemnify the State/Grantee, FEMA, and the subgrantee for any liability arising from previous contamination of the property.

If the State/Grantee and FEMA determine that a Phase I environmental site assessment is necessary, the subgrantee, FEMA, or the State/Grantee may conduct one prior to property acquisition. The cost of Phase III environmental site assessment remediation plans, cleanup, and certification of the property are not eligible mitigation grant project costs.

2.3.13.3.1.2 Clear Title

The subgrantee shall conduct a title search for each property it plans to acquire. The purpose of the title search is to ensure that the owner is the sole and actual titleholder to the property, or identify other persons with a property interest, and to ensure that the title is clear. This means that there are no mortgages or liens outstanding at the time of sale. In addition, there may not be incompatible easements or other encumbrances to the property that would make it either ineligible for acquisition or noncompliant with open space land use restrictions.

Other requirements in particular include:

- A title insurance policy demonstrating that clear (fee) title conveys must be obtained for each approved property that will be acquired;

- A physical site inspection for each property verifying no physical encumbrances to the property (where appropriate this may require a site survey to clearly establish property boundaries);
- Title to the property must transfer by a warranty deed in all jurisdictions that recognize warranty deeds;
- All incompatible easements or encumbrances must be extinguished;
- The subgrantee shall take possession at settlement;
- The subgrantee must record the deed at the same time as and along with the programmatic deed restrictions (see Section 2.3.13.2.3.3, Deed Restriction Language);
- The deed transferring title to the property and the programmatic deed restrictions will be recorded according to State law and within 14 days after settlement; and
- All property transfers shall be consistent with 44 CFR Part 80 and this Guidance.

2.3.13.3.1.3 Statement of Voluntary Participation

The Statement of Voluntary Participation documents more formally the Notice of Voluntary Interest provided previously in Section 2.3.13.2.3.4 (Documentation of Voluntary Interest), as well as documenting information related to the purchase offer, as identified in Section 2.3.13.3.1.5 (Purchase Offer), following. The Statement of Voluntary Participation is available on FEMA’s Web site: http://www.fema.gov/government/grant/vol_participation.shtm. The subgrantee shall provide to FEMA a signed copy of the Statement of Voluntary Participation for each property after award.

2.3.13.3.1.4 Mitigation Offer

The mitigation offer for acquisition and relocation projects is based on the property value (purchase offer information) and applicable additions and deductions. Deductions to the purchase offer may include DOB deductions, and additions may include any supplemental housing or insurance incentive payments. For the SRL program, see Section 3.4.5 (Mitigation Offer Process).

2.3.13.3.1.5 Purchase Offer

The purchase offer is the initial value assigned to the property as determined using the approved methodology, which is later adjusted by applicable additions and deductions, resulting in a final mitigation offer amount to a property owner. In all cases, the subgrantee must ensure that all property owners are treated fairly and are offered an equitable package of benefits. The subgrantee (using a Statement of Voluntary Participation) shall inform each property owner in writing of the market value (pre-event or current) of the property, and the method used to determine that value.

If several different entities or programs are acquiring property in the same area, property owners may find it confusing if different offers are made to area owners at different times. To avoid any negotiation difficulties or confusion, the subgrantee should coordinate the release of property valuation information and purchase offers to property owners for the various programs. The subgrantee may wish to set a time limit with the property owner for the validity of a purchase offer. The subgrantee must provide an appeal or reconsideration process for property owners who dispute the amount of the purchase offer property valuation.

Purchase offers made under the SRL program have different requirements than those made under FEMA's other mitigation grant programs and, in addition to the following requirements, must comply with the offer requirements identified in the SRL FY guidance. The purchase offer of an SRL property must be the greatest of the following amounts:

- The current market value of the property or the pre-event market value of the property;
- The original purchase amount paid by the property owner holding the flood insurance policy as demonstrated by property closing documents; and
- The outstanding amount of any loan to the property owner, secured by a recorded interest in the property at the time of the purchase offer.

When determining value based on the outstanding amount of loans to the property owner for the SRL program, the loans must be secured by a recorded interest in the property at the time of the purchase offer and the value shall not include home equity loans or lines of credit secured after the property owner signs the Pre-Award Consultation Agreement. Any loans secured after the property owner signs the Pre-Award Consultation Agreement are not eligible.

2.3.13.3.1.5.1. Property Valuation

For each property identified for acquisition, the subgrantee shall establish and document a property value based on market value. Market value is generally defined as:

The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the valuation, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the valuation.

Current market value reflects the property value at the time of the final mitigation offer (see Section 3.4.5, Mitigation Offer Process, for more information). Pre-event market value is defined as the market value of the property immediately before the relevant event affecting the property. The relevant event for assistance under the HMGP is the major disaster under which funds are available. For the PDM program, pre-event value is the value before the most recent major disaster, however if the project is occurring separate from or more than 12 months after a disaster event, the current market value may be more appropriate. For the FMA, RFC, and SRL programs

the pre-event market value is defined as the value of the property immediately before the most recent flood event resulting in a NFIP claim of at least \$5,000.

The benefit of payment of pre-event market value is only available to an owner who owned the property during the event and is a U.S. National or qualified alien (see below for more information). If the current property owner purchased the disaster damaged property after the major relevant event, or is not a U.S. National or qualified alien, then the subgrantee shall not offer the owner more than the current market value.

Typically, acquisition projects require the valuation of the property (land and structure as a whole). In situations where an eligible entity already owns the property but wants to deed restrict it, valuation will be for the structure and development rights instead of for the land. Relocation projects require the valuation of land only.

Valuation Methodologies

The property value, either current or pre-event, must be derived from a methodology that results in a reasonable determination of market value. The subgrantee must coordinate with the Grantee to determine the methodology that will be used for property valuation determinations. This methodology must be applied consistently throughout the project area, using the same methodology for all properties to be acquired.

When practicable, the appraisal methodology shall be used. Appraisals must be conducted by an appraiser in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP). The appraiser must comply with relevant State laws and requirements, and shall have the appropriate certification, qualifications, and competencies based on the type of property being appraised.

When determining value for a large number of structures, the subgrantee may choose to perform appraisals to establish a statistical sampling of property values, and develop an adjustment factor to apply to tax assessed values so that they reasonably reflect each property's market value.

2.3.13.3.1.5.2. Purchase Offer and Nationality

A property owner who is not a National of the United States or a qualified alien is not eligible for a pre-event market value determination of property value. The property value must be based on current market value.

The term "National of the United States" is defined at 8 U.S.C. § 1101 and means a citizen of the United States or a person who is not a citizen but who owes permanent allegiance to the United States. The term "qualified alien" is defined at 8 U.S.C. § 1641 and means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is:

- 1) An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act [8 U.S.C. § 1101 et seq.];
- 2) An alien who is granted asylum under Section 208 of such Act [8 U.S.C. § 1158];

- 3) A refugee who is admitted to the United States under Section 207 of such Act [8 U.S.C. § 1157];
- 4) An alien who is paroled into the United States under Section 212(d)(5) of such Act [8 U.S.C. § 1182 (d)(5)] for a period of at least 1 year;
- 5) An alien whose deportation is being withheld under Section 243(h) of such Act [8 U.S.C. § 1253] (as in effect immediately before the effective date of Section 307 of division C of Public Law 104–208) or Section 241(b)(3) of such Act [8 U.S.C. § 1231 (b)(3)] (as amended by Section 305(a) of division C of Public Law 104–208);
- 6) An alien who is granted conditional entry pursuant to Section 203(a)(7) of such Act [8 U.S.C. § 1153 (a)(7)] as in effect prior to April 1, 1980; or
- 7) An alien who is a Cuban and Haitian entrant (as defined in Section 501(e) of the Refugee Education Assistance Act of 1980).

Subgrantees will ask all acquisition project participants (property owners) to certify that they are either a National of the United States or a qualified alien. Subgrantees will offer participants who refuse to certify, or who are not Nationals of the United States or qualified aliens, no more than the appraised current market value for their property. Participants who refuse to certify, or are not Nationals of the United States or qualified aliens, also may not receive supplemental housing payments as described in Section 2.3.13.3.1.7 (Additions to Purchase Offer).

Subgrantees may wish to use FEMA Form 90-69B to obtain certification from participating property owners. At the time of certification, the subgrantee will ask the property owner to show a form of identification (any identification displaying the signer’s name will suffice). If the property owner applied for FEMA disaster assistance, a Form 90-69B will already be on file at FEMA and the subgrantee will instead request verification from FEMA through the State/Grantee that a certification is on file.

2.3.13.3.1.6 Deductions from Purchase Offer

Duplication of Benefits

FEMA mitigation grant program funding is supplemental to other funding sources and must be reduced by amounts reasonably available (even if not sought or received) from other sources to address the same purpose or loss. Insurance payments, FEMA housing needs assistance, property-related legal claims and/or funds from any other sources that are available for the purpose of making repairs to or replacing a structure, or other compensation for the value of the real property, are considered duplicated amounts. In this case, the eligible project costs are reduced by the duplicative amount. This has the effect of reducing both the Federal and non-Federal shares of the project, and ensures that mitigation grant funds do not duplicate benefits available to owners and tenants from another source for the same purpose.

The Grantees, subgrantees and project participants (including property owners and tenants) must take reasonable steps to recover all such amounts. Amounts that are reasonably available to the individual or entity shall be treated as benefits available for the same purpose, even if he/she/it

did not seek them. Duplications can occur at any time in such cases, and if amounts for these purposes are received subsequent to the property settlement they must be reimbursed to FEMA.

Some examples when DOB occurs include the following:

- If the subgrantee decides to offer pre-event market value, duplication may occur if homeowners have insurance, loans, repair grants, or other assistance available to them to help address the damage to the structure. This is because paying full pre-event market value also compensates the owner for the loss of value that occurs due to damage. The subgrantee must make the deductions from the established pre-event market value purchase offer before making a final mitigation offer to the property owner;
- Duplication may occur when insurance benefits are available to the property owner under an existing policy, whether they submitted a claim or not. (If insurance paid a claim that included reimbursement for the property owner's own labor for clean up, this is not a DOB and it should not be deducted);
- Duplication may occur where legal claims are appropriate or legal obligations arise (e.g., to comply with a law or court order) that may provide a benefit to the property owner on the basis of that property. Parties involved in pending legal disputes must take reasonable steps to recover benefits available to them; and
- Duplications may also occur when relocated tenants receive relocation assistance and rental assistance if they have received payments for the same purposes as part of the disaster assistance provided by FEMA and other agencies, or payments from any other source, as described in Section 2.3.13.3.1.8 (Tenants). Any acquisition-related assistance provided to tenants must be reduced accordingly. This also affects the total eligible costs allowable for the project (Tenant-related DOB deductions do not affect amounts available to the property owner).

For property valuations based on pre-event market value, the following procedures assist in preventing mitigation grant funds from duplicating benefits available from other sources:

- For property owners, the subgrantee establishes the purchase offer property value as of a certain date;
- The subgrantee provides the State/Grantee with a list of property owners who are participating in the property acquisition project, and with a list of tenants that will potentially be affected by acquisition of the property they occupy;
- The State/Grantee and FEMA inform the subgrantee of the amount of repair or replacement assistance available to each property owner, and rental or relocation assistance available to tenants from FEMA and the State. FEMA shall provide to the State/Grantee and subgrantee NFIP coverage information, including the amount paid on a claim and the amount of coverage available;

- The subgrantee shall coordinate with property owners who shall disclose all potential amounts available to them for the same purpose, as described above, including repair or replacement assistance received, all insurance benefits available to them under an existing policy (whether they submitted a claim or not), and any potential recovery based on litigation or other legal obligations. The property owner must take reasonable steps to recover such amounts. Amounts that are reasonably available to the property owner shall be treated as benefits available for the same purpose, even if the property owner did not seek them. The subgrantee shall coordinate with tenants who shall disclose any amounts received from rental or relocation assistance;
- Property owners who have a U.S. Small Business Administration loan are required to repay the loan or roll it over to a new property at closing;
- The subgrantee shall identify any other potential sources of benefits to the subgrantee, property owner, or tenant; and
- The subgrantee shall reduce the purchase offer by the amount of any duplicating benefits. Deductions are not taken, however, for amounts the owner can verify with receipts that were expended on repairs or cleanup (Subgrantees may not credit homeowners for the homeowners' own labor hours for repair work).

2.3.13.3.1.7 Additions to Purchase Offer

Supplemental Housing Payments

If a purchase offer for a property is less than the cost for the property owner to purchase a comparable replacement dwelling in a non-hazard-prone site in the same community, the State/Grantee and subgrantee may choose to make available a supplemental payment of up to \$22,500 for the property owner to apply to the difference. Subgrantees should consider the cost of relocating to a permanent residence that is of comparable value and that is functionally equivalent. The State/Grantee and subgrantee must demonstrate that all of the following circumstances exist:

- Decent, safe, and sanitary housing of comparable size and capacity is not available in non-hazard-prone sites within the community at the anticipated acquisition price of the property being vacated; and/or
- The project would otherwise have a disproportionately high adverse effect on low income or minority populations because project participants within those populations would not be able to secure comparable decent, safe, and sanitary housing; and
- Funds cannot be secured from other more appropriate sources such as housing agencies or voluntary groups.

For SRL only: Property owners that receive additional amounts of SRL program funds to cover the original purchase price of the property, or to cover second mortgages or other loans, are generally not eligible to receive supplemental housing payments.

Incentive Payment for Flood Insured Properties

For HMGP-funded acquisition/structure removal projects, the State/Grantee has the option to allow subgrantees to provide a credit to property owners with flood insurance. In this case, the subgrantee would provide an incentive payment in an amount equal to up to 5 years of flood insurance premiums actually paid by the current property owner for a NFIP Policy for structure coverage.

2.3.13.3.1.8 Tenants

Although the property owner must voluntarily agree to participate in the open space project, participation is not voluntary for residential and business tenants and owners of mobile homes who rent homepads (homepad tenants) and who must relocate as a result of acquisition of their housing. Therefore, these tenants are entitled to assistance as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA). The Act is implemented at 49 CFR Part 24. (Owners participating in FEMA-funded acquisition projects are not entitled to relocation benefits because the voluntary program meets URA exceptions.) URA relocation benefits to displaced tenants include moving expenses, replacement housing rental payments, and relocation assistance advisory services. This includes owners of manufactured homes who lease the pad site.

The amount of assistance the subgrantee must pay to the tenant is described at 49 CFR Part 24, Subpart E. An eligible displaced tenant is entitled to:

- Reasonable out-of-pocket (or fixed schedule) moving expenses; and
- Compensation for a reasonable increase in rent and utility costs incurred in connection with the relocation in certain circumstances.

Relocation assistance payments for tenants are intended to ensure that these individuals are able to relocate to decent, safe, and sanitary comparable replacement dwellings outside the floodplain or hazard area. If a tenant chooses to purchase a replacement dwelling, the tenant may apply the amount of rental assistance to which he or she would be entitled towards the down payment. Similarly, if a mobile home owner who rents a homepad chooses to purchase a replacement pad or lot, the mobile home owner may apply the amount of rental assistance to which he or she would be entitled towards the down payment.

However, mitigation grant funding is supplemental to other primary funding sources and must be reduced by amounts reasonably available (even if not sought or received) from other sources, such as insurance and other funds to address the same purpose or loss. A DOB may occur when relocated tenants receive relocation assistance and rental assistance if they have received payments for the same purposes as part of the disaster assistance provided by FEMA, the State/Grantee, and/or other sources. A DOB verification shall focus on the assistance provided through FEMA's disaster assistance programs, including temporary housing and rental assistance and/or funds from *any* other sources. The State/Grantee and FEMA shall inform the subgrantee of the amount and source of any such assistance provided to tenants who may be displaced by an acquisition project. Any acquisition-related assistance provided to tenants must be reduced accordingly. This also affects the total eligible costs allowable for the project. (Tenant-related

DOB deductions do not affect amounts available to the property owner.) For more information on DOB see Section 2.3.13.3.1.6 (Deductions from Purchase Offer).

A person who is an alien not lawfully present in the United States is not eligible to receive URA relocation benefits or relocation advisory services. FEMA may approve exceptions if unusual hardship to the alien’s spouse, parent, or child who *is* a U.S. citizen or an alien admitted for permanent residence, would otherwise result. Subgrantees will ask tenants who are potential recipients of URA assistance to certify that they are a U.S. citizen or are lawfully present in the United States. Subgrantees will not provide URA assistance to participants who refuse to certify or who are not a U.S. citizen or lawfully present.

Please refer to 49 CFR Part 24 for detailed instructions regarding implementation of URA requirements. Subgrantees shall closely coordinate with the State/Grantee and FEMA when implementing URA requirements. The State DOT is often a good resource in determining how to calculate the appropriate URA payment, since the Federal Highway Administration (FHWA) oversees applicability of the URA.

2.3.13.3.1.8.1. Rental Payments

A tenant displaced from a dwelling due to a federally funded acquisition project is entitled to a rental increase payment if:

- That tenant rents or purchases and occupies a decent, safe, and sanitary replacement dwelling within 1 year after the date he or she moves out of the original dwelling; and
- The tenant occupied the displacement dwelling for the 90 days preceding the initiation of negotiations for acquisition of the property. The initiation of negotiations is defined as the first formal indication that the subgrantee wants to purchase a particular property. Any tenant who occupied the dwelling prior to a disaster event is usually eligible. The exception to this is if the project negotiations are unrelated to a disaster event or begin so long after the event that the event is no longer a relevant factor. If the dwelling is re-inhabited after the event, former tenants are generally not eligible (generally, a signed lease is preferable to prove tenancy; however, other documentation such as utility bills may be used to prove tenancy if a signed lease is not available due to the disaster event).

Compensation for rent increase is 42 times the amount that is obtained by subtracting the “base monthly rent” for the displacement dwelling from the monthly rent and average monthly cost of utilities for a comparable replacement dwelling, or the decent, safe, and sanitary replacement dwelling now occupied by the displaced person.

The “base monthly rent” for the displacement dwelling is the lesser of the average monthly cost for utilities plus the rent at the displacement dwelling as determined by FEMA, or 30 percent of the tenant’s average gross household income. (The URA regulations define “tenant” as a person who has the temporary use and occupancy of real property owned by another.)

Subgrantees may exceed this limit in extraordinary circumstances, if necessary to ensure that a displaced tenant will be able to obtain and retain a decent, safe, and sanitary (as defined by the

URA regulations at 49 CFR § 24.2 (a) (8)) comparable unit outside of the high-hazard area. A rental assistance payment may, at the subgrantee's discretion, be disbursed in either a lump sum or in installments. However, if any HUD programs are providing partial funding for the project, verify those program requirements to ensure proper coordination with mitigation grant program requirements. The rental increase payment may not exceed a total of \$5,250.

2.3.13.3.1.8.2. Homepad Tenants

Mobile home owners who lease a homepad and who must relocate to a new homepad as the result of acquisition of their pre-disaster homepad are also entitled to URA relocation benefits and replacement housing payments. Payments to mobile home owners shall not duplicate insurance payments or payments made by other Federal, State, local or voluntary agencies. Complex situations involving FEMA mobile homes that have been donated to a State or local government and then sold to the mobile home owner should be directed to the FEMA Regional Office for eligibility determination and a calculation of benefits.

Displaced mobile home owners who rent their homepads are entitled to assistance as detailed below. However, in only rare cases may the combination of the two types of URA assistance exceed \$22,500.

Homepad Rental Assistance

The displaced mobile home owner and homepad renter is entitled to compensation for rental and utility increases resulting from renting a comparable homepad and moving expenses as detailed in the section for tenants. Compensation for homepad rent increase is 42 times the amount that is obtained by subtracting the "base monthly rent" for the displacement homepad from the monthly rent and average monthly cost of utilities for a comparable replacement homepad. The rental increase payment may not exceed a total of \$5,250. Displaced mobile homeowners are also entitled to one of the following:

- **Replacement Housing Assistance:** For URA purposes the displaced mobile home owner is considered to be involuntarily displaced from his or her residence due to the homepad owner (landlord) selling that property. Therefore, if the mobile home is purchased, the displaced mobile home owner is also entitled to replacement housing assistance to compensate for his or her need to find replacement housing. Compensation for mobile home replacement is equivalent to the amount that is obtained by subtracting the value of the displacement mobile home from the cost of a new replacement mobile home. In acquisition projects where the mobile homes are intact and are being relocated to new homepads, there is no difference. The replacement housing payment may not exceed a total of \$22,500. If the owner is also being compensated for homepad rental increase, then the combination of rental and relocation assistance may not exceed a total of \$22,500; or
- **Costs to Move a Manufactured Home:** If the manufactured homeowner wishes to move their existing home to a new site, rather than sell it, those moving costs are eligible. The reasonable cost of disassembling, moving, and reassembling any attached appurtenances, such as porches, decks, skirting and awnings, anchoring the unit, and utility hook-up charges are included.

2.3.13.3.1.8.3. Tenant Business

Tenant businesses that are involuntarily relocated due to a FEMA acquisition project are also entitled to URA benefits. Assistance provided to a tenant business cannot duplicate payments from insurance or any other source. Thus, Small Business Administration (SBA) loans and other types of financial assistance received after the disaster would have to be factored out of benefits received under the URA. The State/Grantee and subgrantees should seek the assistance of the FEMA Regional Office in determining benefits for tenant businesses. Also, the State DOT can be a good resource for determining benefits for tenants, since the FHWA oversees applicability of the URA.

2.3.13.3.1.9 Increased Cost of Compliance and Cost Share

NFIP Insurance coverage provides for a claim payment to pay qualifying owners' costs to elevate, demolish, or relocate residential structures (nonresidential structures may also be floodproofed) after a flood. The maximum amount of ICC coverage available is \$30,000. Because these are also eligible mitigation grant program costs, the homeowner cannot receive grant funds for the same costs. However, if the insurance claim does not pay the total mitigation cost, mitigation grant funds can be used to pay the remainder. The ICC insurance claim payment would then be counted as non-Federal cost share.

ICC claims can only be used for costs approved as eligible for ICC benefits; these can then be applied to the grant program non-Federal match requirement. Thus, ICC can't pay for property acquisition, but can pay for demolition or structure relocation. Additional information regarding the use of ICC funds can be found in Section 2.1.6.2 (Federal Funds Allowed to be used as Non-Federal Cost Share).

2.3.13.3.1.10 Relocation and Removal of Existing Buildings

If the structure on the property is to be relocated, the relocated structure must be placed on a site located outside of the SFHA, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land use regulations. Existing buildings must be removed and/or disposed of in accordance with applicable laws within 90 days of closing and settlement of the property acquisition transaction. If numerous properties are purchased on different dates, the State/Grantee and subgrantee are still responsible for structure removal within 90 days of settlement for each individual property. The FEMA Regional Administrator can only grant an exception to this requirement in accordance with 44 CFR § 80.17 (d).

Any relocated structures will be placed on a site outside of SFHAs or any other identified hazard areas, and at a distance at least 60 times the average annual erosion rate measured from an appropriate "erosion reference feature." The owner shall ensure the building is brought into compliance with all applicable Federal, State, and local laws and regulations.

In certain disaster-related instances, the demolition and debris removal related to acquired structures may be eligible for reimbursement under FEMA's Public Assistance program if the structures represent a health and safety hazard as a result of the disaster. States/Grantees and subgrantees should coordinate with the appropriate FEMA Regional Office for more information and to determine whether these costs are eligible under that program. If the costs of demolition do not qualify for Public Assistance program funding, they are eligible project costs under the

relevant mitigation grant program. If any parts of the structure are sold for salvage value, this amount shall reduce the total cost of the project before cost shares are calculated.

2.3.13.3.1.11 Conversion to Open Space

Subgrantees must apply specific deed restriction language to all acquired properties to ensure the property will be maintained in perpetuity as open space and consistent with natural floodplain functions, as agreed by accepting FEMA mitigation grant funding. This is done for each property by recording the open space and land use restriction, consistent with FEMA model deed language found at <http://www.fema.gov/government/grant/resources/pre-award.shtm>. Any modifications to the model deed restriction language can only be made with prior approval from FEMA's Office of Chief Counsel through the appropriate FEMA Regional Office.

2.3.13.3.2 Land Use and Oversight

2.3.13.3.2.1 Future Federal Benefits

After settlement of the property acquisition transaction, no disaster assistance for any purpose from any Federal entity may be sought or provided with respect to the property, and FEMA will not distribute flood insurance benefits for that property for claims related to damage occurring after the date of settlement in accordance with 44 CFR Part 80 requirements.

Also, crops for which insurance is not available will not be eligible for any disaster assistance and are grown at the farmer's risk. Payment through the Non-Insured Crop Disaster Assistance Program (NAP), 7 U.S.C. § 7333, for damage to crops for which insurance is not available, is considered to be "disaster assistance," and as such will not be available to owners of open space-restricted land. However, benefits obtained through crop insurance programs offered under the Federal Crop Insurance Act, as amended, 7 U.S.C. § 1501 et seq., are not considered "disaster assistance," and will be available to owners of open space-restricted land.

2.3.13.3.2.2 Open Space Requirements/Land Use

After settlement of the property acquisition transaction, the property must permanently be maintained for open space purposes and consistent with natural floodplain functions.

Allowable land uses generally may include parks for outdoor recreational activities, wetlands management, nature reserves, cultivation, grazing, camping (except where adequate warning time is not available to allow for evacuation), unpaved surfaces, and other uses FEMA determines compatible with the grant and deed restrictions, including more specific listings provided below.

Allowable land uses generally **do not** include walled buildings, flood control structures (such as levees, dikes, or floodwalls), paved surfaces, bridges, cemeteries, actions that pose health, safety or environmental risk in the floodplain, above- or below-ground pumping stations or storage tanks, placement of fill materials, or other uses that obstruct the natural and beneficial use of the floodplain (see below for additional detail regarding land use).

The list below is a guide to open space use that addresses typical situations; however, the subgrantee and State/Grantee should review every situation using the regulations, open space intent, and floodplain management principles. The local floodplain administrator should review

all proposed use of acquired floodplain land. The State/Grantee and subgrantee, in coordination with the appropriate FEMA Regional Office, shall determine whether a proposed use is allowable, consistent with the deed restrictions, grant agreement, this Guidance, and floodplain management requirements.

Allowable Uses Include:

- Vegetative site stabilization, agricultural cultivation, and grazing;
- Public picnic shelters, pavilions, and gazebos, with associated foundations, provided that the structure does not contain walls;
- Public restrooms are the only walled and roofed buildings that are allowed;
- Small-scale recreational courts, ball fields, golf courses, and bike and walking paths;
- Camping, except where adequate warning time is not available to allow evacuation;
- Installation of signs when designed not to trap debris;
- Unimproved, unpaved parking consistent with open space uses;
- Unpaved access roads, driveways, camping pads limited to those necessary to serve the acceptable uses on acquired property. Existing paved roads can be reused for these purposes;
- Small boat ramps, docks, and piers to serve a public recreational use;
- Drainage facilities intended to service onsite needs;
- Construction activities, excavation, and other minor water control structures necessary to create areas for water detention/retention including wetlands restoration or restoration of natural floodplain floodwater storage functions;
- Sewer, water, and power to serve the allowable uses. Sewer, water, and power line crossings, where there is no floodwater obstruction created and there are no other readily available locations for these systems; and
- Simple structures used exclusively for agricultural purposes in connection with the production, harvesting, storage, drying, or raising of certain agricultural commodities, to include livestock, such as a pole-frame building (any such structure cannot be of a nature that would make it eligible for insurance under the NFIP), and steel grain bins and steel-frame corn cribs.

Uses Generally Not Allowed on Acquired Open Space Land:

- The construction of flood damage reduction levees, dikes, berms, or floodwalls;

- All walled buildings or manufactured homes, except public restrooms. Reuse of pre-existing structures, unless all walls are removed;
- Fences and all other obstructions in the floodway. Fences outside of the floodway must be designed to minimize the trapping of debris;
- Storage of inventory supporting a commercial operation or governmental facility, including wheeled vehicles or movable equipment;
- Cemeteries, landfills, storage of any hazardous or toxic materials, or other uses that are considered environmentally contaminating, dangerous, or a safety hazard;
- Pumping and switching stations;
- Above- or below-ground storage tanks;
- Paved roads, highways, bridges, and paved parking. Paved parking includes asphalt, concrete, oil treated soil, or other material that inhibits floodplain functions;
- Placement of fill, except where necessary to avoid impacting onsite archeological resources;
- Installation of septic systems or reuse of pre-existing septic systems, except to service a permissible restroom; and
- Any uses determined by the State/Grantee, FEMA, or FEMA Regional Administrator as inconsistent with the regulations, this Guidance, or deed restrictions.

Reuse of existing paved surfaces for recreational uses on the acquired property consistent with allowable uses is generally acceptable; however paved surfaces beyond those directly required for such uses should be removed. Communities shall use unpaved surfaces allowing for natural floodplain functions where feasible for allowable uses, particularly trails. Examples include grass, hard-packed earth, and graded gravel.

Communities may creatively salvage pre-existing structures on the acquired property. In some cases, the complete demolition of a structure may not be necessary; it may be possible to convert a closed-in structure with walls, such as a house, into an open picnic pavilion with a concrete slab floor and posts supporting the roof.

2.3.13.3.2.3 Subsequent Transfer of a Property Interest

Post-grant award, the subgrantee may convey a property interest only with the prior approval of the appropriate FEMA Regional Administrator and only to certain entities in accordance with 44 CFR § 80.19 (b) and this Guidance.

After acquiring the property interest, the subgrantee, including successors in interest, shall convey any interest in the property only if the appropriate FEMA Regional Administrator, through the State/Grantee, gives prior written approval of the transferee. The transferee must be

another public entity or a qualified conservation organization. A qualified conservation organization means an organization with a conservation purpose where the organization has maintained that status for at least 2 years prior to the opening of the grant application period that resulted in the transfer of the property interest to the subgrantee, pursuant to Section 170(h) (3) and (4) of the Internal Revenue Code of 1954, as amended, and the applicable implementing regulations. The transferee must document its status as a qualified conservation organization, where applicable. Any request to convey an interest in the property must include a signed statement from the proposed transferee that it acknowledges and agrees to be bound by the terms of the original mitigation grant/subgrant conveyance, 44 CFR Part 80, and this Guidance, and must reference and incorporate the original deed restrictions providing notice of the conditions in this section. The statement must also incorporate a provision for the property interest to revert to the subgrantee or Grantee in the event that the transferee ceases to exist or loses its eligible status as defined under this section. See 44 CFR § 80.19 for more information.

The subgrantee may convey an easement or lease to a private individual or entity for purposes compatible with the uses described in 44 CFR § 80.19 and this Guidance, with prior approval of the appropriate FEMA Regional Administrator, and as long as the conveyance does not include authority to control and enforce the terms and conditions identified above. The FEMA Regional Administrator may choose to consult with the FEMA Office of Chief Counsel in reviewing documents proposed to convey an interest in the property. Any lease or easement must be for uses compatible with open space purposes and are clearly subject to the land use and other restrictions of the property by reference and/or incorporation of the recorded deed restriction language.

2.3.13.3.2.4 Monitoring and Reporting and Inspection

The State/Grantee will work with subgrantees to ensure that the property is maintained in accordance with land use restrictions. The State/Grantee and subgrantees should jointly monitor and inspect acquired properties every 3 years to ensure that the inspected parcels continue to be used for open space purposes.

Every 3 years, the subgrantee, the State/Grantee, and FEMA must coordinate to ensure the subgrantee submits documentation to the appropriate FEMA Regional Administrator certifying that the subgrantee has inspected the subject property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the grant/subgrant. If the property subsequently transfers to an allowable transferee, the subgrantee, the State/Grantee, and FEMA will coordinate with that entity to submit the information.

The State/Grantee, FEMA and the subgrantee have the right to enter the parcel, with notice, in order to inspect the property to ensure compliance with land use restrictions. Subgrantees may identify the open space nature of the property on local tax maps to assist with monitoring.

2.3.13.3.2.5 Enforcement

If the required monitoring (or other information) identifies that the subject property is not being maintained according to the terms of the grant, the subgrantee, State/Grantee, and FEMA are responsible for taking measures to bring the property back into compliance.

In the event a property is not maintained according to the identified terms, the State/Grantee shall notify the subgrantee (which includes successors in interest) that they have 60 days to correct the violation. If the subgrantee fails to demonstrate a good faith effort within the terms of the grant agreement within 60 days, the State/Grantee shall enforce the terms of the grant agreement by taking any measures it deems appropriate, including bringing an action of law or equity in a court of competent jurisdiction. If the State/Grantee fails to bring the property into compliance, then FEMA may enforce the terms of the grant agreement by taking any measures it deems appropriate including:

- Withholding FEMA mitigation awards or assistance from the State/Grantee, subgrantee, and current holder of the property interest (if different) pending corrective action;
- Requiring the transfer of title; and/or
- Bringing an action of law or equity in a court of competent jurisdiction against the State/Grantee, subgrantee, and/or their respective successors and assigns.

FEMA also reserves the right to transfer the property title and/or easement to a qualified third party for future maintenance.

2.3.13.4 Post-Grant Requirements

2.3.13.4.1 Closeout Requirements

At completion of the grant/subgrant activity, FEMA and the State/Grantee shall identify that all required subgrant activities have been accomplished (in accordance with all programmatic guidance and proper grants management practices and § 80.21), that all properties identified in the application have been acquired, and that the model deed restriction language was recorded with each corresponding deed. The subgrantee shall provide to FEMA through the State/Grantee the following property reporting requirement information:

- A photograph of the property site after project implementation;
- A copy of the recorded deed and attached deed restrictions for each property;
- Latitude and longitude coordinates of the property;
- Signed Statements of Voluntary Participation from the owner of each property identified in the subgrant SOW. The Statement of Voluntary Participation documents more formally the Notice of Voluntary Interest provided in the subapplication, as well as documenting required property valuation notices. A Model Statement of Voluntary Participation is available on FEMA's Web site at http://www.fema.gov/government/grant/vol_participation.shtm or from the appropriate FEMA Regional Office; and

- For each property identified on FEMA’s Repetitive Loss list, a completed FEMA form AW-501, documenting the completion of mitigation on the repetitive loss property. The form is available on FEMA’s Web site at <http://www.fema.gov/government/grant/resources/aw501ins.shtm>.

2.4 MITIGATION PLANNING SUBAPPLICATION GUIDANCE

2.4.1 Purpose

Mitigation plans are the foundation for effective hazard mitigation. The mitigation plan is a demonstration of the commitment to reduce risks from natural hazards and serves as a guide for decisionmakers as they commit resources. A mitigation plan articulates a comprehensive strategy for implementing technically feasible mitigation activities for the area affected by the plan. To be eligible for project grants, an eligible State or community must develop, and have approved by the FEMA Regional Administrator, a mitigation plan in accordance with 44 CFR Part 201, Hazard Mitigation Planning.

Planning grants are only available under the PDM and FMA programs.

For the FMA program: Funds shall only be used to support the flood hazard portion of State, Tribal, or local multi-hazard mitigation plans to meet the criteria specified in 44 CFR Part 201. Funds are only available to support these activities in communities participating in the NFIP.

2.4.2 Mitigation Plan Requirement for Planning Subapplications

There is no local mitigation plan requirement if the subapplicant is applying for a planning grant.

2.4.3 Planning Overview

Planning activities under HMA programs are designed to develop State, Tribal, and local mitigation plans that meet the planning requirements outlined in 44 CFR Part 201. A mitigation planning grant award must result in a mitigation plan adopted by the jurisdiction(s) and approved by FEMA prior to the end of the period of performance. Therefore, it is essential that the SOW include sufficient time and resources for FEMA plan review, incorporation of needed revisions, plan adoption, and FEMA approval (see Section 2.7.6.1, Planning Guidance and Requirements).

The planning grant deliverable must be a FEMA-approved mitigation plan. Failure to meet the required deliverable will result in the recoupment of funds.

2.4.3.1 Eligible Planning Activities and Associated Costs

Plans may be either single or multi-jurisdictional. Countywide or multi-jurisdictional mitigation plans are eligible for funding, as many mitigation issues are better resolved by evaluating hazards in a more comprehensive fashion (see Section 2.7.6.1, Planning Guidance and Requirements).

Eligible planning activities include:

- New plan development; and
- Comprehensive plan update.

Risk assessment and information dissemination activities (i.e., public awareness, education, public notices, marketing, and outreach that directly relate to the planning subapplication) may

be a portion of this effort, however limitations apply to funding (see Section 2.4.3.2, Funding Limitations).

2.4.3.2 Funding Limitations

For both FMA and PDM programs:

Risk assessment activities may include the following:

- Mapping of hazards with the exception of flood mapping activities that duplicate the NFIP;
- The mapping of at-risk structures, including critical facilities;
- The mapping of repetitive flood loss structures, land use, and populations (including the use of Hazards United States [HAZUS] and GIS);
- Data collection; and
- Loss estimation (vulnerability assessments and methodologies).

However, these limited mapping activities must be completed as part of a risk assessment and must lead to a new or appropriately amended mitigation strategy that addresses actions derived from the new information. The most complex and difficult task in the plan development can be the risk assessment.

Information dissemination activities must be identified as separate line items in the cost estimate for the planning subapplication.

For the PDM program only:

- New plan development may not exceed \$800,000 Federal share;
- Comprehensive update of a plan may not exceed \$400,000 Federal share; and
- Information Dissemination activities may not exceed 10 percent of the total Federal share requested as part of the planning subapplication.

For the FMA program only:

- Individual planning grants may not exceed \$150,000 to any State agency Applicant, or \$50,000 to any community subapplicant;
- The total planning grant made in any fiscal year to any State, including all communities located in the State, will not exceed \$300,000; and
- A planning grant will not be awarded to a State or community more than once every 5 years.

2.4.3.3 New Plan Development

A new mitigation plan to meet 44 CFR Part 201 requirements is appropriate for:

- Jurisdictions with no existing mitigation plan that are at risk from a single or multiple natural hazards for which they can identify viable mitigation actions; and
- Jurisdictions with existing mitigation plans that do not fully address the 44 CFR Part 201 criteria (e.g., FMA plan, Community Rating System [CRS] plan).

2.4.3.4 Comprehensive Update

A comprehensive update of an existing mitigation plan is appropriate for States, Tribal governments, and local jurisdictions to meet the 3 or 5 year update requirements under 44 CFR Part 201 and all update guidance documentation. In addition, eligible activities may include:

- States/Tribes/Territories with an existing Standard State or Tribal Mitigation Plan preparing an updated plan to meet the Enhanced Plan requirements;
- Tribes with a local mitigation plan preparing a Tribal Mitigation Plan;
- Local or Indian Tribal jurisdictions that participated in a multi-jurisdictional mitigation plan preparing a single-jurisdictional mitigation plan;
- Addressing data deficiencies identified in a previously approved mitigation plan. The updated mitigation plan may include a revised risk assessment, but must include a modified mitigation strategy and specific, related actions items. The planning subapplication must cite the locations in the current approved mitigation plan where the data deficiencies are being addressed;
- Addressing process limitations such as participation, public input, and plan maintenance already identified in a previously approved mitigation plan. The planning subapplication must cite the locations in the current approved mitigation plan where the process limitations are being addressed; and
- Modifying actions and strategy in a previously approved mitigation plan.

If a planning subgrant is awarded, the existing plan and approval date remain valid until the 3-year expiry date for State or Tribal plans or the 5-year expiry date for local or Tribal plans. Updated mitigation plans that are adopted and FEMA-approved will receive a new approval date and a new 3- or 5-year expiry date.

In order to receive grant funding for comprehensive updates of existing mitigation plans, a State, Tribe, Territory, or local government with a mitigation plan that expires prior to the award of a grant or subgrant must provide a FEMA-approved mitigation plan in accordance with 44 CFR Part 201.

2.4.3.5 Risk Assessment

Risk assessment activities, including the use of HAZUS and GIS, may be submitted as part of a planning subapplication. Risk assessment activities may include the mapping of hazards (with the exception of flood mapping), at-risk structures (including critical facilities and repetitive

flood loss structures), land use, and populations. However, these limited mapping activities must be completed as part of a risk assessment and must lead to a new or appropriately amended mitigation strategy that addresses actions derived from the new information.

Mapping activities must be identified as separate line items in the cost estimate and must not duplicate eligible mapping activities available under any other Federal program or agency, such as NFIP map modernization activities and/or flood mapping activities (see Section 2.1.3.4.1, Duplication of Programs). Subapplicants are required to make use of already developed materials and to seek available resources, such as State mapping initiatives and GIS resource repositories, and:

- FEMA’s Map Service Center: <http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1&userType=G>;
- USGS National Map View: <http://nationalmap.usgs.gov>;
- FEMA’s HAZUS: <http://www.fema.gov/plan/prevent/hazus/index.shtm>; and
- HAZUS.org: <http://www.hazus.org>.

Risk assessment activities must be identified as separate line items in the cost estimate for the planning subapplication to be considered.

2.4.4 Subapplicant Management Costs for Planning

Subapplicants may include a maximum of 5 percent of the total funds requested in their subapplication for management costs to support the activity. Also, they may apply for up to 10 percent of the total funds requested for their mitigation planning subapplication for information dissemination activities. In any case, the Federal share will not be increased and other limitations on information dissemination and subapplicant management costs still apply (see Section 2.2.4, Subapplicant Management Costs).

2.4.5 Pre-Award Planning Activities and Costs

Eligible planning costs incurred prior to the grant award, but after the HMA application period has opened, are identified as pre-award planning costs. FEMA may fund pre-award planning costs at the time of the grant award as funds are available. Subapplicants may be reimbursed for pre-award planning costs for activities directly related to the development of the proposed planning subapplication, such as workshops, meetings, and data collection. Pre-award planning costs must be identified as separate line items in the cost estimate for the planning subapplication.

In lieu of requesting pre-award planning costs, subapplicants may submit eligible costs incurred prior to award but after the HMA application period has opened as their non-Federal cost share. Non-Federal cost share guidelines vary among the four programs (see Section 3.1.3.10.2, for PDM; Section 3.2.3.6.1 for FMA; Section 3.3.3.6 for RFC; and Section 3.4.3.12 for SRL).

2.4.6 Ineligible Planning Activities and Associated Costs

Certain planning activities and their associated costs are not eligible. In addition to the specific ineligible planning activities listed below, any planning effort that duplicates benefits received for the same purpose (i.e., an existing planning grant that has not closed prior to the HMA application deadline) (see Section 2.1.3.4.1, Duplication of Programs) or that is within the primary authority of another Federal program (see Section 2.1.3.4.2, Duplication of Benefits) will be considered ineligible.

The following planning activities are not eligible for the HMA grant programs:

- Flood studies or flood mapping (e.g., hydrologic and hydraulic analysis and Map Modernization activities);
- Mapping activities that are not part of a risk assessment;
- Risk assessments, technical assistance, studies, or workshops not resulting in a FEMA-approved mitigation plan;
- Information dissemination activities exceeding 10 percent of the total cost of the planning subapplication or that are not tied directly to a HMA planning subapplication;
- Any ground-disturbing activity that would initiate the Environmental/Historic Preservation review and compliance process;
- Pre-award activities not directly related to the development of the planning subapplication;
- Limited revisions and amendments that do not result in a comprehensive mitigation plan update; and
- Activities that duplicate or enhance scopes of work previously awarded and not completed.

2.4.7 Mitigation Planning Criteria

Planning activities must meet the following criteria:

- The outcome of a mitigation planning subgrant award must be a FEMA-approved mitigation plan that complies with the requirements of 44 CFR Part 201. Mitigation plans must be reviewed, adopted by the jurisdiction(s), and approved by FEMA before the end of the period of performance. Failure to meet the required deliverable will result in recoupment of funds;
- For States and Territories, a completed State Standard/Enhanced Review Worksheet must be submitted to FEMA with the mitigation plan, demonstrating that all criteria required for approval have been addressed within the mitigation plan. The State

Standard/Enhanced Review Worksheet is available on the FEMA Web site: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from the Regional Office (see Section 2.7.14, Regional Contact Information);

- For local government and Universities, a completed Local Plan Review Worksheet must be submitted to FEMA with the mitigation plan, demonstrating that all criteria required for approval have been addressed within the mitigation plan. The Local Plan Review Worksheet is available on the FEMA Web site: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from Regional Offices (see Section 2.7.14, Regional Contact Information);
- For Tribal governments, a completed Tribal Plan Review Worksheet must be submitted to FEMA with the mitigation plan, demonstrating that all criteria required for approval have been addressed within the mitigation plan. The Tribal Plan Review Worksheet is available on the FEMA Web site: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from Regional Offices (see Section 2.7.14, Regional Contact Information);
- Multi-jurisdictional mitigation plans may be submitted for funding, as many mitigation issues are better resolved by evaluating hazards in a more comprehensive fashion. A statement or statements of intent to participate in the planning activity, individually signed by each participating jurisdiction, must be included in the subapplication;
- Each jurisdiction to be covered by a multi-jurisdictional mitigation plan must participate in the planning effort and adopt the mitigation plan in order to receive credit for the plan;
- Mitigation planning activities must focus primarily on natural hazards but also may address hazards caused by manmade forces. Documentation of a mitigation strategy must be attached, indicating specific actions that will be taken to implement the mitigation plan;
- Local, multi-jurisdictional, or college/university planning activities must be consistent with the goals and objectives identified in the State Mitigation Plan or the subapplication will not be eligible for further consideration;
- Planning activities must be consistent with this Guidance and not primarily associated with programs for which another Federal program has the primary authority (e.g., the Natural Resources and Conservation Service has primary responsibility for funding watershed management plans). See also Section 2.1.3.4.1 (Duplication of Programs);
- Planning activities must meet the requirements of Federal, State, Tribal, local laws, and Executive Orders, as appropriate; and
- Planning activities to update an existing FEMA-approved mitigation plan must:

- Clearly build on the existing approved mitigation plan and comply with the Multi-Hazard Mitigation Planning Guidance available on the FEMA Web site: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from the Regional Office (see Section 2.7.14, Regional Contact Information).
- Include an attached State Standard/Enhanced or Local Plan Review Worksheet from the previous FEMA-approved mitigation plan. These worksheets are available from the Regional Office.
- Comprehensively describe any data deficiencies to be addressed.
- Provide a minimum of one example of how the jurisdiction implemented the strategy for mitigation actions for natural hazards from the existing plan (i.e., grants applied for, projects implemented, approval of mitigation related to legislation, zoning, or codes).

2.4.8 Planning Subapplication Scope of Work

The SOW states the objectives, methodology, feasibility, outcomes, timeline, milestones, resources, deliverables, and benefits of, as well as reasons for, the proposed planning activity.

The mitigation planning subapplication SOW must describe the development of a mitigation plan that complies with FEMA’s regulatory requirements in 44 CFR Part 201.

The SOW must:

- Depict the jurisdiction(s) that will participate in the plan, including available census and other descriptive data;
- State whether the proposed planning activity will result in a new mitigation plan or a comprehensive update of an existing mitigation plan. If the latter:
 - The reasons for the update (e.g., acquisition of better data, recent disaster activity, changes in local growth and development trends, update of local plan to meet the 5-year requirement) must be provided;
 - The plan update section of the existing plan must be attached showing its use as the basis for the plan update SOW;
- Have a description of the planning process and a work schedule for plan development clearly demonstrating the applicable regulatory requirements. Planning subapplications that do not include an adequate description of the proposed planning activity will be less competitive, or in some cases may be removed from consideration;
- Provide the anticipated timeline and work schedule, with explicit references to the cost estimate, for each step of the planning process and significant milestones throughout the entire period of performance (see Section 2.4.13, Period of

Performance), including when a draft plan or other deliverables will be submitted to FEMA for review. The work schedule should allow for sufficient time for State and FEMA review, preparation of any required revisions, formal plan adoption, and FEMA approval (see Section 2.7.7.1, Procedures for Developing Scope of Work);

- Document in detail the activities the jurisdiction will complete to accomplish all of the planning steps, including the planning process, hazard identification and risk assessment, mitigation goals and strategy, process for plan implementation, and plan adoption and how these activities relate to the cost estimate;
- Include what will be done, how it will be done, and who will be responsible for completing each step (e.g., contract personnel or in-house staff). It must also explain how the public and other interested jurisdictions, agencies, and organizations will be involved throughout (e.g., workshops, community outreach); and
- Describe the plan adoption process for the particular jurisdiction to ensure sufficient time to complete the plan, as well as to formally adopt the plan.

A sample outline and content for a planning SOW to assist in developing an adequate description of the proposed planning activity is available on the FEMA Mitigation Planning Web site: <http://www.fema.gov/plan/mitplanning/index.shtm>.

2.4.8.1 Scope of Work Changes

FEMA will not consider changes to the SOW of planning subapplications between the close of the application period and the completion of the selection process (see Section 2.3.6.2, Scope of Work Changes).

2.4.9 Planning Subapplication Checklist

Details on the contents of planning subapplication are provided in Section 2.7.11.1, Planning Subapplication Checklist.

2.4.10 Cost Estimate

The cost estimate describes all anticipated and potential costs associated with the proposed planning activity and represents the subapplicant's best estimate of the total value of the proposed activity. Sufficient detail must be provided regarding various cost item categories such as labor, materials, equipment, subcontract costs, etc., and include anticipated cash and in-kind (donated) non-Federal cost share. In particular, the labor cost line item must estimate anticipated, donated in-kind labor from various community agencies and/or other participating jurisdictions that will count toward the non-Federal cost share in order to be considered.

The cost estimate must also include, in detail:

- Costs associated with any mapping activities or risk assessment;
- Information dissemination activities;

- Pre-award costs; and
- Potential cost under-runs.

These must be identified as separate line items in order to be considered and to ensure that cost thresholds for these activities are not exceeded.

Subapplicants must not include lump-sum items and provide references for all sources of the cost estimate. Back-up documentation for all costs, including the basis for each, must be provided (e.g., salary and fringe benefit rates for personnel involved in the project, bids from qualified professionals, and nationally published or local cost estimating guides).

2.4.10.1 Cost Estimate Changes

FEMA will not consider changes to the cost estimate of planning subapplications between the close of the application period and the completion of the selection process (see Section 2.3.8.3, Cost Estimate Changes).

2.4.11 Cost Overruns and Cost Under-runs

FEMA will not consider cost overruns within the PDM program.

FEMA will generally not consider an Applicant's request for additional FMA funds to pay for overruns incurred after an FMA grant is awarded. However, Grantees may use cost under-runs (i.e., unexpended funds) remaining after the expiration of the period of performance for a given subgrant to pay for cost overruns incurred under another subgrant funded and included in the same grant award.

Cost under-runs remaining after the expiration of the period of performance must be reported to FEMA for de-obligation.

2.4.12 FEMA Pre-Award Activities for Planning Subapplication

FEMA will work with Applicants who have planning subapplications selected for further review to implement required pre-award activities prior to grant award (see Section 2.5.4.3, FEMA Pre-Award Activities). FEMA may request information or documentation from Applicants to resolve outstanding administrative or procedural requirements as part of its pre-award activities.

In accordance with 44 CFR § 10.8(d)(2)(iii), FEMA has determined that mitigation planning activities have no impact on the environment and will require no further Environmental/Historic Preservation review. Therefore, Environmental/Historic Preservation documentation is not required for planning activities.

2.4.13 Period of Performance

Mitigation planning subgrant periods of performance may not exceed 3 years (see Sections 2.3.3, Period of Performance, and 2.6.3, Extensions). Planning subapplications that propose a work schedule in excess of 3 years will not be accepted. Mitigation plans must be adopted by the subgrantees, and reviewed and approved by FEMA before the end of the period of performance.

If a mitigation plan has not received final approval from FEMA by the close of the period of performance, FEMA will terminate the planning subgrant and any costs incurred after the subgrant termination will not be reimbursed by FEMA. If the plan is not submitted to FEMA for approval by the final date of the period of performance, then the final closeout report for the grant will not reflect completion of the work required under the grant agreement and the funding is subject to recoupment as outlined below. No additional planning grants will be awarded for plan completion. Planning processes, plan adoption, and plan approval may continue after the period of performance has expired at the expense of the entity developing the plan. Requests for extensions to the period of performance will be considered but are not guaranteed (see Section 2.6.3, Extensions).

2.4.14 Recoupment of Funds

Jurisdictions with FEMA-approved mitigation plans that have been formally adopted in accordance with FEMA regulations by the end of the period of performance are not subject to recoupment of funds.

FEMA will recoup mitigation planning grant funds for grants that do not meet the deliverable criteria of an adopted, FEMA-approved mitigation plan by the end of the period of performance. The amount recouped will be based on the following guidelines:

- Jurisdictions with plans that have been approved pending adoption by FEMA, but are not yet formally adopted (in accordance with FEMA regulations) by the end of the period of performance, must return a minimum of 10 percent of the grant award;
- Jurisdictions with plans that have been reviewed by FEMA, but require changes in order to meet the minimum requirements, must return a minimum of 25 percent of the grant award if the required changes have not been made by the end of the period of performance; and
- Jurisdictions with plans that have not been submitted to FEMA for review by the end of the period of performance must return 100 percent of the grant award.

All grants must lead to a FEMA-approved mitigation plan.

2.5 FEMA REVIEW PROCESS

HMA programs consist of target allocation-based programs FMA and SRL, and nationally competitive programs PDM and RFC. On some occasions, target allocation funds may not be fully utilized due to lack of eligible applications submitted for funding. Any State/Territory target allocation funds remaining after selection may be made available for national competition. The national competitive process will generate a national ranking of project and planning subapplications, which will be funded in ranked order in accordance with program specific criteria.

For further details on the administration of program funds, see program-specific guidance for funding limits (Sections 3.1.3.2 for PDM, 3.2.3.2 for FMA, and 3.3.3.2 for RFC, and for SRL, Section 3.4.3.2, SRL Target Allocations and Application Selection).

2.5.1 FEMA Eligibility and Completeness Review

FEMA will review all applications for Eligibility and Completeness. Applications that do not satisfy the Eligibility and Completeness requirements will not be considered for further review. Only eligible and complete applications will be forwarded for National Technical Review (see Appendix 4.3, FEMA Eligibility and Completeness Checklist).

Comments on the Eligibility and Completeness of an application may be provided by FEMA so that Applicants and/or subapplicants can modify their application for resubmission in future grant cycles.

2.5.2 National Ranking and National Evaluation

Each program has specific National Ranking and National Evaluation criteria.

- PDM – Section 3.1.3.8 (National Ranking) and Section 3.1.3.6 (National Evaluation)
- FMA – Section 3.2.3.5 (National Evaluation)
- RFC – Section 3.3.3.9 (National Ranking and Selection)
- SRL – Section 3.4.3.4 (SRL 10 Percent Set-Aside Application Selection)

2.5.3 FEMA National Technical Review

FEMA National Technical Review includes technical reviews of the cost-effectiveness of the project and the engineering feasibility and effectiveness of each project. Project subapplications that do not meet the cost-effectiveness and engineering feasibility and effectiveness requirements will be removed from consideration for funding. Applicants should contact the FEMA Regional Office for information regarding technical review standards.

2.5.3.1 Benefit-Cost Technical Review

Mitigation grant programs must fund cost-effective mitigation activities. To ensure this objective is met, a FEMA-approved BCA is required for all mitigation projects. Applicants shall evaluate

subapplicant projects based on their cost effectiveness as demonstrated through a FEMA-approved benefit-cost methodology.

A BCA is a well-established method for quantitatively comparing the benefits and costs of mitigation projects. The end result is a benefit-cost ratio (BCR), which is derived from a project's total net present value of benefits (i.e., the value of benefits today versus the value of future benefits after taking inflation and rate of return into account) divided by the total project cost, including all documented project and maintenance costs.

FEMA has developed a review methodology based on a series of key data points related to FEMA's BCA software that have a significant influence on the outcome of the analysis. The technical review process will focus on the data that have the greatest effect on the BCR. Reviewers will determine the reasonableness, credibility, and accuracy of all BCAs by reviewing each data point of the BCA in three key areas:

- **Technical Accuracy:** FEMA has established a series of review criteria for each combination of hazard and analysis type (engineering data or frequency-damage). The key data points of greatest influence differ depending upon the hazard being addressed and the chosen methodology. The BCA review methodology gives higher weight to data points of greater importance;
- **Supporting Documentation:** Every data point in the BCA must be clearly documented and included in the project subapplication. Deviations from standard procedures, guidance, techniques, or FEMA default values must be thoroughly explained and documented. Projects not adequately documented may be removed from consideration. Use of the FEMA DDT is strongly encouraged; and
- **Source Credibility:** The more technical the data and the more it influences the outcome of the BCA, the more emphasis FEMA will place on the credibility of its source. Data used in the BCA must be from a reliable source (i.e., licensed engineer or architect).

Given the technical nature of the BCA, FEMA will convene a Benefit-Cost Technical Review panel of subject matter experts to conduct a detailed and comprehensive review of the BCAs for mitigation projects. The Benefit-Cost Technical Review will be based solely on the documentation provided in the project subapplication. FEMA will not contact Applicants or subapplicants to request additional information or clarification on BCA documentation in the subapplication during the Benefit-Cost Technical Review.

BCAs that are technically correct and thoroughly documented will be validated. However, when insufficient or conflicting information is provided in the project subapplication, the Benefit-Cost Technical Review panel may prepare a new, technically correct, and defensible BCA to calculate a BCR for the project based upon available information provided in the subapplication. The panel will prepare a new BCA to:

- Resolve conflicting information between the subapplication, support data, and BCA;

- Correct user input errors in the BCA;
- Use FEMA default values in the BCA, instead of user-defined values not substantiated in the subapplication;
- Include all documented project and maintenance costs in the BCA;
- Use data in the subapplication that was not included in the subapplicant's BCA to improve the accuracy of the BCA; and
- Remove unsubstantiated benefits from the BCA.

Projects with a BCR less than 1.0 as determined by the Benefit-Cost Technical Review panel will be removed from consideration. Projects for which the BCR is inadequately documented or critical data or sources appear unreasonable will be removed from consideration.

2.5.3.2 Engineering Feasibility and Effectiveness Technical Review

Given the technical nature of mitigation projects, FEMA will convene an Engineering Feasibility and Effectiveness Technical Review panel of subject matter experts to conduct a comprehensive review to determine both feasibility and effectiveness of eligible mitigation projects. The Technical Review will be based solely on the information provided in the project subapplication, including the SOW and cost estimate sections, as well as any supporting documentation. Applicants/subapplicants must avoid lump-sum items and provide references for all sources of the project cost estimate. FEMA will not contact Applicants or subapplicants to request additional information or clarification on documentation in the subapplication during the FEMA Review. Project subapplications that do not include appropriate documentation to support the determination of feasibility and effectiveness will be removed from consideration.

The Technical Review panel will evaluate project subapplications relative to the following three categories to determine feasibility:

- Conformance to accepted engineering practices (codes, standards, modeling techniques, or best practices) and work schedule, as described in the SOW;
- Effectiveness at mitigating the hazard(s) for which the project was designed; and
- Accuracy of the cost estimate.

The Engineering Feasibility and Effectiveness Technical Review may identify issues that could affect the outcome of the project. FEMA reserves the right to eliminate from consideration those project subapplications that do not provide adequate documentation to substantiate their feasibility and/or effectiveness, or are determined not to be feasible and/or effective at mitigating the hazard(s) for which the project was designed.

2.5.4 Selection, FEMA Pre-Award Activities, and Awards

2.5.4.1 Selection

FEMA will rank all eligible mitigation project and planning subapplications on the basis of program priorities to determine which subapplications to select for award up to the amount of funds available for the HMA program.

For further information regarding ranking and selection, see program-specific guidance.

- PDM – Section 3.1.3.8 (National Ranking)
- FMA – Section 3.2.3.5 (National Evaluation)
- RFC – Section 3.3.3.9 (National Ranking and Selection)
- SRL – Section 3.4.3.4 (SRL 10 Percent Set-Aside Application Selection)

Eligible subapplications submitted but not funded under a specific grant program may be considered for another mitigation grant program(s) (see Section 2.1.2, Application Consideration under Other Mitigation Grant Programs).

2.5.4.2 Notification of Status of Subapplications

FEMA will notify Applicants of:

- Subapplications that do not satisfy Eligibility and Completeness requirements;
- Project subapplications that do not meet cost-effectiveness and engineering and feasibility requirements;
- Subapplications that are not selected for further review by the Approving Federal Official; and
- Subapplications that are not forwarded through the National Evaluation process, if applicable.

Additional eligible planning and project subapplications may be selected for further review when:

- Additional funds become available after reconsideration requests have been analyzed;
- Awards are not accepted;
- Additional funds are appropriated; and
- Award amounts are reduced.

2.5.4.3 FEMA Pre-Award Activities

FEMA will work with Applicants who have subapplications selected for further review to implement required pre-award activities. These activities may include but are not limited to Environmental/Historic Preservation review, verification of Applicant and subapplicant commitments, verification of mitigation plan status, and an understanding of grant terms. In addition, FEMA will ensure that the Applicant has met all reporting requirements for FEMA-State grant awards currently in progress.

FEMA may request information or documentation from Applicants to support certain subapplications as part of pre-award activities. Applicants must respond to requests for information from FEMA within 60 days.

Applicants with subapplications selected for further review will be notified of the date by which all pre-award activities must be completed.

FEMA will complete the Environmental/Historic Preservation review for projects selected for further review as part of pre-award activities. Funds will NOT be awarded and the Applicant/subapplicant may NOT initiate the project until FEMA has completed its review. Additional compliance information for the Environmental/Historic Preservation review is available at: <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

2.5.4.4 Reconsideration Process

FEMA will review a decision regarding a planning or project subapplication that does not meet HMA grant program-specific requirements only when there is an indication of material, technical, or procedural error that may have influenced FEMA's decision. For HMA grant programs with grants awarded on a competitive basis (including PDM and RFC), FEMA will not consider new information provided in the request for reconsideration. FEMA encourages Applicants to incorporate any new information into Applications for future grant cycles. There will be no reconsideration regarding the amount of Applicant management costs (see Section 2.2, Management Costs). In addition, Applicants who are not awarded any HMA grant program funds may not receive reimbursement for management costs.

Applicants must send requests for reconsideration based upon material, technical, or procedural error to the FEMA Regional Administrator within 60 calendar days from the date of the FEMA notification letter to the Applicant. The FEMA Regional Administrator will analyze the reconsideration request and make a recommendation to the Assistant Administrator of the Mitigation Directorate or his designee. FEMA's decision to uphold or overturn a decision regarding a subapplication that does not meet HMA grant program-specific requirements is final.

A small percentage of funds will be set aside to fund additional planning and project subapplications after reconsideration requests have been analyzed. FEMA may convene a panel to determine the National Evaluation Score, if necessary, for any decisions that FEMA overturns as a result of the reconsideration process.

Overturned subapplications and the remaining eligible planning and project subapplications will be sorted by National Evaluation Score, and the highest scored subapplications will be selected

for further review up to the amount of funds available. Remaining funds may be used to fund additional eligible subapplications on the waiting list. For remaining funds under PDM, FMA, and RFC, the funds may also be returned to the National PDM Fund or the National Flood Insurance Fund (NFIF), respectively, for use in the next grant cycle.

2.5.4.5 Environmental/Historic Preservation Review

Subapplications that are selected for further review after completing the FEMA Eligibility and Completeness Review and the National Technical Review (described in Section 2.5, FEMA Review Process) will be subject to the Environmental/Historic Preservation review during the Pre-Award period. FEMA will complete the Environmental/Historic Preservation review and compliance process in consultation with appropriate Federal and State resource agencies.

2.5.4.6 Environmental/Historic Preservation Conditions for the Award of Funds

Applicants with project subapplications selected for further review will be notified of the date by which all pre-award activities (including Environmental/Historic Preservation activities) that are considered a FEMA responsibility must be completed. However, the Applicant's/subapplicant's cooperation in the Environmental/Historic Preservation process will ensure timely completion of this review.

Pre-Award Requirement: Subapplicants are required to provide information to support FEMA's Environmental/Historic Preservation compliance process. **Funds will NOT be awarded and the subapplicant may NOT initiate the project until FEMA has completed its review.**

Authorities: As part of this review process, FEMA will assess compliance with applicable requirements including the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), and the Executive Orders on Wetlands, Floodplains, and Environmental Justice.

2.5.4.7 Awards

When all required pre-award activities are completed, FEMA will provide an award package, including an award letter, FF 76-10A and Articles of Agreement to Applicants for approved subapplications. The award package must be signed and returned by the Applicant's authorized agent to FEMA before funds can be awarded. **The Applicant must agree to abide by the grant award terms and conditions as set forth in this Guidance and in the Agreement Articles.**

If an Applicant or subapplicant does not accept an award, FEMA may select additional eligible planning and project subapplications for further review in the order they were ranked or return funds to their respective program for the next grant cycle.

2.6 POST-AWARD GRANTS MANAGEMENT REQUIREMENTS AND CLOSEOUT

2.6.1 Reporting Requirements

2.6.1.1 Federal Cash Transaction Reports

Grantees using the Department of Health and Human Services (DHHS), Division of Payment Management, Payment Management System—SMARTLINK, shall submit to FEMA a copy of the Standard Form 272, Federal Cash Transaction Report.

2.6.1.2 Financial Status Reports

Grantees shall submit Financial Status Reports (FEMA Form 20-10 or SF 269) to the FEMA Regional Office via *eGrants* within 30 days of the end of the first Federal quarter following the initial grant award. The FEMA Regional Administrator may waive the initial report. The Grantee shall submit quarterly financial status reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30. See 44 CFR § 13.40, Monitoring and Reporting Program Performance, for additional information. The FEMA Regional Administrator may suspend drawdowns from the DHHS/Payment Management System—SMARTLINK if quarterly financial reports are not submitted on time.

2.6.1.3 Performance Reports

The Grantee shall submit performance reports for each grant award to the FEMA Regional Office via *eGrants* within 30 days of the end of the first Federal quarter following the initial grant award. The FEMA Regional Administrator may waive the initial report. The Grantee shall submit quarterly performance reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30. Performance reports must include the activity name or other identification as well as:

- Describe significant activities and developments that have occurred or have shown progress during the quarter, including a comparison of actual accomplishments to the work schedule objectives established in the subapplication;
- Indicate whether completion of work is anticipated within the period of performance. If not, describe any problems, delays, or adverse conditions that will impair the ability to meet the stated objectives in the subapplication; and
- Indicate whether cost under-runs, cost overruns, change of scope requests, or requests for extension of the period of performance are anticipated.

2.6.1.4 Final Reports

The Grantee shall submit a Final Financial Status Report and Performance Report via *eGrants* within 90 days of the grant period of performance expiration date, per 44 CFR § 13.50.

2.6.2 Period of Performance

The period of performance is the period of time during which the Grantee is expected to complete the grant activities and to incur and expend approved funds. The grant period of performance is specified in the Agreement Articles.

The period of performance for the grant shall begin on the date that the grant is awarded and end on the last day of the period of performance of the subgrant with the longest period of performance awarded to the Grantee. The period of performance for subgrant awards shall not exceed 3 years from date of award. The Grantee is responsible for monitoring the progress of each subgrant to ensure timely progress and closeout.

2.6.3 Extensions

Requests for extensions to the period of performance will be evaluated by FEMA and will not be approved automatically. In accordance with FEMA's Financial and Acquisition Management Division's Extension Policy, the Regional Office may extend the period of performance up to 1 year.

Requests for period of performance extension must be submitted in writing to the FEMA Regional Administrator and must be supported by adequate justification in order to be processed. First extension requests shall not extend the **original** period of performance of the grant by more than 1 year. The request for extension must be submitted **at least 60 days prior** to the expiration date of the period of performance. Supporting justification should include a written explanation of the reason or reasons for an extension and must demonstrate that work is in progress and will be completed within the extended period of performance. The justification must address:

- **Reason for Delay:** Identify the status of the activity, including the original approved period of performance, and give a brief reason for the delay;
- **Budget:** Identify the remaining funds, both Federal and non-Federal share, available for the extended period and outline how the funds will be used. Identify sources of additional funding, if remaining both Federal and non-Federal share will not support the extension request;
- **Plan for Completion:** Identify the objectives necessary to complete the activity, a completion date for each objective, and the position/person responsible for completion of the activity;
- **Completion Date:** Identify the projected completion date for the activity; and
- **No Change of Scope:** Provide a certification that the activity will be completed within the extended period without any modification to the original SOW approved by FEMA.

If a second period of performance extension becomes necessary, then the Grantee must submit an additional formal written request to the Regional Administrator. Second extensions shall not extend the original period of performance of the grant beyond 2 years. As with the first request, the second extension request must be made at least 60 days prior to the expiration of the period of performance and must include a justification for the extension that addresses the items noted above. Per FEMA policy, the second extension request is sent from the FEMA Regional Office to FEMA Headquarters for review and approval.

Should any subgrant period of performance be extended, the grant period of performance will be extended as well by FEMA; however, the extension will require that all completed subgrants are closed out within their individual periods of performance. The total period of performance (including all extensions) for subgrants shall not exceed 5 years.

2.6.4 Closeout Requirements

The Grantee has up to 90 days following the expiration of the grant period of performance to liquidate valid expenditures incurred during the period of performance. Cost under-runs remaining after the period of performance expiration date must be reported to FEMA for de-obligation.

For Property Acquisition and Relocation Project Closeout requirements, see Section 2.3.13.4.1 (Closeout Requirements).

2.6.4.1 Grantee Closeout Process

The closeout process for the Grantee involves the following steps:

- a) The Grantee notifies FEMA that the grant is ready for final closeout. Any appeals should have been resolved at this point;
- b) The Grantee conducts a site visit to ensure the approved SOW was completed;
- c) The Grantee ensures that a final FEMA-approved and community-adopted mitigation plan is in place for planning grant;
- d) The Grantee receives and processes cost adjustments or returns unobligated cash to FEMA (via SMARTLINK). Final payment is made to the Grantee;
- e) The Grantee reconciles/adjusts subgrant costs (ensures that non-Federal share costs are documented, if applicable, and that all costs submitted are eligible and conform to the FEMA-approved SOW);
- f) Through the Governor's Authorized Representative (GAR) or designated representative, the Grantee submits a closeout letter to FEMA with supporting documentation, including:
 - SF 270, Final Request for Payment, if applicable, or request for de-obligation of unused funds, if applicable;
 - Closeout Inspection Report including the date work was completed and a statement of whether the SOW was completed as approved;
 - Environmental Closeout Declaration Form outlining specific NEPA conditions and initialed by the local project monitor verifying each condition has been met;
 - FEMA Form 20-18, Report on Government property, if applicable;

- Final Financial Status Report (SF 269 or FEMA Form 20-10);
 - Report of Un-obligated Balance of Federal Funds, Draw Downs, and Un-drawn Funds (FEMA Form 20-19);
- g) Grant closeout in program and financial systems; and
- h) The Grantee must maintain the complete Grant closeout records file for at least 3 years from the submission date of the its single or last expenditure report (see CFR 44 Part 13.42).

2.6.4.2 Subgrantee Closeout Process

Upon subgrant completion, the subgrantee must notify the Grantee that the subgrant is ready for closeout by submitting a final quarterly report, a Letter Requesting Final Inspection and Closeout, and the subgrantee Checklist for Final Inspection and Closeout to certify completion and to request a final inspection for projects. The subgrantee must:

- State that the subgrant has been completed in substantial compliance with the approved SOW and the Subgrantee Agreement;
- Demonstrate that actual expenditures have been documented per subgrant through submittal of FEMA Form 20-15 and 20-20;
- For projects: state that the work was performed in accordance with all required permits, including relevant building codes, and provide a letter from an appropriately registered professional engineer or architect to certify the “as-built” integrity of the structure, as modified or protected by the approved project;
- For plans: provide documentation proving adoption of the plan by the relevant jurisdictions and submit a final copy of the FEMA-approved and community-adopted plan;
- If the project involves acquisition, document compliance with all the requirements included in Section 2.3.13.4.1 (Closeout Requirements);
- If project involves improvements to individual structures (e.g., elevation), state that copies of the property owner’s flood insurance policies and final mitigation project costs for each structure are on file;
- If the project is an SRL Mitigation Reconstruction, document compliance with all the requirements included in Section 3.4.8.28 (Closeouts);
- If the project involves an insurable facility, state that the required hazard insurance has been secured; and
- State that project is ready for final inspection and closeout.

Once this information has been received by the Grantee, a project site visit will be scheduled to ensure the work has been completed in accordance with the SOW.

2.6.4.3 Updating Repetitive Loss Database for Mitigated Properties

In order to maintain accurate, up-to-date records for all repetitive loss properties mitigated as a result of HMA grant funds, FEMA requires the submission of Form AW-501, *NFIP Repetitive Loss Update Worksheet* (OMB 1660-0022). Form AW-501 must be submitted by the Grantee with appropriate documentation of any changes in the status of a property (i.e., elevation certificate). This form, along with the transmittal sheet or other document signed by an authorized community official, must be submitted for each property mitigated with HMA grant funds prior to closeout. Form AW-501 and instructions for completing and submitting the Form are available on FEMA's Web site at:

<http://www.fema.gov/government/grant/resources/aw501ins.shtm>.

2.6.4.4 Special Flood Hazard Area Requirement

The following requirements apply to any project involving the alteration of existing structures, to include Mitigation Reconstruction projects that are sited within an SFHA.

- For property acquisition or relocation projects, properties must remain compliant with the open-space requirement (see Section 2.3.13.2.2.2, Open Space Restrictions);
- When the project is implemented, all structures that will not be demolished or relocated out of the SFHA must be covered by an NFIP flood insurance policy to an amount at least equal to the project cost or to the maximum limit of coverage made available with respect to the particular property, whichever is less; and
- The subapplicant (or property owner) must legally record with the county or appropriate jurisdiction's land records a notice that includes the name of the current property owner (including book/page reference to record of current title, if readily available), a legal description of the property, and the following notice of flood insurance requirements:

“This property has received Federal hazard mitigation assistance. Federal law requires that flood insurance coverage on this property must be maintained during the life of the property regardless of transfer of ownership of such property. Pursuant to 42 U.S.C. § 5154a, failure to maintain flood insurance on this property may prohibit the owner from receiving Federal disaster assistance with respect to this property in the event of a flood disaster. The Property Owner is also required to maintain this property in accordance with the floodplain management criteria of 44 CFR § 60.3 and City/County Ordinance.”

Applicants/subapplicants receiving assistance for projects sited in a SFHA must ensure that these requirements are met by requesting the participating property owner(s) to sign an Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds form and providing the form to FEMA prior to award. This form is available on the FEMA Web site at: <http://www.fema.gov/government/grant/resources/pre-award.shtm>, or from FEMA Regional Offices (see Section 2.7.14, Regional Contact Information). Properties that do not meet these requirements will not be eligible to receive assistance under the HMA programs.

2.7 RESOURCES AND TOOLS

2.7.1 eGrants Helpdesk

In addition to the online help available within the eGrants system and the Grantee and subgrantee Quick Reference Guides available at <http://www.fema.gov/government/grant/egrants.shtm>, FEMA has established an eGrants Helpdesk to provide technical assistance to Applicants and subapplicants completing subapplications and grant applications in the eGrants system.

FEMA will provide technical assistance to Applicants and subapplicants specific to the eGrants through the eGrants Helpdesk, which can be reached via telephone: (866) 476-0544 or e-mail: mtegrants@dhs.gov. Standard hours of operation are 9 a.m. to 5 p.m. Eastern Time. Hours may be extended during the application period.

2.7.2 Grant Mitigation Guidance

2.7.2.1 Catalog of Federal Domestic Assistance Number

The online Catalog of Federal Domestic Assistance (CFDA) provides access to a database of all Federal programs available to State and local governments (including the District of Columbia); federally recognized Indian Tribal governments; Territories (and possessions) of the United States; domestic public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals. Contact the office that administers the program of interest to find out how to apply. The CFDA Web site is: <http://12.46.245.173/cfda/cfda.html>.

The CFDA numbers for the four mitigation grant programs under HMA are:

- PDM: 97.047;
- FMA: 97.029;
- RFC: 97.092; and
- SRL: 97.110.

2.7.2.2 NFIP Repetitive Loss Data

State staff wishing to gain access to sensitive NFIP data may request a login ID and Password for SQANet by visiting <http://www.nfipnextgen.com/help.html>.

2.7.3 Mitigation Project Resources

2.7.3.1 Engineering Help Module

This Engineering Help Module was developed by FEMA to support the eGrants management system: <https://portal.fema.gov>.¹ The Engineering Help Module clarifies what is requested in the eGrants project subapplication, and provides information that would assist users in developing

¹ Users will need to obtain user ID and password by contacting FEMA Regional office

more complete applications. The help module is organized by sections, as they appear within the *eGrants* project subapplication. Only those sections that were determined to have an engineering component have been included in this help module. Thus, the sections included in the Engineering Help Module are:

- a) Hazard Information (including Problem Description);
- b) SOW (including Work Schedule);
- c) Cost Estimate; and
- d) Cost Effectiveness Information (including Damage History).

Guidance specific to each of the primary sections is provided, as is additional information that has been developed for specific subsections related to engineering support or documentation. Within the primary sections or subsections, additional guidance concerning specific mitigation project types (e.g., Acquisition, Elevation, Drainage, Wind Shutters, etc.) is provided, whenever available. Additional mitigation project types, such as Seismic Retrofit or Wildfire Protection, may be added to the Engineering Help Module in the future.

The Help Module is linked to various sections of the project subapplication in the *eGrants* system and is also available from the FEMA Information Resources Library: <http://www.fema.gov/library/viewRecord.do?id=1860>.

2.7.3.2 Engineering Case Studies

FEMA has developed sample engineering case studies to provide the types of information and data needed to ensure completeness of the sections of project applications affecting engineering feasibility for several common mitigation measures. The Engineering Case Studies below are available from the FEMA Library:

- Minor Structural Flood Control Projects
<http://www.fema.gov/library/viewRecord.do?id=1863>;
- Elevation <http://www.fema.gov/library/viewRecord.do?id=1862>;
- Acquisition <http://www.fema.gov/library/viewRecord.do?id=1861>;
- Wind Shutters <http://www.fema.gov/library/viewRecord.do?id=1864>;
- Non-Structural Seismic Retrofit
<http://www.fema.gov/library/viewRecord.do?id=1865>; and
- Structural Seismic Retrofit <http://www.fema.gov/library/viewRecord.do?id=1866>.

In addition, FEMA developed an Engineering Help Module to provide guidance on the information requested in the *eGrants* project subapplication and information that would assist users in developing more complete applications.

2.7.3.3 Procedures for Developing Scope of Work

FEMA has developed procedures to assist Applicants and subapplicants applying for funding under FEMA's mitigation grant programs for several project types. The purpose of these documents is to provide guidance to Applicants and subapplicants regarding collection of the administrative and technical data that FEMA requires. The Procedures for Developing Scopes of Work listed below are available from the FEMA Library:

- Acquisition of Floodprone Properties
<http://www.fema.gov/library/viewRecord.do?id=1843>;
- Elevation of Floodprone Structures
<http://www.fema.gov/library/viewRecord.do?id=1844>;
- Acquisition and Relocation of Floodprone Structures
<http://www.fema.gov/library/viewRecord.do?id=1847>;
- Drainage/Stormwater Management Project
<http://www.fema.gov/library/viewRecord.do?id=1846>;
- Protective Measures Retrofit Projects for Utility, Water, and Sanitary Systems and Infrastructure <http://www.fema.gov/library/viewRecord.do?id=1881>;
- Seismic Structural and Non-Structural Retrofit Projects
<http://www.fema.gov/library/viewRecord.do?id=1874>; and
- Wind Retrofit Projects <http://www.fema.gov/library/viewRecord.do?id=1876>.

In addition, a Project Tip Sheet is available for use when developing project subapplications:
http://www.fema.gov/government/grant/project_tips.shtm.

2.7.3.4 Flood Elevation Data

FIRMs are available online via FEMA's Map Service Center at: <http://msc.fema.gov/>.

Advisory Base Flood Elevation (ABFE) maps developed following Hurricanes Katrina and Rita are currently available for several areas eligible for mitigation activities. Applicants and subapplicants should check the status of this information during project scoping. ABFE information is available on the FEMA Web site for:

- Coastal counties in Mississippi
(http://www.fema.gov/hazard/flood/recoverydata/katrina/katrina_ms_index.shtm);
and
- Parishes in Louisiana
(http://www.fema.gov/hazard/flood/recoverydata/katrina/katrina_la_index.shtm).

Contact information for NFIP State Coordinators is available on the Association for State Floodplain Managers Web site at: <http://www.floods.org/StatePOCs/map.asp>

2.7.3.5 Geocoding Requirements

The guidance for Geocoding Mitigation Data is available online from the FEMA Information Resources Library: <http://www.fema.gov/library/viewRecord.do?id=1849> and from FEMA Regional Offices (see Section 2.7.14, Regional Contact Information).

2.7.3.6 Environmental/Historic Preservation Review

The Applicant and subapplicant may find specific guidance on completing the Environmental/Historic Preservation questions in the Environmental/Historic Preservation Information section of the project subapplication in the eGrants system, as well as on FEMA's Web site at <http://www.fema.gov/plan/ehp/index.shtm>.

The eLearning Tool for FEMA Grant Applicants also provides Environmental/Historic Preservation guidance for subapplicants as they prepare their subapplications and is available online at: <http://www.fema.gov/plan/ehp/elearning/index.shtm>.

The project subapplication provides the necessary information for FEMA to determine the eligibility of proposed projects under the HMA grant programs, including a thorough evaluation of Historic Preservation impacts.

Additional compliance information for the Environmental/Historic Preservation review is available at: <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

2.7.3.7 National Register of Historic Places

The National Register of Historic Places (NRHP) is the official list of the Nation's historic places. The NRHP Web site (<http://www.nps.gov/history/nr/>) contains a link to the National Register Information System (NRIS), a database that contains information on places listed in or determined eligible for the NRHP.

The NRIS is a computerized index that contains information on each of the historic properties listed in or determined eligible for the NRHP. Currently, five searchable categories are available: name, location, agency, subject, and documentation.

2.7.4 Mitigation Project Subapplication Guidance

Applicants must agree to abide by the grant award terms and conditions as set forth in the Articles of Agreement. Draft Articles of Agreement for the HMA programs are available on the eGrant system, from the Regional Offices, and on the following Web sites:

<http://www.fema.gov/government/grant/pdm/index.shtm>;

<http://www.fema.gov/government/grant/fma/index.shtm>;

<http://www.fema.gov/government/grant/rfc/index.shtm>; and

<http://www.fema.gov/government/grant/srl/index.shtm>.

2.7.4.1 Property Acquisition and Relocation

a) Agreement Regarding Open Space

Model Statement of Assurances for Property Acquisition Projects is available on FEMA's Web site or by request from the applicable FEMA Regional Office.

http://www.fema.gov/government/grant/resources/acq_assurances.shtm;

b) Model Deed Restriction

A Model Deed Restriction is available on FEMA's Web site or by request from the applicable FEMA Regional Office.

http://www.fema.gov/government/grant/srl/srl_deed_restriction.shtm;

c) Statement of Voluntary Participation

The Statement of Voluntary Participation for Mitigation Grant Programs documents more formally the Notice of Voluntary Interest described below and documents required the property valuation notices and offer amounts.

The Statement of Voluntary Participation is available on FEMA's Web site or by request from the applicable FEMA Regional Office.

http://www.fema.gov/government/grant/vol_participation.shtm; and

d) Examples of Notice of Voluntary Interest

The Notice of Voluntary Interest is a document that informs the property owner that neither the Applicant nor the subapplicant will use its eminent domain authority to acquire the property for open space purposes should the property owner choose not to participate. This document should be completed as early in project development as feasible. The Pre-Award Consultation Agreement may substitute for the Notice of Voluntary Interest.

Example Notices of Voluntary Interest are available on the FEMA Web site at:

http://www.fema.gov/government/grant/resources/vol_notice1.shtm and

http://www.fema.gov/government/grant/resources/vol_notice2.shtm.

2.7.4.2 Post-Award Requirements for Acquisition and Relocation

NFIP Repetitive Loss Update Worksheet (FEMA Form AW-501): For any property identified on FEMA's Repetitive Loss list, complete and submit FEMA Form AW-501, NFIP Repetitive Loss Update Worksheet, to document the completion of mitigation on the repetitive loss property. FEMA Form AW-501 is available on the FEMA Web site at:

<http://www.fema.gov/government/grant/resources/aw501ins.shtm>.

2.7.4.3 Cost Effectiveness Documentation

BCA Data Documentation Templates (DDTs) are available to assist subapplicants in organizing and addressing all required documentation in support of the BCA. Preparing and attaching a DDT with the supporting documentation for each project BCA is recommended.

The DDTs are found in the FEMA online library or Grant Applicant Resources Web site: <http://www.fema.gov/government/grant/resources/index.shtm>.

2.7.5 Techniques Used for Elevating Structures

The techniques for elevating structures in accordance with FEMA requirements is available at: <http://www.fema.gov/government/grant/mitmeasures/elevate.shtm>

2.7.6 Mitigation Planning Resources

2.7.6.1 Planning Guidance and Requirements

To help States, Territories, Tribes, and local governments better understand the Mitigation Planning rule under 44 CFR Part 201, FEMA has prepared the *Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book* (the Blue Book) with two major objectives. First, the Blue Book is designed to help Federal and State reviewers evaluate mitigation plans from different jurisdictions in a fair and consistent manner. Second, the Blue Book is intended to help States, Tribes, and local jurisdictions develop new mitigation plans or modify existing ones in accordance with the requirements of the Rule.

The *Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book* is available on the FEMA Web site: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from the Regional Offices (see Section 2.7.14, Regional Contact Information).

Additional guidance on the planning process is described in FEMA's series of Mitigation Planning How-To guides. These documents, and others, are available at: http://www.fema.gov/plan/mitplanning/planning_resources.shtm#1.

2.7.7 Mitigation Planning Subapplication Guidance

Applicants must agree to abide by the grant award terms and conditions as set forth in the Articles of Agreement. Draft Articles of Agreement for the HMA programs are available on the eGrant system, from the FEMA Regional Offices, and on the following Web sites:

<http://www.fema.gov/government/grant/pdm/index.shtm>;

<http://www.fema.gov/government/grant/fma/index.shtm>;

<http://www.fema.gov/government/grant/rfc/index.shtm>; and

<http://www.fema.gov/government/grant/srl/index.shtm>.

2.7.7.1 Procedures for Developing Scope of Work

In a planning grant SOW, the description of the plan development process will typically comprise several sub-elements that, when completed, meet the applicable requirements promulgated in 44 CFR Part 201. A sample SOW for a mitigation planning subapplication for a local plan proposal is available from the FEMA Information Resources Library:

<http://www.fema.gov/library/viewRecord.do?id=1858>.

2.7.7.2 Risk Assessment – Mapping Activities

Applicants/subapplicants are advised to make use of already developed materials and to seek available resources, such as State mapping initiatives and GIS resource repositories. Online resources include, but are not limited to:

- a) FEMA’s Map Service Center:
<http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1&userType=G>;
- b) USGS National Map View: <http://nationalmap.usgs.gov>; and
- c) FEMA’s HAZUS: <http://www.fema.gov/plan/prevent/hazus/index.shtm> and HAZUS.org: <http://www.hazus.org>.

2.7.8 Technical Assistance

FEMA will provide technical assistance to both Applicants and subapplicants by answering general questions about the mitigation grant programs at all times, and by providing technical assistance related to specific subapplications after the application period opens. FEMA will also provide technical assistance regarding the programmatic and Mitigation eGrants application processes and the mitigation consultation/offer processes, to include how to conduct meetings with the property owner and collect information from the property owner. FEMA encourages Applicants and subapplicants to seek technical assistance early in the application period by contacting their FEMA Regional Office (see Section 2.7.14, Regional Contact Information).

FEMA will provide general technical assistance to both Applicants and subapplicants related to project Engineering Feasibility, BCA, and Environmental/Historic Preservation compliance during the application period. Technical assistance will not involve conducting a BCA or reviewing project-specific information for completeness or technical feasibility in competitive programs.

FEMA’s Grant Applicant Resources Web site:

<http://www.fema.gov/government/grant/resources/index.shtm>, contains links to resources on mitigation planning, project development, and technical assistance related to:

- Planning Application Development
 - <http://www.fema.gov/government/grant/resources/index.shtm#1>;
- Project Application Development
 - <http://www.fema.gov/government/grant/resources/index.shtm#2>;
- Engineering Case Studies by Project Type
 - <http://www.fema.gov/government/grant/resources/index.shtm#3>;
- Benefit-Cost Analysis for Projects
 - <http://www.fema.gov/government/grant/resources/index.shtm#4>;
- Project Technical Assistance

- <http://www.fema.gov/government/grant/resources/index.shtm#5>;
- Pre-Award Documents for Mitigation Grants
 - <http://www.fema.gov/government/grant/resources/index.shtm#6>;
- Post-Award Mitigation Grant Requirements
 - <http://www.fema.gov/government/grant/resources/index.shtm#7>; and
- Technical Assistance for Hazard Mitigation Assistance Grant Programs
 - <http://www.fema.gov/government/grant/resources/index.shtm#8>.

The Grant Applicant Resources Web site also contains links to the four mitigation grant program's specific Web sites:

- Flood Mitigation Assistance (FMA):
 - <http://www.fema.gov/government/grant/fma/index.shtm>;
- Pre-Disaster Mitigation (PDM):
 - <http://www.fema.gov/government/grant/pdm/index.shtm>;
- Repetitive Flood Claims (RFC):
 - <http://www.fema.gov/government/grant/rfc/index.shtm>; and
- Severe Repetitive Loss (SRL):
 - <http://www.fema.gov/government/grant/srl/index.shtm>.

2.7.8.1 Engineering Feasibility Technical Assistance

FEMA may provide technical assistance to Applicants and subapplicants regarding the level of documentation and the types of information that FEMA will need to adequately review the feasibility and effectiveness of proposed projects. In addition, FEMA may provide technical assistance to Applicants and subapplicants regarding the completeness and accuracy of project cost estimates. Project subapplications must address the level of protection provided by the proposed project, as well as any residual risk to the structure after project implementation. Certain retrofitting measures may increase risk to the structure from multiple natural hazards. For example, elevation to decrease adverse effects from flooding may increase exposure to wind and seismic hazards. Therefore, vulnerabilities to all hazards should be considered.

To assist Applicants and subapplicants with developing project proposals, mitigation activity case studies are available on the Grant Applicant Resources Web site:

<http://www.fema.gov/government/grant/resources/index.shtm>, or from the FEMA Regional Office (see Section 2.7.14, Regional Contact Information). Resources available on this Web site include:

- Sample Engineering Case Studies, which highlight the importance of the SOW and cost estimate sections of the project subapplication as they relate to documentation for the

engineering feasibility and effectiveness review. The case studies are not sample applications and should only be used as guidance;

- Procedures for Developing Scopes of Work for common flood mitigation activity types; and
- FEMA 317, *Property Acquisition Handbook for Local Communities*, which provides a how-to guide to help communities work through property acquisition (also referred to as “buyout”).

The purpose of these documents is to provide guidance to Applicants and subapplicants regarding collection of the administrative and technical data that FEMA requires.

2.7.8.2 Benefit-Cost Analysis Technical Assistance

FEMA has prepared a Mitigation BCA Toolkit CD that includes all of the FEMA BCA software, technical manuals, BCA training courses, and other supporting documentation. Applicants and subapplicants may obtain the FEMA Mitigation BCA Toolkit CD free of charge from FEMA by contacting the Technical Assistance Helpline via e-mail: bchelp@fema.gov, by telephone: (866) 222-3580, or by contacting the applicable FEMA Regional Office (see Section 2.7.14, Regional Contact Information).

FEMA will work with Applicants and/or subapplicants that request technical assistance during the application period to complete their BCA. FEMA will provide technical assistance on the BCA data needs and documentation requirements during the application period. The BCA technical assistance provided to potential Applicants and subapplicants may cover:

- a) Use of the FEMA Mitigation BCA Toolkit CD;
- b) Use of the BCA Data Documentation Templates found on the Toolkit CD;
- c) Proper use of the BCA modules, procedures, and methodologies;
- d) How to prepare detailed cost estimates; and
- e) How to handle aggregate project BCAs for multiple properties and methodologies.

During both the Eligibility and Completeness and Benefit-Cost Analysis reviews for non-competitive funding, FEMA may contact Applicants or subapplicants to request additional information or clarification on BCA documentation in the subapplication.

Further information on the BCA Toolkit can be found online on FEMA’s BCA Web site at: <http://www.fema.gov/government/grant/bca.shtm#1>.

2.7.8.3 Environmental/Historic Preservation Technical Assistance

FEMA has developed specific guidance to assist the Applicant and subapplicant in completing the Environmental/Historic Preservation questions in the Environmental/Historic Preservation Information section of the project subapplication. This guidance is available at: <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

In addition, an eLearning Tool (<http://www.fema.gov/plan/ehp/elearning/index.shtm>) is available to assist Applicants and subapplicants with answering the Environmental/Historic Preservation questions and provides interactive and dynamic, context-sensitive help, instructions, and resources for each of the parts of the Environmental/Historic Preservation Information section of the project subapplication. The eLearning Tool also highlights Environmental/Historic Preservation considerations that may need to be addressed in other parts of the project subapplication, such as the SOW and cost estimate.

FEMA also offers training related to Environmental/Historic Preservation online at: <http://training.fema.gov/EMIWeb/IS/is253.asp>. This interactive, computer-based, independent study course is designed to provide the user with the basic background and practical knowledge needed to participate in FEMA's Environmental/Historic Preservation review process, help the user understand how the Environmental/Historic Preservation review process applies to various projects proposed under FEMA's programs, and provide the resources necessary for the user to accomplish Environmental/Historic Preservation compliance. The course includes interactive knowledge checks, case studies, and resource materials.

2.7.8.4 Technical Assistance Hotline

FEMA established Technical Assistance Helplines to provide assistance to Applicants and subapplicants with engineering feasibility and effectiveness; BCA, including BCA software, technical manuals, and other BCA references; and Environmental/Historic Preservation review for project subapplications. The Helplines can be reached via telephone: (866) 222-3580 or e-mail: enghelpline@dhs.gov; bchelpeline@dhs.gov; and ehhelpline@dhs.gov, respectively, and a representative will respond within two business days.

2.7.9 Grant Application Checklist

Applicants must provide the following in their mitigation grant application in order to be eligible for consideration:

- **Applicant Information:** Provide name, Grant type, and State of the Applicant, State and Federal tax numbers, Federal Employer Identification Number, and Data Universal Numbering System (DUNS) number. Indicate whether the Applicant has a SMARTLINK account, whether the application is subject to review by the E.O. 12372 process (select "Program is not covered by E.O. 12372" in eGrants, if applicable), and whether the Applicant is delinquent on any Federal debt;
- **Contact Information:** Provide the name, agency, and address for the Point of Contact (POC) for the grant application; and
- **Subgrant applications:** Include the total number of subapplications for eligible project and planning activities that the Applicant has reviewed and approved in eGrants (see <http://www.fema.gov/government/grant/egrants.shtm>).

A separate management cost subapplication must be submitted for Applicant management costs.

- **Schedule:** Provide the title of the grant application and the overall projected period of performance for the grant, and ensure that the work schedule for each subapplication included with the grant application is appropriate (see Sections 2.3.6, Project Subapplication Scope of Work, and 2.4.8, Planning Subapplication Scope of Work);
- **Budget:** Ensure that the requested cost estimate for each subapplication is acceptable and provide the grant budget class for each item;
- Provide an Approved Indirect Cost Agreement, if applicable;
- **Properties:** Ensure that all of the properties in each project subapplication are included and eligible for funding, if applicable; and
- **Assurance and Certifications:** Complete the assurances, including Assurances-Non-construction Programs, FEMA Form 20-16A, if applicable; Assurances-Construction Programs, FEMA Form 20-16B; Certifications Regarding Lobbying; Debarment, Suspension, and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL, if applicable.

A summary sheet for Assurances and Certifications is available at:
ftp://ftp.txdps.state.tx.us/dem/empg/ff_20-16_packet.pdf

2.7.10 Applicant's Management Cost Subapplication Checklist

Applicants must provide the following in their Management Cost to be eligible for consideration:

- **Applicant Information:** Provide name, type, and State of the Applicant, State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address for the POC for the Management Cost subapplication;
- **Community Information:** Indicate the entity that will benefit from the subapplication (use "Statewide");
- **Mitigation Plan Information:** Indicate whether the Applicant is covered by a FEMA-approved State/Tribal Standard or Enhanced Mitigation Plan;
- **Mitigation Activity Information:** Indicate the type, intent, and title of the proposed activity;
- **Hazard Information (PDM and SRL):** Describe the area to be covered and identify the source of the hazards to be addressed by the activity;
- **Scope of Work:** Describe the goals and objectives of the activity and how they will be implemented, including timeline/schedule/milestones;

- **Cost Estimate:** Provide all anticipated and potential costs for each activity, including Federal and non-Federal shares and an Approved Indirect Cost Agreement, if applicable. Indicate all pre-award costs as separate line items;
- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share;
- **Cost Effectiveness Information:** Management costs are exempt from a BCA; and
- **Assurances and Certifications:** Complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certifications Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL, if applicable.

A summary sheet for Assurances and Certifications is available at:

ftp://ftp.txdps.state.tx.us/dem/empg/ff_20-16_packet.pdf

2.7.11 Subapplication Checklist

2.7.11.1 Planning Subapplication Checklist

Mitigation planning subapplications must include all of the following or will be removed from further consideration under the HMA grant program:

- **Applicant Information:** Provide name, type, and State of subapplicant, State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address of the POC for the subapplicant. The POC must be an official within the subapplicant's organization;
- **Subapplication Name:** Applicants must verify that the subapplication name includes the location of the proposed activity and the activity type;
- **Community Information:** Select the community or entity from the list provided (i.e., Tribe, college, university, etc.) that will benefit from the subapplication. If the community or entity is not listed, please advise the FEMA Regional Office (see Section 2.7.14, Regional Contact Information). Provide a Community Profile with a brief description of the community to include population, location, any geographic areas of interest, description of critical facilities of a national, Statewide, or regional significance. Multi-jurisdictional planning subapplications, both an overall Community Profile, and a brief profile for each potential participating jurisdiction must be provided to ensure NFIP participation compliance, as well as information on how the multi-jurisdictional planning effort will be coordinated;

- **Mitigation Plan Information:** Indicate whether the entity(ies) that will benefit from the subapplication is/are covered by a FEMA-approved State/Tribal Mitigation Plan and identify any previous planning grants received;
- **Mitigation Activity Information:** Indicate the type, intent, and title of the proposed planning activity. If the proposed planning activity is a comprehensive update to an existing FEMA-approved mitigation plan, indicate how it will address any identified deficiencies. The updated mitigation plan must include a modified mitigation strategy and corresponding action items;
- **Hazard Information:** Describe the area to be covered by the planning activity and identify the source of the hazards to be addressed in the planning activity. Include a synopsis and history of hazards affecting the community or entity, and other applicable information that will clarify the need for the mitigation planning effort. Attach a map with the planning area identified;
- **Scope of Work:** Describe the goals and objectives of the planning activity and how it will be implemented. For multi-jurisdictional planning subapplications, provide information on how the multi-jurisdictional planning effort will be coordinated;
- **Cost Estimate:** Provide all anticipated and potential costs for each proposed planning activity, including Federal and non-Federal shares. Provide an Approved Indirect Cost Agreement, if applicable;
- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal;
- **Cost-Effectiveness Information:** All planning grants are exempt from a BCA; therefore, a BCA is not required to be submitted with planning subapplications;
- **Evaluation Information (PDM Only):** Provide responses to the Evaluation Information section questions for each planning subapplication for competitive National Ranking and Evaluation and provide documentation to support the hazard risk assessment; and
- **Assurances and Certifications:** If applicable, complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL.

A summary sheet for Assurances and Certifications is available at:

ftp://ftp.txdps.state.tx.us/dem/empg/ff_20-16_packet.pdf

FEMA has determined that planning activities are Categorically Excluded (CATEX) from the preparation of an Environmental Assessment or Environmental Impact

Statement under NEPA pursuant to 44 CFR § 10.8(d)(2)(iii). Therefore, Environmental/Historic Preservation documentation is not required to be submitted with mitigation planning subapplications. Applicants must select “No” for the CATEX questions in the Environmental/Historic Preservation Information section in eGrants for planning subapplications during their review process.

2.7.11.2 Project Subapplication Checklist

Subapplications must include a detailed scope of work and other necessary information for each proposed project. This information will be used by FEMA to evaluate the project for Eligibility and Completeness and to select projects for award. Subapplicants **MUST** submit a separate project subapplication for each project for which funding is requested. The project subapplication provides all of the necessary information for FEMA to determine the eligibility of proposed projects under the HMA program. The project subapplication **must** include the following information:

- **Subapplicant Information:** Provide name, type of subapplicant (e.g., State agency, local government, or federally recognized Indian Tribal government), address, State and Federal Tax numbers, and Employer Identification Number;
- **Contact Information:** Provide name, agency, and address for the point(s) of contact for the subapplication;
- **Subapplication Name:** Applicants must verify that the subapplication name includes the location of the proposed activity and the activity type;
- **Community Information:** Provide the name of the community and a brief description of the community to include population, location, any geographic areas of interest, a synopsis and history of hazards affecting the community, and other applicable information that will clarify the need for the mitigation project;
- **Reduced Capacity Certification (RFC Only):** Provide certification that the proposed activities cannot be funded under the FMA program, and an explanation why the State or community cannot meet the non-Federal match, or lacks the capacity to manage the activities under the FMA program;
- **Mitigation Plan Information:** Indicate whether the State, Indian Tribal government, or Territory is covered by a FEMA-approved State Mitigation Plan (Standard or Enhanced) or Tribal Mitigation Plan. Indicate whether the local entity is covered by a FEMA-approved Tribal or local mitigation plan and describe how the proposed project is consistent with the goals, objectives, and priorities identified in any existing mitigation plans;
- **Scope of Work:** Describe the purpose, objectives, methodology, feasibility, outcomes, resources, deliverables, and benefits of the proposed project, including the hazard(s) to be mitigated, location of project (e.g., appropriate sections of the FIRM), and the engineering design, feasibility, and effectiveness for relocation projects;

- **Activity Information:** Identify, at the project level, the alternative project types considered and the type of activity selected, including a written justification for the selected project type;
- **Hazard Information (PDM Only):** Identify the hazard to be mitigated by the project and the location and dimensions (i.e., area, volume, depth) of the project, including the project site location on at least a 1:24,000 scale USGS topographic map, photographs showing the project site, sketches, and/or drawings showing the project site (e.g., appropriate sections of a FIRM);
- **Decisionmaking Process (SRL and PDM Only):** Identify alternatives considered to address the hazard prior to selecting the proposed project, describe the process used to determine that the proposed project is the best alternative to solve the identified problems, and provide the reasons the alternatives were not selected. For SRL only, provide an explanation detailing why the subapplicant included some SRL properties in the consultation process, but did not include other SRL properties within the subapplicant's jurisdiction;
- **Properties:** Provide a list of properties to be mitigated. For each property, provide the address, latitude, and longitude, NFIP repetitive loss number, and NFIP Insurance Policy Number. In addition, provide a Notice of Voluntary Interest (or similar acknowledgement that property owner is aware of the voluntary nature of their participation) signed by owners of properties identified in the subapplication. For acquisition, relocation, or elevation projects, a photograph of each property to be mitigated is required.

For SRL only: Provide a signed Pre-Award Consultation Agreement for each property identified in the subapplication;

- **Schedule:** Provide timeframes to complete each project task (e.g., survey, appraisal, permitting, inspection requirements, and site preparation), and significant milestones throughout the entire period of performance.

For SRL only: During the consultation and mitigation offer process, individual property owners must be apprised of the anticipated project schedule for relocation, elevation, acquisition, minor physical localized flood reduction projects, or floodproofing (historic properties only) in the Pre-Award Consultation Agreements;

- **Cost Estimate:** Provide all anticipated and potential costs for each proposed project activity. Costs should be provided as line items, not lump sums. Provide an Approved Indirect Cost Agreement, if applicable. Include information on payments received under the URA as amended, if applicable.

For SRL only: The Pre-Award Consultation Agreements must inform individual property owners of the anticipated offer amount for relocation, elevation, acquisition, minor physical localized flood reduction projects, or floodproofing (historic properties only);

- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share;
- **Cost-effectiveness Information:** Provide a complete project-level BCA for the project subapplication;
- **Environmental/Historic Preservation Review:** Provide a description of Environmental/Historic Preservation impacts and the alternatives considered prior to deciding upon the project. Provide documentation that property owners offered assistance under the HMA programs have been notified, if applicable, of the potential historic significance of their property;
- **Maintenance Schedule and Costs:** Provide a maintenance schedule, including cost information, and identify the entity that will perform long-term maintenance;
- **Evaluation Information:** Provide responses to the questions for each subapplication for competitive National Ranking and Evaluation, including documentation for the BCA, if applicable;
- **Property Acquisition Statement of Assurances:** Information required for property acquisition and relocation subapplications is detailed in Section 2.3.13, Property Acquisition and Relocation for Open Space; and
- **Assurances and Certifications:** If applicable, complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension, and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL.

A summary sheet for Assurances and Certifications is available at:
ftp://ftp.txdps.state.tx.us/dem/empg/ff_20-16_packet.pdf.

2.7.12 Post-Award Requirements and Closeouts

2.7.12.1 Grantee Requirements

The Final Status Report (SF 269, *Financial Status Report*) is available on the Office of Management and Budget Web site: <http://www.whitehouse.gov/omb/grants/sf269.pdf>.

FEMA Form 20-10, *Financial Status Report*, is available on FEMA's Web site at: <http://www.fema.gov/xls/government/grant/20-10.xls>.

2.7.13 SRL Consultation, Offer, and Appeal Process

The consultation process is a required notification and information gathering process for the Applicant and/or subapplicant interested in submitting an application for an SRL project. The following documents are part of this process:

The *Pre-Award Consultation Agreement* documents the consultation process and interaction between the Applicant and subapplicant. A model *Pre-Award Consultation Agreement* is available at: http://www.fema.gov/government/grant/srl/preaward_consult.shtm.

The *Post-Award Purchase Offer Requirements* (acquisition projects) is a list of the requirements the subgrantee must follow after award of the grant and is available on FEMA's Web site at: http://www.fema.gov/government/grant/resources/acq_projects.shtm#4.

The mitigation offer process will occur once FEMA has awarded the grant to the State and the State has awarded the subgrant to the local government. The *Model Mitigation Offer Letter* is an example of the formal offer of mitigation assistance. Although this is a model document, the language included in the *Model Mitigation Offer Letter* is approved by FEMA. Any changes to this document will require FEMA pre-approval. The *Model Mitigation Offer* letter is available on FEMA's Web site at: <http://www.fema.gov/government/grant/srl/index.shtm>.

2.7.14 Regional Contact Information

Contact information for FEMA Regional Offices is provided at: <http://www.fema.gov/about/contact/regions.shtm>.



3. SECTION 3: HMA PROGRAM-SPECIFIC GUIDANCE

3.1 PRE-DISASTER MITIGATION PROGRAM

3.1.1 Program Overview

PDM PROGRAM	KEY POINTS
<p>The Pre-Disaster Mitigation (PDM) program provides funds to States, Territories, federally recognized Indian Tribal governments, and communities for hazard mitigation planning and the implementation of mitigation projects prior to a disaster event. Funding these plans and projects reduces overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations.</p> <p>APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS</p> <p>FEMA may determine that eligible subapplications submitted under a specific grant program and not funded through the requested grant program may be considered by another mitigation grant program when the following requirement is met:</p> <p style="padding-left: 40px;">Applicants must include a statement in their grant application under the “Comments for FEMA” field in eGrants indicating their interest to have their subapplications considered for another mitigation grant program (specify the additional mitigation grant programs and corresponding CFDA numbers).</p> <p>FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.</p>	<p>PDM GUIDANCE</p> <p>PDM guidance document and additional guidance materials, and Agreement Articles are available from each FEMA Regional Office or on the FEMA Web page: http://www.fema.gov/government/grant/pdm/</p> <p>Eligible but unfunded subapplications submitted under a particular grant program may be submitted for consideration by other FEMA mitigation grant programs under the Unified HMA Program.</p>

AVAILABILITY OF FUNDS	KEY POINTS
<p>The PDM program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds. Furthermore, the availability of the PDM program is subject to the anticipated reauthorization of the program beyond September 30, 2008.</p> <p>FUND LIMITS</p> <p>PDM grants are awarded on a competitive basis. Eligible subapplications will compete nationally for PDM grant funds.</p> <ul style="list-style-type: none"> • The total State cap on Federal share is 15 percent of the total appropriation in any year; • Mitigation projects: \$3 million cap on Federal share; • New Mitigation plans: \$800,000 cap on Federal Share for new plans; • Updating Mitigation plans: \$400,000 cap on Federal share for update of plans; and 	<p>AVAILABILITY OF FUNDS</p> <p>Interested Applicants should monitor the FEMA Web site at: http://www.fema.gov/government/grant/pdm/ for details regarding program funding availability.</p>

- Information dissemination activities: not to exceed 10 percent, must directly relate to a planning or project subapplication.

COST SHARE

Up to 75 percent Federal cost share. Small and impoverished communities may be eligible for up to a 90 percent Federal cost share.

FUNDING ALLOCATIONS

FEMA will ensure that a State receives no less than \$500,000 for subapplications within the State that meet all the eligibility requirements of the program as stated in this guidance. All remaining eligible subapplications will compete nationally for the remaining PDM funds.

ELIGIBILITY REQUIREMENTS	KEY POINTS
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ELIGIBLE APPLICANTS

State emergency management agencies or a similar office of the State (i.e., the office that has primary emergency management or floodplain management responsibility), the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and federally recognized Indian Tribal governments. Each State, Territory, or Tribal government shall designate one agency to serve as the Applicant for this program.

ELIGIBLE SUBAPPLICANTS

The following entities are eligible to apply to the Applicant for assistance: State-level agencies including State institutions (e.g., State hospital or university); federally recognized Indian Tribal governments; local governments, including State-recognized Tribes, authorized Tribal organizations, and Alaska Native villages; public colleges and universities; and Tribal colleges and universities.

PNP organizations and private colleges and universities are not eligible subapplicants; however, an eligible, relevant State agency or local government may apply to the Applicant as the subapplicant for assistance to benefit the private entity.

NFIP PARTICIPATION

If Applicants and subapplicants have been identified through the NFIP as having an SFHA, and an FHBM or FIRM has been issued for their specific jurisdiction, they must be participating in the NFIP, and **not** suspended, or withdrawn from the NFIP, to be eligible for the PDM program. Applicants/subapplicants that are not mapped or have not been issued a map are eligible for the PDM program.

The only exception to this policy is for federally recognized Indian Tribal governments, who will be eligible to receive PDM planning grants even if they have been issued a FHBM or FIRM and they are not participating in the NFIP. Tribal governments will not be eligible for PDM project grants, however, until they are participating in the NFIP. The planning grant is intended to provide the Tribal governments with the information, resources, and incentives that will enable them to take the necessary steps to join and participate in the NFIP.

NFIP PARTICIPATION

NFIP participation is required for project grants to be eligible for funding under the PDM program.

MITIGATION PLAN REQUIREMENT

A FEMA-approved and adopted mitigation plan is required to be eligible for project grant funding under the PDM program.

MITIGATION PLAN REQUIREMENT

All Applicants must have a FEMA-approved and adopted State/Tribal Standard or Enhanced Mitigation Plan by the application deadline to be eligible to apply for project grant funding under the PDM program in accordance with 44 CFR Part 201. In addition, all subapplicants must have a FEMA-approved and adopted local mitigation plan by the application deadline to be eligible to apply for project grant funding under the PDM program.

Projects submitted for consideration must be consistent with the goals and objectives identified in the current FEMA-approved State/Tribal Mitigation Plan and the Tribal/local/university mitigation plan for the jurisdiction in which the activity is located.

If any plan is due to lapse soon after application, the project award may be held pending approval of a new or updated plan.

ELIGIBLE ACTIVITIES AND MANAGEMENT COSTS	KEY POINTS
<p>ELIGIBLE MITIGATION PLANNING ACTIVITIES</p> <ul style="list-style-type: none">• New plan development; and• Plan updates. <p>ELIGIBLE MITIGATION PROJECT ACTIVITIES</p> <ul style="list-style-type: none">• Acquisition and demolition or relocation of structures, with conversion of the underlying property to deed-restricted open space;• Relocation of public or private structures;• Elevation of existing public or private structures to avoid coastal or riverine flooding;• Retrofitting (e.g., storm shutters, hurricane clips, bracing systems) of existing public or private structures to meet or exceed applicable building codes relative to hazard mitigation;• Construction of safe rooms (tornado and severe wind) for public and private structures that meet the project criteria identified in FEMA Mitigation Interim Policy MRR-2-07-1 including: eligible activities, design standards, period of protection, population protected, allowable costs, operation and maintenance plans (select 206.1 or 206.2 in the Mitigation Activity section in eGrants), hydrologic and hydraulic studies/analyses, engineering studies, and drainage studies for the purpose of project design and feasibility determination included as part of a project subapplication;• Hydrologic and hydraulic studies/analyses, engineering studies, and drainage studies for the purpose of project design and feasibility determination included as part of a project subapplication;• Vegetation management for natural dune restoration, wildfire, or snow avalanche;• Protective measures for utilities (e.g., electric and gas), water and sanitary sewer systems and/or other infrastructure (e.g., roads and bridges);	<p>ELIGIBLE PLANNING ACTIVITIES</p> <p>The outcome of a mitigation planning subgrant award must be a FEMA-approved mitigation plan that complies with the requirements of 44 CFR Part 201.</p> <p>The planning grant deliverable can be a new mitigation plan or an update of an already FEMA-approved and adopted mitigation plan.</p>

- Stormwater management projects (e.g., culverts and retention basins) to reduce or eliminate long-term risk from flood hazards;
- Localized flood reduction projects, such as certain ring levees and floodwall systems that are designed specifically to protect critical facilities (defined as Hazardous Materials Facilities, Emergency Operation Centers, Power Facilities, Water Facilities, Sewer and Wastewater Treatment Facilities, Communications Facilities, Emergency Medical Care Facilities, Fire Protection, and Emergency Facilities) and that do not constitute a section of a larger flood control system; and
- Applicant management cost activities:
 - The solicitation, review, and processing of PDM planning and project subapplications and subgrant awards;
 - Providing technical assistance to subapplicants regarding BCA and Environmental/Historic Preservation documentation;
 - Geocoding mitigation projects selected for further review;
 - Delivery of technical assistance (e.g., plan reviews, and planning workshops) intended to support the implementation of planning and project activities;
 - Managing grants (e.g., quarterly reporting and closeout);
 - Technical monitoring (e.g., site visits and technical meetings); and
 - Hiring staff to perform the above activities.

ELIGIBLE MANAGEMENT COSTS

Applicant Management Costs: A separate management cost subapplication must be submitted for Applicant management costs. Applicants may include a maximum of 10 percent of the total funds requested in their PDM grant application budget (Federal and non-Federal shares) to support the planning/project subapplications.

Subapplicant Management Costs: Subapplicants may include a maximum of 5 percent of the total funds requested in their planning/project subapplication for management costs to support the mitigation activity. Subapplicants requesting management costs should provide supporting documentation and include these costs as separate line items in the planning/project cost estimate. Subapplicant management costs must be included in the project’s BCA.

APPLICATION PROCESS | **KEY POINTS**

APPLICATION SUBMISSION

Applicants must submit the complete grant application, including subapplications and any supporting documentation, using the Web-based, electronic grant (*eGrants*) management system. Only PDM grant applications submitted through *eGrants* will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant’s paper subapplications into *eGrants* on their behalf using the Paper Subapplication Intake function.

Each Applicant may submit an unlimited number of subapplications for eligible planning/project activities that the Applicant has reviewed and approved in *eGrants*.

APPLICATION PERIOD

Applicants must submit an FY 2009 PDM grant application through the *eGrants* system to the appropriate FEMA Regional Office by December 19, 2008, at 11:59:59 p.m. Eastern Standard Time. All supporting documentation that cannot be attached to the *eGrants* system must be received by the FEMA Regional Office by the application deadline.

COST-EFFECTIVENESS REQUIREMENT

The PDM program funds cost-effective mitigation activities, demonstrated by a BCR of 1.0 or greater. The BCR is calculated by performing a BCA, a well-established method for quantitatively comparing the benefits and costs of mitigation projects. Applicants are required to submit a BCA for each mitigation project and adequate documentation for a complete review and analysis of the project.

FEASIBILITY AND EFFECTIVENESS REQUIREMENT

Mitigation projects funded by the PDM program must be both feasible and effective at mitigating the hazard(s) for which the project was designed. FEMA will use the information provided in the project subapplication and supporting documentation to review the engineering feasibility and effectiveness of the proposed project.

ENVIRONMENTAL/HISTORIC PRESERVATION REQUIREMENT

Applicants/subapplicants must answer a series of Environmental/Historic Preservation review questions in the project subapplication to provide information about environmental resources and historic properties in the project area and potential impacts to those resources. FEMA's Environmental/Historic Preservation review is completed as part of pre-award activities.

eGRANT TECHNICAL ASSISTANCE

FEMA will provide technical assistance regarding the eGrants system through the eGrants Helpdesk: (866) 476-0544 or mtegrants@dhs.gov.

PROJECT TECHNICAL ASSISTANCE

Technical assistance for Engineering Feasibility, Benefit-Cost Analysis, and Environmental/Historic Preservation compliance is available through FEMA.

PROJECT TECHNICAL ASSISTANCE HELPDESK

Phone: (866) 222-3580 (toll free)

E-mail:

enghelpline@dhs.gov

bchelpline@dhs.gov

ehhelpline@dhs.gov

APPLICATION REVIEW

APPLICANT LEVEL REVIEW

Project subapplications are reviewed by the Applicant to ensure all program requirements are met. Applicants should submit eligible mitigation project subapplications against their target allocation.

FEMA REVIEW

Project applications and subapplications are reviewed by FEMA for eligibility and completeness, cost effectiveness, engineering feasibility and effectiveness, and Environmental/Historic Preservation compliance.

ELIMINATION CRITERIA

- Ineligible Applicant or subapplicant;
- Application and subapplicant mapped through the NFIP, but not participating in, suspended, or withdrawn from the NFIP;
- Incomplete application;
- Ineligible activities;
- Mitigation projects from Applicants/subapplicants who do not have FEMA-approved mitigation plans;
- Mitigation projects that are determined not to be feasible and/or effective at solving the problem for which they were designed;
- Mitigation projects with a BCR less than 1.0; and
- Mitigation projects without a FEMA-approved BCA or without an adequately documented BCA.

KEY POINTS

FEMA REVIEW

Planning/project subapplications that do not satisfy program requirements may be removed from consideration.

NATIONAL RANKING/EVALUATION PROCESS	KEY POINTS
<p>NATIONAL RANKING</p> <p>FEMA will score all eligible planning and project subapplications on the basis of predetermined, objective, and quantitative factors to calculate a National Ranking Score.</p> <p>Subapplications will be sorted in descending order based on the National Ranking scores. In order to conduct an efficient National competition, FEMA may forward only the highest scoring subapplications representing not less than 150 percent of available funds from National Ranking to the National Evaluation. FEMA may also include the two highest scoring subapplications from Tribal Applicants in the National Evaluation, if not already included in the 150 percent.</p> <p>NATIONAL EVALUATION</p> <p>National panels chaired by FEMA and composed of representatives from FEMA Headquarters and Regions, other Federal agencies, States, federally recognized Indian Tribal governments, Territories, and local governments will convene to evaluate planning and project subapplications on the basis of predetermined qualitative factors.</p> <p>Subapplications will be ranked based on the National Evaluation and Confidence Rating scores. The highest scoring project subapplications representing not less than 150 percent of available funding will be forwarded to the National Technical Review.</p>	

NATIONAL TECHNICAL REVIEW	KEY POINTS
<p>NATIONAL TECHNICAL REVIEW</p> <p>FEMA will conduct the following technical reviews for the highest scoring project subapplications representing not less than 150 percent of available funding:</p> <ul style="list-style-type: none"> • Cost Effectiveness; and • Engineering Feasibility. 	<p>NATIONAL TECHNICAL REVIEW</p> <p>Project subapplications that do not meet cost-effectiveness and engineering feasibility and effectiveness requirements will be removed from consideration and will not be selected for further review.</p>

SELECTION/AWARD PROCESS	KEY POINTS
<p>The Approving Federal Official at FEMA Headquarters shall consider the National Evaluation Score, the comments and recommendations from independent panelists, and any other pertinent information in determining which planning and project subapplications are selected for further review up to the amount of funds available for the program. The process is twofold:</p> <ol style="list-style-type: none"> 1. For States only, FEMA will select for further review the highest scoring eligible subapplicants from each State in order until the projects and/or plans within a State are no less than \$500,000. 2. All remaining eligible subapplications (including those from Indian Tribal governments) will be reordered and the Approving Federal Official shall select the highest scored eligible planning and project subapplications for further review, in order, up to the remaining amount of funds available for the program. The selecting official may make a selection of a subapplication out of rank order based upon one 	<p>ENVIRONMENTAL REVIEW</p> <p>FEMA will complete the Environmental/Historic Preservation compliance review for projects selected for further review as part of pre-award activities. Project subapplications will not be awarded and projects cannot be initiated until FEMA has completed the Environmental/Historic Preservation review.</p> <p>UNSUCCESSFUL APPLICATIONS</p> <p>FEMA will notify Applicants of subapplications that do not satisfy</p>

or more of the following factors:

- Availability of funding;
- Balance/distribution of funds geographically or by type of recipient;
- Duplication of subapplications;
- Program priorities and policy factors; and
- Other pertinent information.

FEMA will contact Applicants whose subapplications are selected for further review; however, notice of selection and conducting FEMA requested pre-award activities are not considered notification or guarantee of a grant award.

Eligibility and Completeness requirements, subapplications that are not forwarded to National Evaluation following the National Ranking, and subapplications that are not selected for further review by the Approving Federal Official.

3.1.2 Purpose

FEMA's PDM program provides funds to States, Territories, federally recognized Indian Tribes, and communities for hazard mitigation planning and for the implementation of mitigation projects prior to a disaster event. The PDM program provides a significant opportunity to raise risk awareness and reduce the nation's disaster losses through pre-disaster mitigation planning and the implementation of feasible, effective, and cost-effective mitigation measures. The PDM program provides funding to reduce loss of life, as well as damage and destruction to property from natural hazards.

3.1.3 PDM Grant Application Guidance

3.1.3.1 Authorization and Appropriation

The PDM program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds. The PDM program was authorized by Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). PDM is designed to assist States and communities to implement a sustained pre-disaster natural hazard mitigation program to reduce overall risk to the population and structures, while also reducing reliance on Federal funding from actual disaster declarations. PDM funds must be used primarily to support mitigation activities that address natural hazards, although hazard mitigation projects and plans may also address hazards caused by manmade events. The CFDA number for PDM is 97.017.

Availability of the PDM Program funding is subject to anticipated reauthorization of the program beyond September 30, 2008.

3.1.3.2 Funding Limits

Funding is restricted to a maximum of \$800,000 Federal share for planning subapplications for new plans and \$400,000 for plan updates. Funding is restricted to a maximum of \$3 million Federal share for mitigation project subapplications, and the cumulative Federal share for any one State shall not exceed 15 percent of the appropriated program funds. Subapplications that propose a Federal cost share in excess of the Federal funding limit will not be considered.

Set-Aside

The FY 2008 Congressional appropriation required that each State receive an allocated base amount of no less than \$500,000 provided subapplications for at least that amount are submitted to FEMA and meet all the eligibility requirements of the program. Should any appropriation in future fiscal years contain the same direction, FEMA will select for further review subapplications to States for at least \$500,000, subject to the eligibility criteria. If the amount of eligible subapplications within a State exceeds \$500,000, FEMA will select for further review the first \$500,000 of subapplications in the order of the most competitive within the State. If the State does not submit eligible subapplications for at least \$500,000 the State will not receive the minimum. All remaining eligible subapplications will compete nationally for the remaining PDM funds.

3.1.3.3 Eligible Project Activities and Associated Costs

Proposed hazard mitigation projects must primarily focus on natural hazards but may also address hazards caused by manmade forces. Funding is restricted to a maximum of \$3 million Federal share per project subapplication.

The following are examples of eligible mitigation projects:

- Voluntary acquisition of real property (i.e., structures and land, where necessary) for conversion to open space in perpetuity (select from the 200 series in the Mitigation Activity section in *eGrants*);
- Relocation of public or private structures (select from the 201 series in the Mitigation Activity section in *eGrants*) (Relocation is the movement of a structure from one place to another. Relocation must be from an identified hazard area to an area of lower risk.);
- Elevation of existing public or private structures to avoid coastal or riverine flooding (select from the 202 series in the Mitigation Activity section in *eGrants*) to meet or exceed current NFIP elevation requirements;
- Retrofitting (e.g., storm shutters, hurricane clips, bracing systems) of existing public or private structures to meet or exceed applicable building codes relative to hazard mitigation (select from the 205 series in the Mitigation Activity section in *eGrants*);
- Construction of safe rooms (tornado and severe wind) for public and private structures that meet the project criteria identified in FEMA Mitigation Interim Policy MRR-2-07-1 including: eligible activities, design standards, period of protection, population protected, allowable costs, operation and maintenance plans (select 206.1 or 206.2 in the Mitigation Activity section in *eGrants*);
- Hydrologic and hydraulic studies/analyses, engineering studies, and drainage studies for the purpose of project design and feasibility in conjunction with a project;
- Vegetation management for natural dune restoration, wildfire, or snow avalanche (select from the 300 series in the Mitigation Activity section in *eGrants*);
- Protective measures for utilities (e.g., electric and gas), water and sanitary sewer systems, and/or infrastructure (e.g., roads and bridges) (select 401.1 or 402.1 in the Mitigation Activity section in *eGrants*);
- Stormwater management projects (e.g., culverts, retention basins) to reduce or eliminate long-term risk from flood hazards (select from the 403 series in the Mitigation Activity section in *eGrants*); and
- Localized flood reduction projects, such as certain ring levees and floodwall systems that are designed specifically to protect critical facilities that do not constitute a

section of a larger flood control system (select 404.1, Localized Flood Control System to Protect Critical Facility, in the Mitigation Activity section in eGrants).

Any of the above mitigation projects for a critical facility may include the purchase of a generator or related equipment purchases (e.g., generator hook-ups) as a functional portion to the larger eligible mitigation project subapplication, as long as the generator or related equipment purchase directly relates to the hazards that threaten the critical facility. Examples of critical facilities are hazardous materials facilities, emergency operation centers, power facilities, water, sewer and wastewater treatment facilities, communications facilities, emergency medical care facilities, fire protection, and emergency facilities.

3.1.3.4 Ineligible Project Activities and Associated Costs

Certain project activities and their associated costs are not eligible. The following project activities are not eligible for the PDM grant program:

- Projects that do not meet program requirements for Environmental/Historic Preservation compliance, cost-effectiveness, and engineering feasibility;
- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, or waterway channelization, and erosion projects related to beach nourishment or re-nourishment;
- Projects that solely address operation, maintenance, or repairs of existing structures, facilities, or infrastructure (e.g., dredging, debris removal, bridges and dam repair/rehabilitation);
- Water quality infrastructure projects (see Section 2.1.3.4.1, Duplication of Programs);
- Projects that address ecological or agricultural issues related to land or forest management (e.g., insects, diseases, weather-related damages, infestations);
- Projects located in a coastal barrier area as defined by CBRA;
- Warning and alert notification systems (e.g., NOAA weather radios), sirens, and other communication systems;
- Any phase or part of a project that is dependent on another phase or part that is not included in the project subapplication to be cost-effective and/or feasible;
- Studies that do not result in a project (e.g., engineering designs, feasibility studies, flood studies, or drainage studies that are not integral to the proposed project);
- Flood studies or flood mapping (i.e., general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Dry floodproofing of residential structures;

- Generators and related equipment (e.g., generator hook-ups) for non-critical facilities;
- Generators and related equipment (e.g., generator hook-ups) for critical facilities that are not part of a larger eligible mitigation project subapplication and is not directly related to the hazards that threaten that critical;
- Activities for which implementation has already been initiated or completed;
- Mitigation Reconstruction. Mitigation Reconstruction is defined as any activity where an existing building and/or foundation is partially or completely demolished or destroyed and an improved, elevated building is constructed on the same site. This includes, but is not limited to, pre-existing buildings that were substantially damaged or destroyed as a result of a declared event. All activities submitted for consideration under FEMA's HMA grant programs that result in the construction of new living space at or above the BFE shall be considered Mitigation Reconstruction. Mitigation Reconstruction is currently an eligible activity type within the HMGP Gulf Coast Pilot and the SRL Program;
- Projects that solely address a manmade hazard;
- Response and communication equipment;
- Localized flood reduction projects that constitute a section of a larger flood control system;
- Any project for which another Federal agency has primary authority (see Section 2.1.3.4, Program Restrictions and Section 2.1.3.4.1, Duplication of Programs) or for which benefits are available from another source for the same purpose; and
- Legal procedures related to litigation for an approved Application or subapplication.

Project subapplications that propose ineligible activities will be removed from consideration. FEMA will not separate eligible activities from ineligible project subapplications for funding consideration.

3.1.3.5 Applicant Ranking of Subapplications

Applicants must rank each subapplication included in the grant application in order of their priority for funding based on the Applicant's Standard or Enhanced Mitigation Plan or the subapplication will not be eligible for further consideration. Each subapplication must be assigned a unique rank (i.e., only one number 001) in eGrants. **If the Applicant is including a Management Cost subapplication, it must be ranked last** or the subapplication will not be eligible for further consideration. Applicants must explain the rank given to each subapplication and how it relates to their mitigation plan.

3.1.3.6 National Evaluation

National panels chaired by FEMA and composed of representatives from FEMA Headquarters and Regions, other Federal agencies, States, Territories, federally recognized Indian Tribal governments, and local governments will convene to evaluate the mitigation planning and project subapplications forwarded from the National Ranking. Evaluators will score subapplications based on predetermined qualitative factors (see Section 3.1.3.6, National Evaluation) to calculate a National Evaluation Score for each subapplication.

FEMA will ensure that panel evaluations are conducted consistently and fairly with no conflicts of interest. All mitigation planning and project subapplications forwarded to National Evaluation will be granted equal consideration during the National Evaluation regardless of their National Ranking Score. Applicant’s management cost subapplications will not be scored but will be awarded based on planning and project subapplications awarded for each Applicant (see Section 2.2, Management Costs). After the National Evaluation is completed, all planning and project subapplications will be sorted in descending order based on National Evaluation Scores. National Evaluation factors are:

NATIONAL EVALUATION FACTORS AND POINT VALUES	PLANS	PROJECTS
Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation activity	30%	30%
Sufficient staff and resources for implementation of the proposed mitigation planning process or proposed mitigation project	30%	20%
Thoroughness of Planning SOW that demonstrates an understanding of the planning process and a methodology for completing the proposed mitigation plan	30%	N/A
Thoroughness of Project SOW that demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures	N/A	25%
Durability of the financial and social benefits that will be achieved through the proposed mitigation project	N/A	10%
Leveraging of Federal/State/Tribal/territorial/local/private partnerships to enhance the outcome of the proposed activity	5%	5%
Description of unique or innovative outreach activities appropriate to the planning process (e.g., press releases, success stories) that advance mitigation and/or serve as a model for other communities	5%	N/A
Protection of critical facilities	N/A	5%
Inclusion of outreach activities appropriate to the proposed mitigation project	N/A	5%
TOTAL POINT VALUES	100%	100%

3.1.3.7 Technical Review

FEMA will conduct the following technical reviews (see Sections 2.5.3.1, Benefit-Cost Technical Review, and 2.5.3.2, Engineering Feasibility and Effectiveness Technical Review) for the highest scoring project subapplications representing no less than 150 percent of available funding:

- BCA; and
- Engineering Feasibility.

Project subapplications that do not meet cost-effectiveness and engineering feasibility and effectiveness requirements will be removed from consideration and will not be selected for further review.

3.1.3.8 National Ranking

FEMA will provide additional ranking points for all eligible mitigation planning and project subapplications on the basis of predetermined, objective, quantitative factors (see Section 3.1.3.8, National Ranking) to calculate a final National Ranking Score for each subapplication. Applicant management cost subapplications will not be scored, but will be awarded based on planning and project subapplications awarded for each Applicant (see Section 2.2, Management Costs). National Ranking factors and point values are:

NATION RANKING FACTORS AND POINT VALUES	PLANS	PROJECTS
The priority given to the subapplication by the Applicant in their PDM grant application	40%	40%
Assessment of frequency and severity of hazards	20%	N/A
Whether the Applicant has a FEMA-approved Enhanced State/Tribal Mitigation Plan by the application deadline	20%	20%
Community mitigation factors such as Community Rating System class, Cooperating Technical Partner, participation as a Firewise Community, and adoption and enforcement of codes including the International Code Series and National Fire Protection Association 5000 Code, as measured by the Building Code Effectiveness Grading Schedule	10%	10%
The percent of the population benefiting, which equals the number of individuals directly benefiting divided by the community population	N/A	10%
Whether the project protects critical facilities	N/A	10%
Status of the local subapplicant as a small and impoverished community	10%	10%
TOTAL POINT VALUES	100%	100%

3.1.3.9 Cost Overruns and Cost Under-Runs

The PDM program is competitive and, therefore, Federal award amounts are final. There will be no additional FEMA funding beyond the initial award. FEMA will not cover cost overruns associated with grant activities. All costs for which funding is requested must be included in the original PDM grant application's budget section.

Cost under-runs (i.e., unexpended funds) remaining after the expiration of the period of performance must be reported to FEMA for de-obligation. Cost under-runs from one subapplication can not be used to meet another subapplication's cost overrun.

3.1.3.10 Cost Share Requirements

FEMA will contribute up to 75 percent of the total amount approved under the grant award to implement approved activities. At least 25 percent of the total eligible costs must be provided from a non-Federal source or the subapplication will not be eligible for consideration. Funding is restricted to a maximum of \$3 million Federal share per each project subapplication, \$800,000 Federal share per each planning subapplication, and a maximum of \$400,000 Federal share for an update of an existing FEMA-approved mitigation plan.

3.1.3.10.1 Small and Impoverished Communities

Grants awarded to "small and impoverished communities" may receive a Federal cost share of up to 90 percent of the total amount approved under the grant award to implement eligible approved activities in accordance with the Stafford Act. Applicants must certify and support all documentation submitted with the subapplication to support the eligibility for a higher FEMA cost share. If documentation is not submitted with the subapplication, then FEMA will provide no more than 75 percent of the total eligible costs.

A small and impoverished community must meet all of the following criteria:

- Must be a community of 3,000 or fewer individuals that is identified by the State as a rural community, and is not a remote area within the corporate boundaries of a larger city;
- Must be economically disadvantaged, with residents having an average per capita annual income not exceeding 80 percent of the national per capita income, based on best available data (The Department of Commerce Bureau of Economic Analysis [BEA] Web site states that the per capita personal income for the United States in 2007 was \$38,611. More up-to-date information may be used. Please see the BEA Web site at: <http://www.bea.gov>);
- Must have a local unemployment rate that exceeds by one-percentage point or more the most recently reported, average yearly national unemployment rate (According to the U.S. Bureau of Labor Statistics [USBL], the current average unemployment rate for April 2008 is 5.0 percent. For up-to-date information, please see the USBL Web site at: <http://stats.bls.gov/>); and

- Must meet any other factors as determined by the State/Tribe/Territory in which the community is located.

3.1.3.10.2 Non-Federal Cost Share

The non-Federal cost share must be in direct support of the approved activities and must be an eligible cost for PDM funding. All contributions, cash and in-kind or any combination thereof, may be accepted as part of the non-Federal cost share. In lieu of requesting pre-award costs, Applicants and subapplicants may submit eligible costs incurred prior to award but after the PDM application period has opened as their non-Federal cost share. Indirect costs may be included as part of the total project cost however, indirect costs in excess of the 10 percent management costs limit may not be used as part of the non-Federal cost share (see Section 2.2.1, Eligible Management Cost Activities).

PDM funds generally cannot be used as cost share for another federally funded activity. In addition, non-Federal cost share funds for the PDM program cannot be used as cost share for other Federal grant programs. In general, the non-Federal cost share may not include funds from other Federal agencies, except for Federal funds that have authorizing statutes that explicitly allow the funds to be used as a cost share for other Federal grants. See Section 2.1.6.1 (Cost Share Documentation) for cost share documentation requirements. For exceptions, see Section 2.1.6.2 (Federal Funds Allowed to be used as a Non-Federal Cost Share).

3.1.4 Evaluation Information

Completion of the Evaluation Information section of the planning subapplication is required for the PDM grant program. Responses to questions in this section will be used to support competitiveness in both the National Ranking and Evaluation processes (see Sections 3.1.3.8, National Ranking, and 3.1.3.6, National Evaluation). Therefore, responses for each question are required for the subapplication to be eligible for further consideration, even if the information is provided in another section of the planning subapplication.

The assessment of the frequency (e.g., high, moderate, low, very low, and not applicable) and severity (e.g., catastrophic, extensive, serious, and minor) of an event for various hazards may be better addressed by the Applicant than the subapplicant in most cases because the information to complete this question can be found in the hazard identification section of the State/Tribal Mitigation Plan. Therefore, a response is not required of the subapplicant. However, if the subapplicant responds to the question, the Applicant must review the information before submitting the planning subapplication (see Section 2.1.5.2, Applicant Review of Subapplications) to ensure that it is correct and cites the appropriate source of the hazard risk assessment (e.g., “information can be found on page 50 of the State Mitigation Plan, Hazard Identification Section”). Planning subapplications without complete responses to the Evaluation Information section questions and supporting documentation for the risk assessment may be removed from consideration.

3.1.5 Selection

The Approving Federal Official at FEMA shall consider the National Evaluation Score, the comments and recommendations from independent panelists, and any other pertinent information in determining which planning and project subapplications are selected for further review up to the amount of funds available for the program.

The process is twofold:

First, for States only, FEMA will select for further review the highest scoring eligible subapplications from each State in order until the projects and/or plans within a State are at least \$500,000.

Second, all remaining eligible subapplications (including those from Indian Tribal governments) will be resorted and the Approving Federal Official shall select the highest scored eligible planning and project subapplications for further review, in order, up to the remaining amount of funds available for the program. A subapplication may be selected for further review out of rank order based upon one or more of the following factors:

- Availability of funding;
- Balance/distribution of funds geographically or by type of recipient;
- Duplication of subapplications;
- Program priorities and policy factors; and
- Other pertinent information.

FEMA will contact Applicants selected for further review; however, note that pre-award activities are not considered notification or guarantee of an award.

3.1.6 Awards

Regional Offices will provide an award package to the Applicant for successful subapplications once pre-award activities are completed. An award package consists of an award letter, FF 76-10A and Articles of Agreement that must be signed by the Applicant and returned to FEMA for approval before funds can be awarded. The Applicant must agree to abide by the grant award terms and conditions as set forth in the Articles of Agreement. Draft Articles of Agreement, CFDA 97.047, for the PDM program are available on the FEMA Web site:

<http://www.fema.gov/government/grant/pdm/index.shtm> or from the Regional Offices.

If an Applicant or subapplicant does not accept an award, FEMA may select additional eligible planning and project subapplications for further review in the order they were ranked or return the funds to the National Pre-Disaster Mitigation Fund for the next grant cycle. Awarded PDM planning and project subapplications will be listed on the FEMA Web site:

<http://www.fema.gov/government/grant/pdm/index.shtm>.

3.2 FLOOD MITIGATION ASSISTANCE PROGRAM

3.2.1 Program Overview

FMA PROGRAM	KEY POINTS
<p>The Flood Mitigation Assistance (FMA) grant program provides funding to States, federally recognized Indian Tribal governments, and communities so that cost-effective measures can be taken to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP. The long-term goal of FMA is to reduce or eliminate claims under the NFIP through mitigation activities.</p> <p>APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS</p> <p>FEMA may determine that eligible subapplications submitted under a specific grant program and not funded through the requested grant program may be considered by another mitigation grant program when the following requirement is met:</p> <p style="padding-left: 40px;">Applicants must include a statement in their grant application under the “Comments for FEMA” field in eGrants indicating their interest to have their subapplications considered for another mitigation grant program (specify the additional mitigation grant programs and corresponding CFDA numbers).</p> <p>FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.</p>	<p>FMA GUIDANCE</p> <p>FMA guidance document and additional guidance materials or Agreement Articles are available from the FEMA Regional Office or on the FEMA Web page: http://www.fema.gov/government/grant/fma/index.shtm</p> <p>Eligible but unfunded subapplications submitted under a particular grant program may be submitted for consideration by other FEMA mitigation grant programs under the Unified HMA Program.</p>
AVAILABILITY OF FUNDS AND LIMITS	KEY POINTS
<p>The FMA program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.</p> <p>FUND LIMITS</p> <p>The total amount of FMA grant funds provided during any 5-year period will not exceed \$10,000,000 to any State agency or \$3,300,000 to any community. The total amount of FMA grant funds provided to any State, including all communities located in the State, will not exceed \$20,000,000 during any 5-year period. The Administrator may waive these limits for any 5-year period when a major disaster or emergency is declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act for flood conditions.</p> <p>COST SHARE</p> <p>FEMA may contribute up to 75 percent Federal funding for the amount approved under the grant award to implement approved activities.</p> <p>An increased Federal cost share of up to 90 percent is available for the mitigation of severe repetitive loss properties for any State or federally recognized Indian Tribal government acting as an Applicant that has taken actions to reduce the number of repetitive loss properties, including severe repetitive loss properties, and has a FEMA-approved State or Tribal Mitigation Plan that specifies how it has reduced, and how it intends to reduce, the number of such repetitive loss properties.</p>	<p>AVAILABILITY OF FUNDS</p> <p>Interested Applicants should monitor the FEMA Web site at: http://www.fema.gov/government/grant/fma/index.shtm for details regarding program funding availability.</p>

FUNDING ALLOCATIONS

An Applicant's FMA project and planning target allocation is based on the national percentage of NFIP policies present within the jurisdiction. An Applicant may apply for funding up to or exceeding its target allocation.

ELIGIBILITY REQUIREMENTS

ELIGIBLE APPLICANTS

State emergency management agencies or a similar office of the State (i.e., the office that has primary emergency management or floodplain management responsibility), the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and federally recognized Indian Tribal governments. Each State, Territory, or Tribal government shall designate one agency to serve as the Applicant for this program.

ELIGIBLE SUBAPPLICANTS

State-level agencies, federally recognized Indian Tribal governments participating in the NFIP (including State-recognized Indian Tribes, authorized Indian Tribal organizations, and Alaska Native villages), and local communities that are participating in the NFIP.

Private nonprofit (PNP) organizations and individuals are not eligible subapplicants; however, a relevant State agency or local community in which the PNP or individual resides may act as the subapplicant and apply to the Applicant for assistance to mitigate a private or PNP property.

NFIP PARTICIPATION

All subapplicants must be participating in the NFIP, and must not be suspended or withdrawn from the NFIP, to be eligible to apply for FMA funds. Property owners who participate in the FMA program must have a flood insurance policy on the structure to be mitigated that is current at the time of application and maintained through award, or until the property transfer is complete.

MITIGATION PLAN REQUIREMENT

All Applicants must have a FEMA-approved State Mitigation Plan (Standard or Enhanced) or Tribal Mitigation Plan by the application deadline to be eligible to receive project grant funding under the FMA program, in accordance with 44 CFR Part 201. In addition, all subapplicants must have a FEMA-approved mitigation plan by the application deadline to be eligible to receive project grant funding under the FMA program.

In order to be eligible for an increased Federal cost share of up to 90 percent for severe repetitive loss properties, the FEMA-approved State or Tribal Standard Mitigation Plan addressing current and future efforts to mitigate repetitive loss must be in effect at the time of grant award.

If any plan is due to lapse soon after application, the project award may be held pending approval of a new or updated plan.

KEY POINTS

NFIP PARTICIPATION

NFIP participation is required for project grants to be eligible for funding under the FMA program.

MITIGATION PLAN REQUIREMENT

To be eligible for Project grants, an eligible subapplicant must have an approved and adopted mitigation plan in accordance with 44 CFR Part 201 by the close of the application period.

ELIGIBLE ACTIVITIES AND MANAGEMENT COSTS

KEY POINTS

ELIGIBLE PLANNING ACTIVITIES

Planning activities that develop the flood hazard component of a State, Indian Tribal, or local mitigation plan that meets the planning criteria outlined in 44 CFR Part 201.

ELIGIBLE PROJECT ACTIVITIES

- Acquisition and demolition or relocation of structures, with conversion of the underlying property to deed-restricted open space;
- Elevation of existing structures to at least the BFE or an ABFE or higher;
- Dry floodproofing of non-residential structures; and
- Minor localized flood reduction projects.

ELIGIBLE MANAGEMENT COSTS

Applicant Management Costs: A separate management cost subapplication must be submitted for Applicant management costs. Applicants may include a maximum of 10 percent of the total funds requested in their FMA grant application budget (Federal and non-Federal shares) to support the project subapplications.

Subapplicant Management Costs: Subapplicants may include a maximum of 5 percent of the total funds requested in their project subapplication for management costs to support the project. Subapplicants requesting management costs should provide supporting documentation and include these costs as separate line items in the project cost estimate. Subapplicant management costs must be included in the project's BCA.

ELIGIBLE PLANNING ACTIVITIES

Applicants should note that FMA funds can be used to develop only the *flood hazard* portion of an all-hazard mitigation plan.

APPLICATION PROCESS

KEY POINTS

APPLICATION SUBMISSION

Applicants must submit the complete grant application, including subapplications and any supporting documentation, using the Web-based, electronic grant (*eGrants*) management system. Only FMA grant applications submitted through *eGrants* will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant's paper subapplications into *eGrants* on their behalf using the Paper Subapplication Intake function.

Each Applicant may submit an unlimited number of subapplications for eligible planning/project activities that the Applicant has reviewed and approved in *eGrants*.

COST-EFFECTIVENESS REQUIREMENT

The FMA program funds cost-effective mitigation activities, demonstrated by a BCR of 1.0 or greater. The BCR is calculated by performing a BCA, a well-established method for quantitatively comparing the benefits and costs of mitigation projects. Applicants are required to submit a BCA for each mitigation project and adequate documentation for a complete review and analysis of the project.

FEASIBILITY AND EFFECTIVENESS REQUIREMENT

Mitigation projects funded by the FMA program must be both feasible

APPLICATION PERIOD

Applicants must submit an FY 2009 FMA grant application through the *eGrants* system to the appropriate FEMA Regional Office by December 19, 2008, at 11:59:59 p.m. Eastern Standard Time. All supporting documentation that cannot be attached to the *eGrants* system must be received by the FEMA Regional Office by the application deadline.

eGRANTS TECHNICAL ASSISTANCE

FEMA will provide technical assistance regarding the *eGrants* system through the *eGrants* Helpdesk: (866) 476-0544 or mtegrants@dhs.gov.

PROJECT TECHNICAL ASSISTANCE

Technical assistance for Engineering Feasibility, Benefit-Cost Analysis, and Environmental/Historic

and effective at mitigating the hazard(s) for which the project was designed. FEMA will use the information provided in the project subapplication and supporting documentation to review the engineering feasibility and effectiveness of the proposed project.

ENVIRONMENTAL/HISTORIC PRESERVATION REQUIREMENT

Applicants/subapplicants must answer a series of Environmental/Historic Preservation review questions in the project subapplication to provide information about environmental resources and historic properties in the project area and potential impacts to those resources. FEMA’s Environmental/Historic Preservation review is completed as part of pre-award activities.

Preservation compliance is available through FEMA.

PROJECT TECHNICAL ASSISTANCE HELPLINE

Phone: (866) 222-3580 (toll free)

E-mail:

- enghelpline@dhs.gov
- bchelpline@dhs.gov
- ehhelpline@dhs.gov

APPLICATION REVIEW **KEY POINTS**

APPLICANT LEVEL REVIEW

Project subapplications are reviewed by the Applicant to ensure all program requirements are met. Applicants should submit eligible mitigation project subapplications against their target allocation.

FEMA REVIEW

Project applications and subapplications are reviewed by FEMA for eligibility and completeness, cost effectiveness, engineering feasibility and effectiveness, and Environmental/Historic Preservation compliance.

ELIMINATION CRITERIA

- Ineligible Applicant or subapplicant;
- Application and subapplicant mapped through the NFIP, but not participating in, suspended, or withdrawn from the NFIP;
- Incomplete application;
- Ineligible activities;
- Mitigation projects from Applicants/subapplicants who do not have FEMA-approved mitigation plans;
- Mitigation projects that are determined not to be feasible and/or effective at solving the problem for which they were designed;
- Mitigation projects with a BCR less than 1.0; and
- Mitigation projects without a FEMA-approved BCA or without an adequately documented BCA.

FEMA REVIEW

Planning/project subapplications that do not satisfy program requirements may be removed from consideration.

RANKING AND SELECTION

FMA TARGET ALLOCATION APPLICATION SELECTION

Subapplications from Applicants receiving an FMA target allocation will be selected for further review up to their target allocation.

FMA APPLICATIONS EXCEEDING TARGET ALLOCATION SELECTION

Subapplications from Applicants that exceed the target allocation amount will be forwarded for national consideration in accordance with the criteria detailed within the FMA program guidance.

3.2.2 Purpose

The FMA grant program provides funding to States, federally recognized Indian Tribal governments, and communities so that cost-effective measures are taken to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP. The long-term goal of FMA is to reduce or eliminate claims under the NFIP through mitigation activities. Three types of grants are available under FMA: Planning, Project, and Management Costs.

3.2.3 FMA Grant Application Guidance

3.2.3.1 Authorization and Appropriation

The FMA grant program was created pursuant to Section 1366 of the NFIA of 1968, 42 U.S. Code (U.S.C.) § 4104c, as amended by the NFIRA of 1994, Public Law 103-325, and the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, with the goal of reducing or eliminating claims under the NFIP. FMA regulations are in 44 CFR Part 79. The CFDA number is 97.029.

The primary funding source for the National Flood Mitigation Fund (NFMF) is the NFIF. The FMA program is subject to the availability of appropriation funding and is dependent upon the amount available for transfer from the NFIF through offset collections assessed and collected under the NFIP. FEMA will notify States and Territories of their Target Allocations, and will post the total amount of available funds on the FEMA Web site at:

<http://www.fema.gov/government/grant/fma/index.shtm>.

The allocation formula provides \$110,000 base allocations to each State with surplus amounts allocated based on the total number of NFIP insurance policies and the total number of repetitive loss properties within each State/Territory. Repetitive Loss Properties are defined under the NFIP as any property for which two or more flood insurance claims have been paid for more than \$1,000 within any rolling 10-year period since January 1, 1979.

3.2.3.2 Funding Limits

FEMA distributes FMA funds to States that, in turn, provide funds to communities. The State serves as the Grantee and program administrator for FMA.

The total amount of FMA grant funds provided during any 5-year period will not exceed \$10,000,000 to any State agencies or \$3,300,000 to any community. The total amount of FMA grant funds provided to any State, including all communities located in the State will not exceed \$20,000,000 during any 5-year period. The Administrator may waive the limits of this subsection for any 5-year period when a major disaster or emergency is declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act for flood conditions.

3.2.3.3 Eligible Activities and Associated Costs

Only the following mitigation activities are eligible for the FMA program. To be eligible for funding, properties must be currently insured by the NFIP at the time of application and the

insurance must be maintained through the completion of the project. For acquisition projects, insurance must be maintained by the property owner until the transfer of ownership.

- **Acquisitions/Relocations**: The voluntary acquisition of structures and underlying real property for the purpose of creating open space, demolition or relocation of the structure, and conversion of the property to deed-restricted open space uses in perpetuity. The relocation of existing residential structures must be to areas outside of the SFHA or local regulatory floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land-use regulations;
- **Elevations**: Any activity through which an existing building with the lowest floor below the BFE is physically raised to an elevation at or above the BFE, with a new foundation system constructed. Structural elevation may be achieved through a variety of methods including elevating on continuous foundation walls, elevating on open foundations such as piles, piers, posts, or columns, and elevating on fill.

The techniques used for elevating structures in accordance with FEMA requirements can be found at: <http://www.fema.gov/government/grant/mitmeasures/elevate.shtm>;

- **Dry Floodproofing**: Floodproofing of existing non-residential structures in accordance with the requirements of the NFIP or higher standards, if required by FEMA or if required by any State or local ordinance, and in accordance with criteria established by the Administrator;
- **Minor Localized Flood Reduction Projects**: These projects may include the installation or modification of culverts and floodgates, the creation of small retention and detention basins, and the upgrade of culverts to bridges. Minor localized flood reduction projects must not duplicate the flood prevention activities of other Federal agencies.

At least 50 percent of the structures directly benefiting from the mitigation activity must be NFIP insured properties. Documentation must be provided in the subapplication that identifies all properties that will benefit from this activity and specifically identifies the NFIP insured properties; and

- **Local Flood Mitigation Plan Development and Update**: Planning activities that develop State, Indian Tribal, and local flood mitigation plans that meet the planning requirements in 44 CFR Part 201 are eligible for FMA Planning funds. The Planning grant deliverable is limited to those activities necessary to develop or update the flood portion of any mitigation plan. Plans may be either single or multi-jurisdictional.

3.2.3.4 Ineligible Activities and Associated Costs

In addition to the specific ineligible project activities listed below, any activity that duplicates benefits received for the same purpose (see Section 2.1.3.4.2, Duplication of Benefits) or is within the primary authority of another Federal program will be considered ineligible (see Section 2.1.3.4.1, Duplication of Programs). Projects already in progress will also be considered

ineligible. Certain project activities and their associated costs are not eligible. The following project activities are **not** eligible for the FMA grant program:

- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, or waterway channelization, and erosion projects related to beach nourishment or renourishment;
- Dry floodproofing of any residential structures;
- A phased or partial project that is dependent on another phase or part to be effective and/or feasible;
- Mitigation Reconstruction. Mitigation Reconstruction is defined as any activity where an existing building and/or foundation is partially or completely demolished or destroyed and an improved, elevated building is constructed on the same site. This includes, but is not limited to, pre-existing buildings that were substantially damaged or destroyed as a result of a declared event. All activities submitted for consideration under FEMA's HMA programs that result in the construction of new living space at or above the BFE shall be considered Mitigation Reconstruction. Mitigation Reconstruction is currently an eligible activity type within the HMGP Gulf Coast Pilot and the SRL Program;
- Applications involving any activities for which implementation has already been initiated or completed are not eligible for funding, and will not be considered;
- Studies that do not result in a completed mitigation project (e.g., engineering designs, feasibility studies, or drainage studies that are not integral to the proposed project);
- Flood studies or flood mapping (i.e., general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Generators, and related equipment, such as generator hook-ups, for non-critical facilities or as a stand-alone activity;
- Warning and alert notification systems (e.g., NOAA weather radios);
- Response and communication equipment;
- Projects that solely address operation, maintenance, or repairs of existing structures, facilities, or infrastructure (e.g., dredging, debris removal, bridges and dam repair/rehabilitation); and
- Legal procedures related to litigation for an approved application or subapplication.

Projects and applications that propose ineligible activities will be removed from consideration. FEMA will not separate eligible activities from ineligible projects and applications for funding consideration.

3.2.3.5 National Evaluation

After the application deadline, FEMA will review all subapplications to ensure eligibility and completeness. FEMA will commit funds to eligible Applicants against State Target Allocations. FEMA Headquarters will then receive and review, in cooperation with FEMA Regional Offices in the form of a National Evaluation Panel, eligible subapplications submitted in excess of Target Allocations. A specified date for this National Evaluation will be set based on the nature and amount of potential reallocations. The remaining funds will be awarded to activities that are in the best interest of the NFIF as demonstrated by a FEMA-validated BCR.

In the event of a National Evaluation for FMA, National panels chaired by FEMA and composed of representatives from FEMA Headquarters and Regions will convene to evaluate the mitigation project subapplications. Evaluators will score subapplications based on predetermined qualitative factors (see table below) to calculate a National Evaluation Score for each subapplication.

FEMA will ensure that panel evaluations are conducted consistently and fairly with no conflicts of interest. All mitigation project subapplications will be granted equal consideration during the National Evaluation. Applicant Management Costs subapplications will not be scored but will be awarded based on project subapplications awarded for each Applicant. After the National Evaluation is completed, all subapplications will be sorted in descending order based on the National Evaluation Scores.

FMA NATIONAL EVALUATION CRITERIA	RELATIVE WEIGHT IN FINAL SCORING
Strategy for and identification of appropriate and useful performance measures to ensure the success of the proposed mitigation activity	35%
Sufficient staff and resources for implementation of the proposed mitigation planning process or proposed mitigation project	18%
Project subapplication demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures	25%
Durability of the financial and social benefits that will be achieved through the proposed mitigation project	20%
Protection of critical facilities	2%
TOTAL POINT VALUES	100%

3.2.3.6 Cost Share Requirements

FEMA may contribute up to 75 percent of the total amount approved under the grant award to implement approved activities. At least 25 percent of the total eligible costs must be provided from a non-Federal source.

Any State or federally recognized Indian Tribal government acting as an Applicant that has taken actions to reduce the number of repetitive loss properties, including severe repetitive loss properties, and has a FEMA-approved State or Tribal Hazard Mitigation Plan that specifies how it has reduced, and how it intends to reduce, the number of such repetitive loss properties is eligible to receive an increased Federal cost share of up to 90 percent of the Federal funding for grants to mitigate severe repetitive loss properties.

3.2.3.6.1 Non-Federal Cost Share

The non-Federal cost share must be in direct support of the approved activities and must be an eligible cost for FMA funding. **Of the total non-Federal share, not more than one-half may be provided from in-kind contributions.** In lieu of requesting pre-award costs, Applicants and subapplicants may submit eligible costs incurred prior to award, but after the FMA application period has opened, as their non-Federal cost share.

FMA funds generally cannot be used as cost share for another federally funded activity. In addition, non-Federal cost share funds for the FMA program cannot be used as cost share for other Federal grant programs. In general, the non-Federal cost share may not include funds from other Federal agencies, except for Federal funds that have authorizing statutes that explicitly allow the funds to be used as a cost share for other Federal grants. For exceptions, see Section 2.1.6.2 (Federal Funds Allowed to Be Used as a Non-Federal Cost Share).

3.2.3.7 Cost Overruns and Cost Under-Runs

FEMA will generally not consider a Grantee's request for additional FMA funds to pay for overruns incurred after an FMA grant is awarded. However, Grantees may use cost under-runs (i.e., unexpended funds) remaining after the expiration of the period of performance for a given subgrant to pay for cost overruns incurred under another subgrant funded and included in the same grant award.

3.3 REPETITIVE FLOOD CLAIMS PROGRAM

3.3.1 Program Overview

RFC PROGRAM	KEY POINTS
<p>The Repetitive Flood Claims (RFC) grant program provides funding to reduce or eliminate the long-term risk of flood damage to structures insured under the NFIP that have had one or more claim payments for flood damages. The long-term goal of the RFC program is to reduce or eliminate claims under the NFIP through mitigation activities that are in the best interest of the NFIF.</p> <p>RFC funds may only mitigate structures that are located within a State or community that cannot meet the cost share or management capacity requirements of the FMA program. RFC awards will prioritize projects that create the greatest savings to the NFIF based on a BCR. The BCR must be calculated using a FEMA-approved methodology.</p> <p>APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS</p> <p>FEMA may determine that eligible subapplications submitted under a specific grant program and not funded through the requested grant program may be considered by another mitigation grant program when the following requirement is met:</p> <p style="padding-left: 40px;">Applicants must include a statement in their grant application under the “Comments for FEMA” field in eGrants indicating their interest to have their subapplications considered for another mitigation grant program (specify the additional mitigation grant programs and corresponding CFDA numbers).</p> <p>FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.</p>	<p>RFC GUIDANCE</p> <p>RFC guidance document is available from the FEMA Regional Office or on the FEMA Web site: http://www.fema.gov/government/grant/rfc/index.shtm</p> <p>Eligible but unfunded subapplications submitted under a particular grant program may be submitted for consideration by other FEMA mitigation grant programs under the Unified HMA Program.</p>
AVAILABILITY OF FUNDS AND LIMITS	KEY POINTS
<p>The RFC program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds. RFC grants are awarded nationally without reference to State allocations, quotas, or other formula-based allocation(s) of funds.</p> <p>FUND LIMITS</p> <p>Funding is restricted to a maximum of \$1 million for minor localized flood reduction projects.</p> <p>COST SHARE</p> <p>All RFC grants are eligible for up to 100 percent Federal assistance.</p> <p>FUNDING ALLOCATIONS</p> <p>The Repetitive Flood Claims Grant Program is a nationally competitive program and is not based on target allocations.</p>	<p>AVAILABILITY OF FUNDS</p> <p>Interested Applicants should monitor the FEMA Web site at: http://www.fema.gov/government/grant/rfc/index.shtm for details regarding program funding availability.</p>

ELIGIBILITY REQUIREMENTS

KEY POINTS

ELIGIBLE APPLICANTS

State emergency management agencies or a similar office of the State (i.e., the office that has primary emergency management or floodplain management responsibility), the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and federally recognized Indian Tribal governments. Each State, Territory, or Tribal government shall designate one agency to serve as the Applicant for this program.

ELIGIBLE SUBAPPLICANTS

State-level agencies, federally recognized Indian Tribal governments participating in the NFIP (including State-recognized Indian Tribes, authorized Indian Tribal organizations, and Alaska Native villages), and local communities that are participating in the NFIP.

Private nonprofit (PNP) organizations and individuals are not eligible subapplicants; however, a relevant State agency or local community in which the PNP or individual resides may act as the subapplicant and apply to the Applicant for assistance to mitigate a private or PNP property.

NFIP PARTICIPATION

All subapplicants must be participating in the NFIP, and must not be suspended or withdrawn from the NFIP, to be eligible to apply for RFC funds. Property owners who participate in the RFC program must have a flood insurance policy on the structure to be mitigated that is current at the time of application and maintained through award, or until the property transfer is complete.

MITIGATION PLAN REQUIREMENT

- All Applicants must have a FEMA-approved State Mitigation Plan (Standard or Enhanced) or Tribal Mitigation Plan by the application deadline to be eligible to receive project grant funding under the RFC program, in accordance with 44 CFR Part 201; and
- If any plan is due to lapse soon after application, the project award may be held pending approval of a new or updated plan.

NFIP PARTICIPATION

NFIP participation is required for project grants to be eligible for funding under the RFC program.

MITIGATION PLAN REQUIREMENT

To be eligible for RFC grants, an Applicant must have a FEMA-approved State Mitigation Plan (Standard or Enhanced) in compliance with 44 CFR Part 201. A local mitigation plan is not required to receive RFC funds.

ELIGIBLE ACTIVITIES AND MANAGEMENT COSTS

KEY POINTS

ELIGIBLE PROJECT ACTIVITIES

RFC funds are available for mitigation projects involving:

- Acquisition and demolition or relocation of structures, with conversion of the underlying property to deed-restricted open space;
- Elevation of existing structures to at least the BFE or an ABFE or higher;
- Dry floodproofing of non-residential structures; and
- Minor localized flood reduction projects (funding limited to \$1 million per project).

ELIGIBLE MANAGEMENT COSTS

Applicant Management Costs: A separate management cost subapplication must be submitted for Applicant management costs.

ELIGIBLE PROJECT ACTIVITIES

Eligible RFC activities are limited to the mitigation of residential or non-residential (commercial) NFIP-insured properties that have had one or more claims for flood damages.

Applicants may include a maximum of 10 percent of the total funds requested in their RFC grant application budget (Federal and non-Federal shares) to support the project subapplications.

Subapplicant Management Costs: Subapplicants may include a maximum of 5 percent of the total funds requested in their project subapplication for management costs to support the project subapplication. Subapplicants requesting management costs should provide supporting documentation and include these costs as separate line items in the project cost estimate. Subapplicant management costs must be included in the project's BCA.

APPLICATION PROCESS

APPLICATION SUBMISSION

Applicants must submit the complete grant application, including subapplications and any supporting documentation, using the Web-based, electronic grant (*eGrants*) management system. Only RFC grant applications submitted through *eGrants* will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant's paper subapplications into *eGrants* on their behalf using the Paper Subapplication Intake function.

Each Applicant may submit an unlimited number of subapplications for eligible project activities that the Applicant has reviewed and approved in *eGrants*.

COST-EFFECTIVENESS REQUIREMENT

The RFC program funds cost-effective mitigation activities, demonstrated by a BCR of 1.0 or greater. The BCR is calculated by performing a BCA, a well-established method for quantitatively comparing the benefits and costs of mitigation projects. Applicants are required to submit a BCA for each mitigation project and adequate documentation for a complete review and analysis of the project.

FEASIBILITY AND EFFECTIVENESS REQUIREMENT

Mitigation projects funded by the RFC program must be both feasible and effective at mitigating the hazard(s) for which the project was designed. FEMA will use the information provided in the project subapplication and supporting documentation to review the engineering feasibility and effectiveness of the proposed project.

ENVIRONMENTAL/HISTORIC PRESERVATION REQUIREMENT

Applicants/subapplicants must answer a series of Environmental/Historic Preservation review questions in the project subapplication to provide information about environmental resources and historic properties in the project area and potential impacts to those resources. FEMA's Environmental/Historic Preservation review is completed as part of pre-award activities.

KEY POINTS

APPLICATION PERIOD

Applicants must submit an FY 2009 RFC grant application through the *eGrants* system to the appropriate FEMA Regional Office by December 19, 2008, at 11:59:59 p.m. Eastern Standard Time. All supporting documentation that cannot be attached to the *eGrants* system must be received by the FEMA Regional Office by the application deadline.

eGRANTS TECHNICAL ASSISTANCE

FEMA will provide technical assistance regarding the *eGrants* system through the *eGrants* Helpdesk: (866) 476-0544 or mtegrants@dhs.gov.

PROJECT TECHNICAL ASSISTANCE

Technical assistance for Engineering Feasibility, Benefit-Cost Analysis, and Environmental/Historic Preservation compliance is available through FEMA.

PROJECT TECHNICAL ASSISTANCE HELPLINE

Phone: (866) 222-3580 (toll free)

E-mail:

enghelpline@dhs.gov

bchelpline@dhs.gov

ehhelpline@dhs.gov

APPLICATION REVIEW	KEY POINTS
<p>APPLICANT LEVEL REVIEW</p> <p>Project subapplications are reviewed by the Applicant to ensure all program requirements are met. Applicants should submit eligible mitigation project subapplications against their target allocation.</p> <p>FEMA REVIEW</p> <p>Project applications and subapplications are reviewed by FEMA for eligibility and completeness, cost effectiveness, engineering feasibility and effectiveness, and Environmental/Historic Preservation compliance.</p> <p>ELIMINATION CRITERIA</p> <ul style="list-style-type: none"> • Ineligible Applicant or subapplicant; • Application and subapplicant mapped through the NFIP, but not participating in, suspended, or withdrawn from the NFIP; • Incomplete application; • Ineligible activities; • Mitigation projects from Applicants/subapplicants who do not have FEMA-approved mitigation plans; • Mitigation projects that are determined not to be feasible and/or effective at solving the problem for which they were designed; • Mitigation projects with a BCR less than 1.0; and • Mitigation projects without a FEMA-approved BCA or without an adequately documented BCA. 	<p>FEMA REVIEW</p> <p>Project subapplications that do not satisfy program requirements may be removed from consideration.</p>
RANKING AND SELECTION	KEY POINTS
<p>RANKING</p> <p>FEMA ranks eligible mitigation project subapplications on the basis of the greatest savings to the NFIF. Projects are ranked from highest to lowest according to the FEMA-validated BCR for the project.</p> <p>SELECTION</p> <p>Project subapplications will be selected for further review on a national basis based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR.</p>	<p>RANKING AND SELECTION</p> <p>FEMA will utilize the validated BCR to rank and prioritize projects for further review.</p>

3.3.2 Purpose

The RFC grant program provides funding to reduce or eliminate the long-term risk of flood damage to structures insured under the NFIP that have had one or more claim payments for flood damages. RFC funds may mitigate only structures that are located within a State or community that cannot meet the requirements of the FMA program for either cost share or capacity to manage the activities. The long-term goal of the RFC program is to reduce or eliminate flood claims under the NFIP through mitigation activities that are in the best interest of the NFIF.

3.3.3 RFC Grant Application Guidance

3.3.3.1 Authorization and Appropriation

The RFC grant program was created pursuant to Section 1323 of the NFIA of 1968, 42 U.S.C. § 4030, as amended by the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, with the goal of reducing flood damages to individual properties for which one or more claim payments for losses have been made under flood insurance coverage and that will result in the greatest savings to the NFIF in the shortest period of time. The CFDA number is 97.092.

The RFC program is subject to the availability of appropriation funding. RFC grants will be awarded on a national basis without reference to State allocations, quotas, or other formula-based allocations of funds. The funding source for the RFC grant program is the NFIF.

3.3.3.2 Funding Limits

Funding is restricted to a maximum of \$1 million for minor localized flood reduction projects.

3.3.3.3 Eligible Properties

All currently NFIP-insured residential or non-residential (commercial) properties with one or more claims to the NFIP are eligible to apply for RFC funds.

3.3.3.4 Eligible Activities and Associated Costs

Eligible RFC activities are limited to the mitigation of residential or non-residential (commercial) NFIP-insured properties that have had one or more claims for flood damages.

Eligible activities include:

- **Acquisitions/Relocations**: The acquisition of the structure and underlying real property for the purpose of creating open space, demolition or relocation of the structure, and conversion of the property to deed-restricted open space uses in perpetuity. The relocation of existing residential structures must be to areas outside of the SFHA or local regulatory floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land-use regulations;
- **Elevations**: Any activity through which an existing building with the lowest floor below the BFE is physically raised to an elevation at or above the BFE, with a new foundation system constructed. Structural elevation may be achieved through a

variety of methods including elevating on continuous foundation walls, elevating on open foundations such as piles, piers, posts, or columns, and elevating on fill.

The techniques used for elevating structures in accordance with FEMA requirements can be found at: <http://www.fema.gov/government/grant/mitmeasures/elevate.shtm>;

- **Dry Floodproofing**: Floodproofing of existing non-residential structures in accordance with the requirements of the NFIP or higher standards if required by FEMA or if required by any State or local ordinance, and in accordance with criteria established by the Administrator; and
- **Minor Localized Flood Reduction Projects**: These projects may include the installation or modification of culverts and floodgates, the creation of small retention and detention basins, and the upgrade of culverts to bridges. Minor localized flood reduction projects must not duplicate the flood prevention activities of other Federal agencies.

At least 50 percent of the structures directly benefiting from the mitigation activity must be properties that are both NFIP-insured and have one or more claims to the NFIP. Documentation must be provided in the subapplication that identifies all properties that will benefit from this activity and specifically identifies the RFC properties.

Any improvements on the property shall be in accordance with the standards of the NFIP Floodplain Management Regulations. Structures on the property shall be floodproofed or elevated to at least the BFE or an ABFE or higher if required by any State or local ordinance and in accordance with criteria established in this Guidance.

3.3.3.5 Ineligible Activities and Associated Costs

Certain project activities and their associated costs are not eligible. The following project activities are not eligible for the RFC grant program:

- Mitigation plan development, update, or amendment;
- Major flood control projects such as the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, or waterway channelization, and erosion projects related to beach nourishment or re-nourishment;
- Dry floodproofing of any residential structures;
- Phased or partial project that is dependent on another phase or part to be effective and/or feasible;
- Mitigation Reconstruction. Mitigation Reconstruction is defined as any activity where an existing building and/or foundation is partially or completely demolished or destroyed and an improved, elevated building is constructed on the same site. This includes, but is not limited to, pre-existing buildings that were substantially damaged

or destroyed as a result of a declared event. All activities submitted for consideration under FEMA's HMA programs that result in the construction of new living space at or above the BFE shall be considered Mitigation Reconstruction. Mitigation Reconstruction is currently an eligible activity type within the HMGP Gulf Coast Pilot and the SRL Program;

- Activities for which implementation has already been initiated or completed;
- Studies that do not result in a completed mitigation project (e.g., engineering designs, feasibility studies, or drainage studies that are not integral to the proposed project);
- Flood studies or flood mapping (i.e., general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Projects that address solely the operation, maintenance, or repair of existing structures, facilities or infrastructure (e.g., dredging, debris removal, bridges and dam repair/rehabilitation);
- Generators and related equipment, such as generator hook-ups, for non-critical facilities or as a stand-alone activity;
- Warning and alert notification systems (e.g., NOAA weather radios);
- Response and communication equipment;
- Landscaping for ornamentation (trees, shrubs, etc.);
- Site remediation of hazardous contaminants; and
- Legal procedures related to litigation for an approved application or subapplication.

3.3.3.6 Non-Federal Cost Share and Documentation

Approved RFC activities are eligible for up to 100 percent Federal funding for the amount approved under the grant award, with no non-Federal match required. Like other FEMA mitigation grant funds, RFC funds generally cannot be used as cost share for another federally funded activity. In general, the non-Federal cost share may not include funds from other Federal agencies, except for Federal funds that have authorizing statutes that explicitly allow the funds to be used as a cost share for other Federal grants. For exceptions, see Section 2.1.6.2 (Federal Funds Allowed to Be Used as a Non-Federal Cost Share).

3.3.3.7 Cost Overruns and Cost Under-Runs

In the RFC program the Federal award amounts are final. There will be no additional FEMA funding beyond the initial award. FEMA will not cover the cost of overruns associated with grant activities. All costs for which funding is requested must be included in the cost estimate section of the original grant application.

Cost under-runs (i.e., unexpended funds) remaining after the expiration of the period of performance must be reported to FEMA for de-obligation.

Cost under-runs from one subapplication cannot be used to meet another subapplication's cost overrun.

3.3.3.8 Reduced Capacity Requirement and Small and Impoverished Communities

All RFC grant applications must demonstrate that the proposed activities cannot be funded under the FMA program due to lack of State or local capacity, which includes either inability to manage the subgrant or lack of 25 percent match. Applicants are encouraged to conduct outreach to potential subapplicants that may have previously been unable to apply for FMA or other mitigation programs due to their inability to provide a match or their insufficient capacity to manage a grant. FEMA may contribute up to 100 percent of the total amount approved under the RFC grant award to implement approved activities, if the Applicant has demonstrated either of the following:

- The State and the community are not able to meet the 25-percent non-Federal match that would otherwise make the activity eligible under the FMA program. The Applicant and the subapplicant must provide certification (i.e., signed letter or other document from an authorized government official) that they cannot meet this requirement, and the activity could therefore not be funded under the FMA program through the annual State FMA allocations. If a project has been previously submitted (within 1 year) for funding under FMA and was not funded, the State or community must explain and certify why the 25 percent non-Federal match is no longer available for this project; and
- The State or community does not have the capacity to manage the activities under the FMA program. The Applicant or subapplicant must provide certification (i.e., signed letter or other document from an authorized government official) that the State or community does not have the capacity to manage the proposed activities. If a project has been previously submitted (within 1 year) for funding under FMA and was not funded, the State or community must explain and certify why it no longer has the capacity to manage this project. Lack of capacity may be shown by:
 - A lack of adequate resources (staff or funding) to successfully administer and manage the grant activity; or
 - Meeting the definition of “small, impoverished community.”

If claiming reduced capacity as a “small, impoverished community,” see Section 3.1.3.10.1 (Small and Impoverished Communities) for eligibility criteria.

See Figure 3-1, RFC Reduced Capacity Requirement, for further clarification.

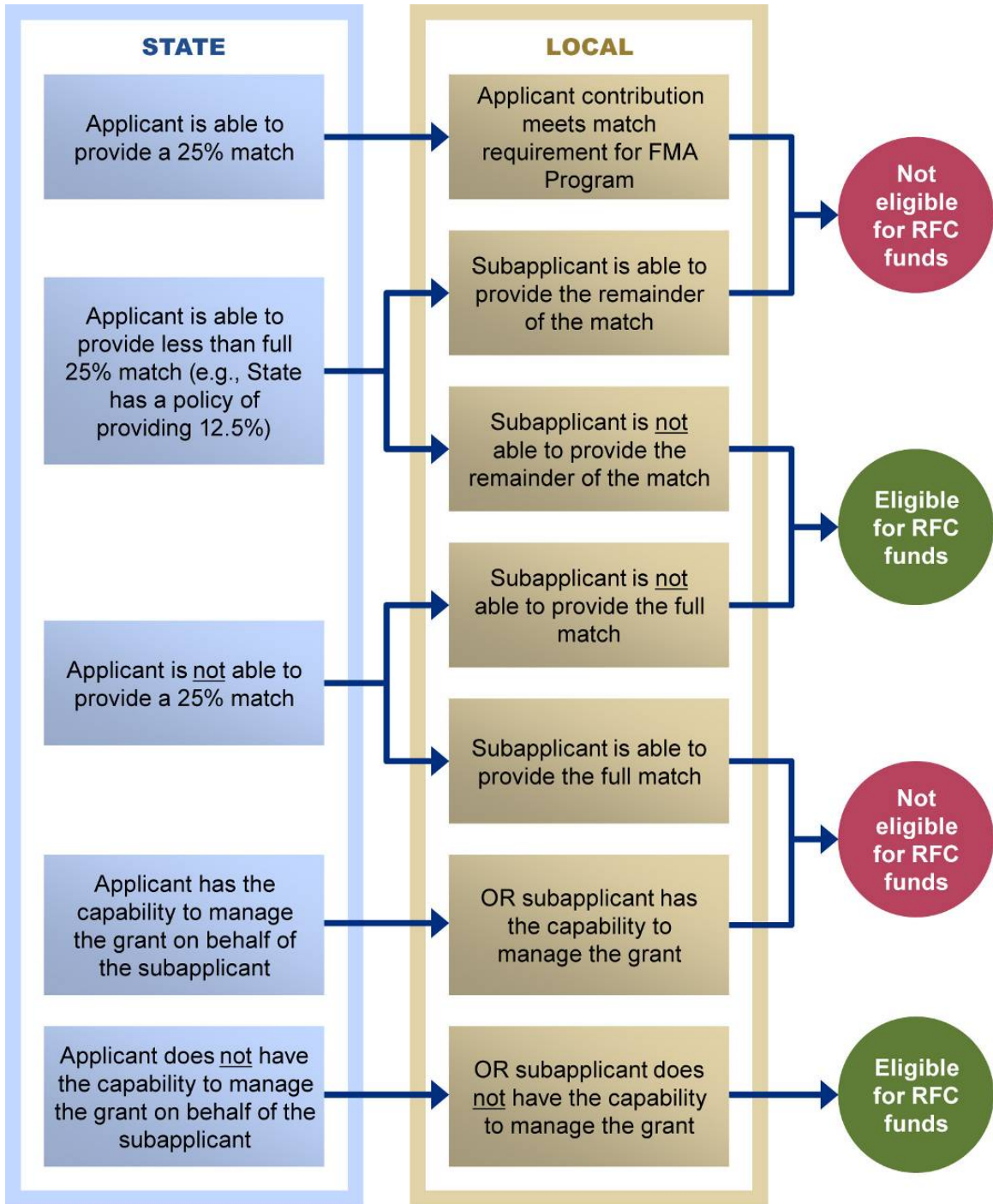


Figure 3-1: RFC Reduced Capacity Requirement

3.3.3.9 National Ranking and Selection

FEMA will rank all eligible mitigation project subapplications on the basis of the greatest savings to the NFIF as demonstrated by the verified project aggregate BCA. All projects will be ranked from highest verified BCA to lowest verified BCA. The Approving Federal Official at FEMA will consider the national ranking and program priorities in determining which projects are selected for award up to the amount of funds available for the RFC program.

Eligible project subapplications not selected for RFC grant awards during the current cycle will be placed on a waiting list and may be considered for RFC grant awards during the next RFC program funding cycle.

3.4 SEVERE REPETITIVE LOSS PROGRAM

3.4.1 Program Overview

SRL PROGRAM	KEY POINTS
<p>The Severe Repetitive Loss (SRL) Pilot Program, hereafter referred to as the SRL program, provides funding to reduce or eliminate the long-term risk of flood damage to severe repetitive loss residential structures insured under the NFIP.</p> <p>SRL program Applicants shall give priority to eligible project subapplications that demonstrate the greatest savings to the NFIF based on a BCR. The BCA must be completed using a FEMA-approved methodology.</p>	<p>SRL GUIDANCE</p> <p>The SRL guidance document is available from the FEMA Regional Office or at: http://www.fema.gov/government/grant/srl/index.shtm.</p>

AVAILABILITY OF FUNDS AND LIMITS	KEY POINTS
<p>The SRL program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.</p> <p>FUND LIMITS</p> <p>Funding is restricted to a maximum Federal cost share of \$150,000 for Mitigation Reconstruction projects.</p> <p>COST SHARE</p> <p>FEMA may contribute up to 75 percent Federal funding for the amount approved under the grant award to implement approved activities.</p> <p>An increased Federal cost share of up to 90 percent is available for any State or federally recognized Indian Tribal government acting as an Applicant that has taken actions to reduce the number of repetitive loss properties, including severe repetitive loss properties, and has a FEMA-approved State or Tribal Mitigation Plan that specifies how it has reduced, and how it intends to reduce, the number of such repetitive loss properties.</p> <p>FUNDING ALLOCATIONS</p> <p>An Applicant’s target allocation is based on the national percentage of SRL properties present within the jurisdiction. The Applicant may apply for funding up to or exceeding its target allocation.</p> <p>States, Territories, and federally recognized Indian Tribal governments that do not meet the minimum threshold to receive a target allocation will be eligible to apply for a 10 percent set-aside of the SRL funds.</p> <p>Federally recognized Indian Tribal governments may receive funds through the 10 percent set-aside as a Grantee. Grant amounts allocated for Indian Tribal governments serving as the Grantee will not count against a State’s assigned target allocation.</p>	<p>AVAILABILITY OF FUNDS</p> <p>Interested Applicants should monitor the FEMA Web site at http://www.fema.gov/government/grant/srl/index.shtm for details regarding program funding availability.</p>

ELIGIBILITY REQUIREMENTS	KEY POINTS
<p>ELIGIBLE APPLICANTS</p> <p>State emergency management agencies or a similar office of the State (i.e., the office that has primary emergency management or floodplain management responsibility), the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and federally recognized Indian Tribal governments. Each State, Territory, or Tribal government shall designate one agency to serve as the Applicant for this program.</p>	<p>NFIP PARTICIPATION</p> <p>NFIP participation is required for project grants to be eligible for funding under the SRL program.</p>

ELIGIBLE SUBAPPLICANTS

State-level agencies, federally recognized Indian Tribal governments participating in the NFIP (including State-recognized Indian Tribes, authorized Indian Tribal organizations, and Alaska Native villages), and local communities that are participating in the NFIP.

Private nonprofit (PNP) organizations and individuals are not eligible subapplicants; however, a relevant State agency or local community in which the PNP or individual resides may act as the subapplicant and apply to the Applicant for assistance to mitigate a private or PNP property.

NFIP PARTICIPATION

All subapplicants must be participating in the NFIP, and must not be suspended or withdrawn from the NFIP, to be eligible to apply for SRL funds. Property owners who participate in the SRL program must have a flood insurance policy on the structure to be mitigated that is current at the time of application and maintained through award, or until the property transfer is complete.

MITIGATION PLAN REQUIREMENT

All Applicants must have a FEMA-approved State Mitigation Plan (Standard or Enhanced) or Tribal Mitigation Plan by the application deadline to be eligible to receive project grant funding under the SRL program, in accordance with 44 CFR Part 201. In addition, all subapplicants must have a FEMA-approved mitigation plan by the application deadline to be eligible to receive project grant funding under the SRL program.

In order to be eligible for an increased cost share of up to 90 percent, the FEMA-approved State or Tribal Mitigation Plan (for Tribal Grantee) in effect at the time of grant award must address repetitive loss properties.

If any plan is due to lapse soon after application, the project award may be held pending approval of a new or updated plan.

MITIGATION PLAN REQUIREMENT

Projects submitted for consideration must be consistent with the goals and objectives identified in the current FEMA-approved mitigation plan for the jurisdiction in which the activity is located.

ELIGIBLE ACTIVITIES AND MANAGEMENT COSTS

ELIGIBLE PROJECT ACTIVITIES

- Acquisition and demolition or relocation of structures, with conversion of the underlying property to deed-restricted open space;
- Elevation of existing structures to at least the BFE or an ABFE or higher. Mitigation reconstruction is permitted when traditional elevation cannot be implemented;
- Minor physical localized flood reduction projects; and
- Dry floodproofing (historic properties only).

ELIGIBLE MANAGEMENT COSTS

Applicant Management Costs: A separate management cost subapplication must be submitted for Applicant management costs. Applicants may include a maximum of 10 percent of the total funds requested in their SRL grant application budget (Federal and non-Federal shares) to support the project subapplications.

Subapplicant Management Costs: Subapplicants may include a maximum of 5 percent of the total funds requested in their project subapplication for management costs to support the project. Subapplicants requesting management costs should provide supporting documentation and include these

KEY POINTS

ELIGIBLE PROJECT ACTIVITIES

To be eligible for funding, properties must be currently insured by the NFIP at the time of the application and remain insured through the completion of the project.

costs as separate line items in the project cost estimate. Subapplicant management costs must be included in the project's BCA.

CONSULTATION WITH THE PROPERTY OWNER

CONSULTATION PROCESS

The consultation process is a required notification and information gathering process. The subapplicant will consult with the property owner prior to submitting the subgrant application on project activity types, estimated costs, and insurance implications, as well as the right to appeal. The subapplicant will make the consultation process as simple and streamlined as possible for the property owner. The consultation does not represent a formal offer of mitigation assistance.

KEY POINTS

CONSULTATION PROCESS

The goal of this process is for the Applicant/subapplicant to notify the property owner that his/her property will be included in an SRL subapplication, discuss pertinent program requirements, and identify appropriate mitigation activities.

APPLICATION PROCESS

APPLICATION SUBMISSION

Applicants must submit the complete grant application, including subapplications and any supporting documentation, using the Web-based, electronic grant (*eGrants*) management system. Only SRL grant applications submitted through *eGrants* will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant must enter the subapplicant's paper subapplications into *eGrants* on their behalf using the Paper Subapplication Intake function.

Each Applicant may submit an unlimited number of subapplications for eligible project activities that the Applicant has reviewed and approved in *eGrants*.

COST-EFFECTIVENESS REQUIREMENT

The SRL program funds cost-effective mitigation activities, demonstrated by a BCR of 1.0 or greater. The BCR is calculated by performing a BCA, a well-established method for quantitatively comparing the benefits and costs of mitigation projects. Applicants are required to submit a BCA for each mitigation project and adequate documentation for a complete review and analysis of the project.

FEASIBILITY AND EFFECTIVENESS REQUIREMENT

Mitigation projects funded by the SRL program must be both feasible and effective at mitigating the hazard(s) for which the project was designed. FEMA will use the information provided in the project subapplication and supporting documentation to review the engineering feasibility and effectiveness of the proposed project.

ENVIRONMENTAL/HISTORIC PRESERVATION REQUIREMENT

Applicants/subapplicants must answer a series of Environmental/Historic Preservation review questions in the project subapplication to provide information about environmental resources and historic properties in the project area and potential impacts to those resources. FEMA's Environmental/Historic Preservation review is completed as part of pre-award activities.

KEY POINTS

APPLICATION PERIOD

Applicants must submit an FY 2009 SRL grant application through the *eGrants* system to the appropriate FEMA Regional Office by December 19, 2008, at 11:59:59 p.m. Eastern Standard Time. All supporting documentation that cannot be attached to the *eGrants* system must be received by the FEMA Regional Office by the application deadline.

eGRANTS TECHNICAL ASSISTANCE

FEMA will provide technical assistance regarding the *eGrants* system through the *eGrants* Helpdesk: (866) 476-0544 or mtegrants@dhs.gov.

PROJECT TECHNICAL ASSISTANCE

Technical assistance for Engineering Feasibility, Benefit-Cost Analysis, and Environmental/Historic Preservation compliance is available through FEMA.

PROJECT TECHNICAL ASSISTANCE HELPLINE

Phone:(866) 222-3580 (toll free)
E-mail:

enghelpline@dhs.gov
bchelpline@dhs.gov
ehhelpline@dhs.gov

APPLICATION REVIEW

APPLICANT LEVEL REVIEW

Project subapplications are reviewed by the Applicant to ensure all program requirements are met. Applicants should submit eligible mitigation project subapplications against their target allocation.

FEMA REVIEW

Project applications and subapplications are reviewed by FEMA for eligibility and completeness, cost effectiveness, engineering feasibility and effectiveness, and Environmental/Historic Preservation compliance.

ELIMINATION CRITERIA

- Ineligible Applicant or subapplicant;
- Application and subapplicant mapped through the NFIP, but not participating in, suspended, or withdrawn from the NFIP;
- Incomplete application;
- Ineligible activities;
- Mitigation projects from Applicants/subapplicants who do not have FEMA-approved mitigation plans;
- Mitigation projects that are determined not to be feasible and/or effective at solving the problem for which they were designed;
- Mitigation projects with a BCR less than 1.0; and
- Mitigation projects without a FEMA-approved BCA or without an adequately documented BCA.

FEMA REVIEW

Project subapplications that do not satisfy program requirements may be removed from consideration.

RANKING AND SELECTION

RANKING

FEMA ranks eligible mitigation project subapplications on the basis of the greatest savings to the NFIF. Projects are ranked from highest to lowest according to the FEMA-validated BCR for the project.

SRL TARGET ALLOCATION APPLICATION SELECTION

Eligible subapplications from Applicants receiving an SRL target allocation will be selected for further review up to their target allocation based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR.

SRL SET-ASIDE APPLICATION SELECTION

Eligible subapplications from Applicants without an SRL target allocation will be selected for further review on a national basis based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR.

KEY POINTS

RANKING AND SELECTION

FEMA will utilize the validated BCR to rank and prioritize projects for further review.

MITIGATION OFFER PROCESS

MITIGATION OFFER

The mitigation offer process begins once FEMA has awarded the grant funds to the Grantee and the Grantee has provided the grant funds to the subgrantee. The subgrantee will extend the formal Mitigation Offer to each property owner through a Mitigation Offer Letter.

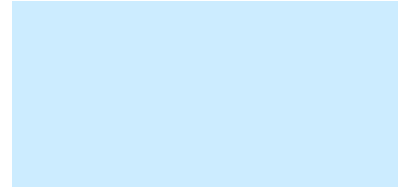
KEY POINTS

MITIGATION OFFER

Subgrantees are responsible for extending the formal Mitigation Offer to property owners following grant award.

INSURANCE IMPLICATIONS FOR DECLINING THE MITIGATION OFFER

SRL property owners who decline a formal offer of mitigation under the SRL program will be subject to an increase in their insurance premium rates under the NFIP. SRL property owners may appeal insurance premium rate increases as outlined in the SRL program guidance.



3.4.2 Purpose

The SRL Pilot Program, hereafter referred to as the SRL program, provides funding to reduce or eliminate the long-term risk of flood damage to severe repetitive loss residential structures insured under the NFIP. The definition of severe repetitive loss as applied to this program was established in section 1361A of the NFIA, 42 U.S.C. § 4102a. An SRL property is a **residential property** that is covered under an NFIP flood insurance policy and:

- (a) That has at least four NFIP claim payments (including building and contents) over \$5,000 each, and the cumulative amount of such claims payments exceeds \$20,000; or
- (b) For which at least two separate claims payments (building payments only) have been made with the cumulative amount of the building portion of such claims exceeding the market value of the building.

For both (a) and (b) above, at least two of the referenced claims must have occurred within any 10-year period, and must be greater than 10 days apart.

The long-term goal of the SRL program is to reduce or eliminate claims under the NFIP through project activities that will result in the greatest savings to the NFIP in the shortest period of time. Individual property owners who decline offers of mitigation assistance under the SRL program will be subject to insurance premium rate increases; however, such increases may be appealed under certain conditions.

FEMA may contribute up to 75 percent Federal funding for the amount approved under the grant award to implement approved activities. Any State or federally recognized Indian Tribal government that has taken actions to reduce the number of repetitive loss properties, including severe repetitive loss properties, and has a FEMA-approved State Mitigation Plan that specifies how it has and how it intends to reduce the number of such repetitive loss properties, is eligible to receive an increased Federal cost share of up to 90 percent Federal funding for SRL grants.

Applicants and subapplicants please note the following: The SRL program differs from FEMA's other mitigation grant programs in that those property owners who decline offers of mitigation assistance will be subject to increases to their insurance premium rates. Furthermore, prior to submitting a grant application to FEMA, Applicants and subapplicants must consult, to the best extent practicable, with the property owner to select the most appropriate project type for that property to meet all programmatic, State, and local requirements. Generally, the term "property owner" includes any co-owners who share title to the property. Accordingly, the subgrantee shall take all necessary steps to ensure the property owner is fully informed of the conditions and procedures of the program, and that proper consultation and offer procedures are followed. Any Mitigation Offer made under the SRL program remains open and available to the property owner as long as the SRL program exists, subject to the availability of funds. In the event that the property owner does not accept a mitigation offer, the property owner may appeal the insurance premium rate increase under certain conditions.

3.4.3 SRL Grant Application Guidance

3.4.3.1 Authorization and Appropriation

The SRL program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.

The SRL program was created pursuant to Section 1361A of the NFIA of 1968 (or “the Act”), 42 U.S.C. § 4102a, as amended by the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, with the goal of reducing flood damages to SRL properties. The CFDA number for the SRL program is 97.110.

FEMA published the interim final rule for the SRL program in the *Federal Register* at 72 FR 61720 on October 31, 2007. The regulations are codified at 44 CFR Part 79.

3.4.3.2 SRL Target Allocations Application Selection

An Applicant’s target allocation is based on the national percentage of SRL properties present within the jurisdiction. Applicants may apply for funding up to or exceeding their target allocation. States, Territories, and federally recognized Indian Tribal governments that do not meet the minimum threshold to receive a target allocation will be eligible to apply for a 10 percent set-aside of the SRL funds. In addition, federally recognized Indian Tribal governments may receive SRL funds through this set-aside as either a Grantee or subgrantee. The funds awarded to Indian Tribal governments serving as the Grantee will not count against a State’s assigned target allocation.

Eligible subapplications from Applicants receiving an SRL target allocation will be selected for further review up to their target allocation based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR. FEMA Regional Offices shall give priority to eligible project subapplications up to the Applicant’s target allocation from highest BCR to lowest BCR. Eligible project subapplications not selected for further review may be forwarded for consideration under the 10 percent set-aside.

The Regional Offices will notify Applicants if subapplications have been selected for further review, determined eligible but unfunded, or determined ineligible. Applicants may resubmit unfunded project subapplications for consideration in the next fiscal year.

3.4.3.3 Redistribution of Funds

For any of the following cases, FEMA may redistribute funds in any given fiscal year:

- An Applicant with a target allocation chooses not to participate in the SRL program;
- An Applicant’s target allocation exceeds the amount of eligible subapplications submitted; and
- Applicants included in the 10 percent set-aside have not submitted subapplications up to the set-aside amount.

FEMA may redistribute funds to Applicants with eligible subapplications that exceed either of the following:

- Their target allocations; and/or
- The amount of the 10 percent set-aside.

In all cases, FEMA will give priority to subapplications based on the FEMA validated BCR. This will provide opportunities for other Applicants and subapplicants to carry-out eligible activities in accordance with program goals.

3.4.3.4 SRL 10 Percent Set-Aside Application Selection

Subapplications from Applicants without an SRL target allocation, and those forwarded from the Target Allocation Application Selection Process (Applicants with excess subapplications), will be selected for further review on a national basis based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR. Project subapplications will be ranked nationally from highest BCR to lowest BCR and selected for further review in that order, until funds are exhausted.

The FEMA Regional Offices will notify Applicants if subapplications have been selected for further review, determined eligible but unfunded, or determined ineligible. Applicants may resubmit unfunded project subapplications for consideration in the next fiscal year.

3.4.3.5 Application Process

All Applicants must submit the complete grant application, including each subapplication and any supporting documentation, through the Web-based eGrants management system. Subapplicants should consult the designated SRL Point of Contact in their State, Territory, or federally recognized Indian Tribal government for more information regarding the application process. Applicants are strongly encouraged to establish an earlier deadline for subapplicants to submit project subapplications in order to allow time to review and give priority to project subapplications prior to submission to FEMA. Application instructions are also available at: <http://www.fema.gov/government/grant/srl/index.shtm>.

Application procedures for States, Territories, and federally recognized Indian Tribal governments:

- Applicants with target allocations can submit SRL projects up to or in excess of their allocation. Applicants are encouraged to submit subapplications in excess of their target allocation in the event that some subapplications are determined ineligible;
- Applicants not meeting the minimum threshold for a target allocation can submit SRL projects to the 10 percent set-aside. The FEMA Regional Office may forward these applications to FEMA headquarters for review and national ranking according to the FEMA-validated BCR;

- Federally recognized Indian Tribal governments are encouraged to request SRL assistance through their State emergency management office or floodplain management agency (i.e., State agencies normally responsible for other FEMA mitigation programs). The State agency will contact the FEMA Regional Office when serving as a Grantee on behalf of an Indian Tribal government. Funds awarded to an Indian Tribal government applying as a subapplicant through the State will be considered part of the State's target allocation; and
- A federally recognized Indian Tribal government serving as the Applicant can submit SRL projects to the 10 percent set-aside and therefore apply directly to FEMA if:
 - The State does not meet the minimum threshold for receiving an SRL target allocation;
 - The State will not, or cannot, serve as Grantee for the federally recognized Indian Tribal government; or
 - The federally recognized Indian Tribal government prefers to act as an Applicant/Grantee.

Funds awarded to a federally recognized Indian Tribal government applying as an Applicant will not count against a State's target allocation.

Applicants shall give priority to applications that demonstrate the greatest savings to the NFIF based on a BCR using a FEMA-approved methodology. FEMA's list of prioritized properties based on insurance history can be a useful tool in this process.

For the NFIF to realize the greatest savings in the shortest period of time from SRL projects, Applicants shall submit project subapplications that can be obligated 1 year from the close of the application deadline and completed within 3 years from the date of award. Extensions of grant performance periods may be approved as described in Section 2.6.3 (Extensions).

Subapplications from Applicants receiving an SRL target allocation will be selected for further review up to their target allocation based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR. Subapplications from Applicants without an SRL target allocation will be selected for further review on a national basis, based on the greatest savings to the NFIF, as demonstrated by the FEMA-validated BCR.

3.4.3.6 SRL Program Eligibility

All subapplicants must be actively participating in the NFIP (must not be suspended or withdrawn) to be eligible to apply for SRL funds. Property owners who participate in the SRL program must have a flood insurance policy on the structure to be mitigated that is current at the time of application and maintained through award, or until property transfer is complete. Applicants are encouraged to amend their plans to include a strategy for mitigating existing and future repetitive loss properties in order to be eligible to receive an increased Federal cost share of up to 90 percent for SRL grants.

3.4.3.7 Eligible Properties

Only residential properties meeting the definition of severe repetitive loss are eligible for flood mitigation grant funding through the SRL program. Such properties must be currently insured by the NFIP at the time of application and remain insured through the completion of the project. For acquisition projects, insurance must be maintained by the property owner until the transfer of ownership.

3.4.3.8 Eligible Activities and Associated Costs

To be eligible for funding, properties must be currently insured by the NFIP at the time of application and the insured property must be covered through the completion of the project. For acquisition projects, insurance must be maintained by the property owner until the transfer of ownership. For projects that mitigate existing structures remaining in the SFHA, insurance must be maintained for the life of the property. The SFHA is defined as the land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year (see Section 3.4.9, Special Flood Hazard Area Requirement).

Only the following mitigation activities are eligible for the SRL program:

- a) **Acquisitions/Relocations:** The acquisition of the structure and underlying real property for the purpose of creating open space, demolition or relocation of the structure, and conversion of the property to deed-restricted open space uses in perpetuity. Applicants and subapplicants must comply with 44 CFR Part 80 and this Guidance. The relocation of existing residential structures must be to areas outside of the SFHA or local regulatory floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land-use regulations (see Section 2.3.13, Property Acquisition and Relocation for Open Space);
- b) **Elevations:** Any activity through which an existing building with the lowest floor below the BFE is physically raised to an elevation at or above the BFE, with a new foundation system constructed. Structural elevation may be achieved through a variety of methods including elevating on continuous foundation walls; elevating on open foundations such as piles, piers, posts, or columns; and elevating on fill.

The techniques used for elevating structures in accordance with FEMA requirements can be found at: <http://www.fema.gov/government/grant/mitmeasures/elevate.shtm>;

- c) **Mitigation Reconstruction:** Any activity where an existing building and/or foundation is partially or completely demolished or destroyed and an improved, elevated building is constructed on the same site. This includes, but is not limited to, pre-existing buildings that were substantially damaged or destroyed as a result of a declared event. All activities submitted for consideration under FEMA's HMA programs that result in the construction of new living space at or above the BFE shall be considered Mitigation Reconstruction and shall be subject to all related requirements. Mitigation Reconstruction is currently an eligible activity type within the HMGP Gulf Coast Pilot and the SRL Program.

Eligible costs for Mitigation Reconstruction are limited to \$150,000 Federal share per property (excluding administrative allowances and permitting fees); in some cases there may be a higher percentage of non-Federal share required to cover the total project costs. Mitigation Reconstruction will not be eligible if the structure is located in a regulatory floodway or Zone V as identified on the effective FIRM, or within the mapped limit of the 1.5-foot breaking wave zone (see Section 3.4.8, Mitigation Reconstruction);

- d) **Minor Localized Flood Reduction Projects:** These projects may include the installation or modification of culverts and floodgates; the creation of small retention and detention basins; and upgrades of culverts to bridges. The purpose of this project type is to lessen the frequency or severity of flooding and decrease predicted flood damages. Minor localized flood reduction projects must not duplicate the flood prevention activities of other Federal agencies.

At least 50 percent of the structures directly benefiting from this mitigation activity must be SRL properties. Documentation must be provided in the subapplication that identifies all properties that will benefit from this activity and specifically identifies the SRL properties; and

- e) **Floodproofing:** Dry floodproofing of a historic residential structure is permissible only when other techniques that would mitigate to the BFE would cause the structure to lose its status as listed or eligible for inclusion on the NRHP. Structures to be dry floodproofed must meet the definition of a Historic Structure in 44 CFR § 59.1.

Floodproofing must be performed in accordance with NFIP Technical Bulletin 3-93, *Non-Residential Floodproofing—Requirements and Certification*, and the requirements pertaining to floodproofing of non-residential structures found in 44 CFR §§ 60.3(b)(5) and (c)(4).

3.4.3.9 Criteria for Subapplicant Consideration of Project Type

The subapplicant will consider the following information in examining potential project activity types. The subapplicant should determine the activity types that it does not typically implement for legal, cost effectiveness, contractual, land-use, or other policy reasons prior to consulting with the property owner. For example:

- Subapplicants should provide similar treatment to all property owners regarding the use of pre-event or current market value for acquisition projects;
- In order to maintain their tax base, some subapplicants will not elect to pursue an acquisition project;
- Some subapplicants will not select a specific mitigation activity because that mitigation approach is not preferred, and thus is not integrated into their FEMA-approved mitigation plans;
- Some subapplicants may not wish to implement elevation or acquisition projects requiring pass through of Federal funds to the SRL property owner;

- Some subapplicants may experience a shortage of qualified contractors and structural engineers to implement relocation, elevation, Mitigation Reconstruction, acquisition projects, or floodproofing (for historic properties only); and
- Some subapplicants may select minor, physical localized flood reduction projects because property owners will not experience the risk of increased insurance premium rates.

The subapplicant shall describe the process used to evaluate elevation mitigation measures. When Mitigation Reconstruction is selected, the following list of general criteria must be addressed in writing, as appropriate, to demonstrate why traditional elevation cannot be implemented:

- Health considerations, such as asbestos, mold, etc., requiring demolition;
- Structure and foundation type cannot be elevated due to high likelihood of collapse or disintegration of structure during the process (this statement must be certified by a registered engineer or architect);
- Local government is unable to support structural elevation for reasons such as the elevated structure would be non-compliant with the minimum standards of the 2003 International Codes or other codes and ordinances as certified by local building official; and
- Project costs are prohibitive and do not achieve a BCR of 1.0 or greater.

Information regarding appropriate mitigation project types is available in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. In addition, Figures 3-2 and 3-3 illustrate a recommended sequence for considering the feasibility of project activity types. Mitigation Reconstruction is permitted when traditional elevation cannot be implemented.

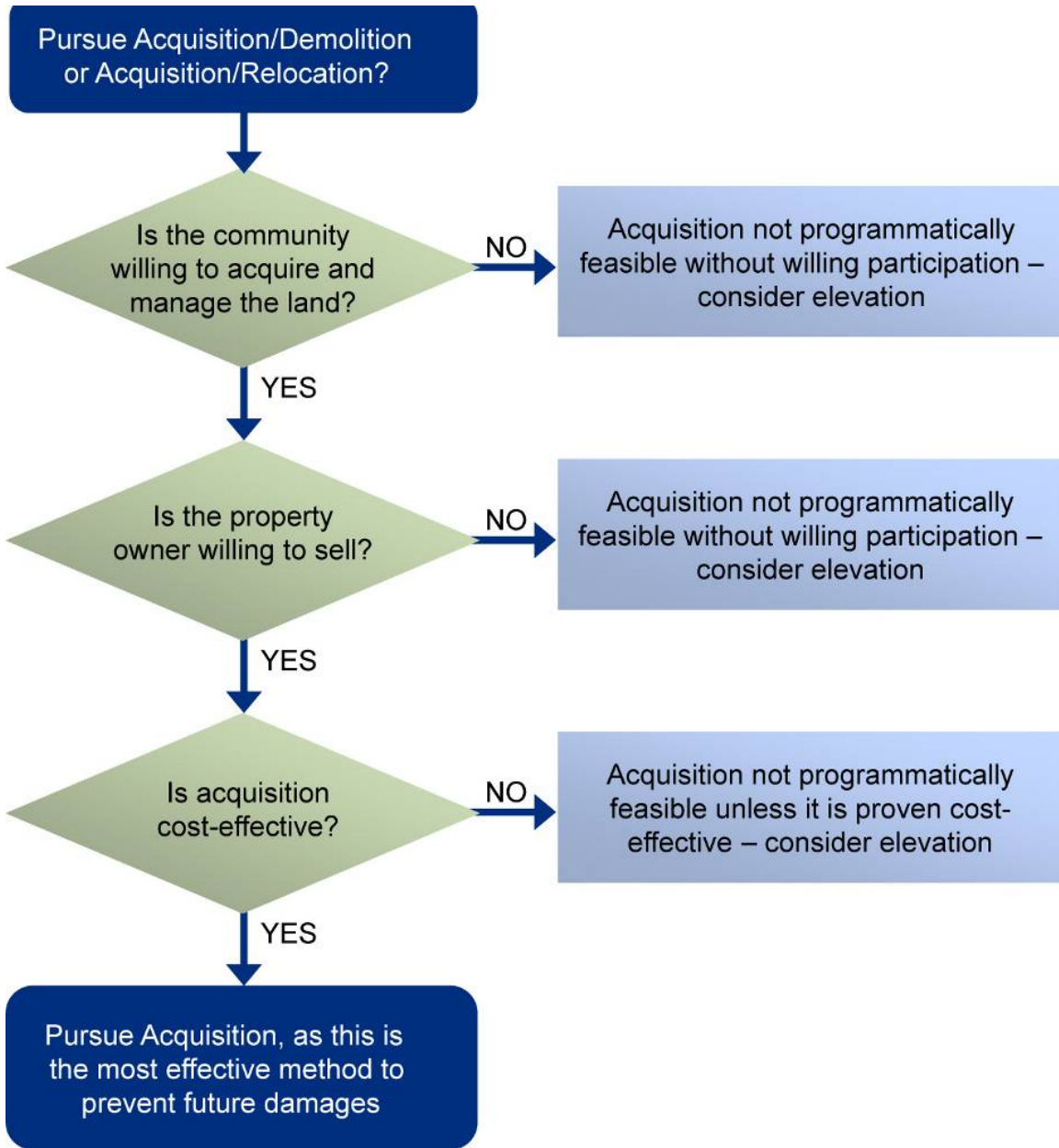


Figure 3-2: Property Acquisition Decisionmaking Tree

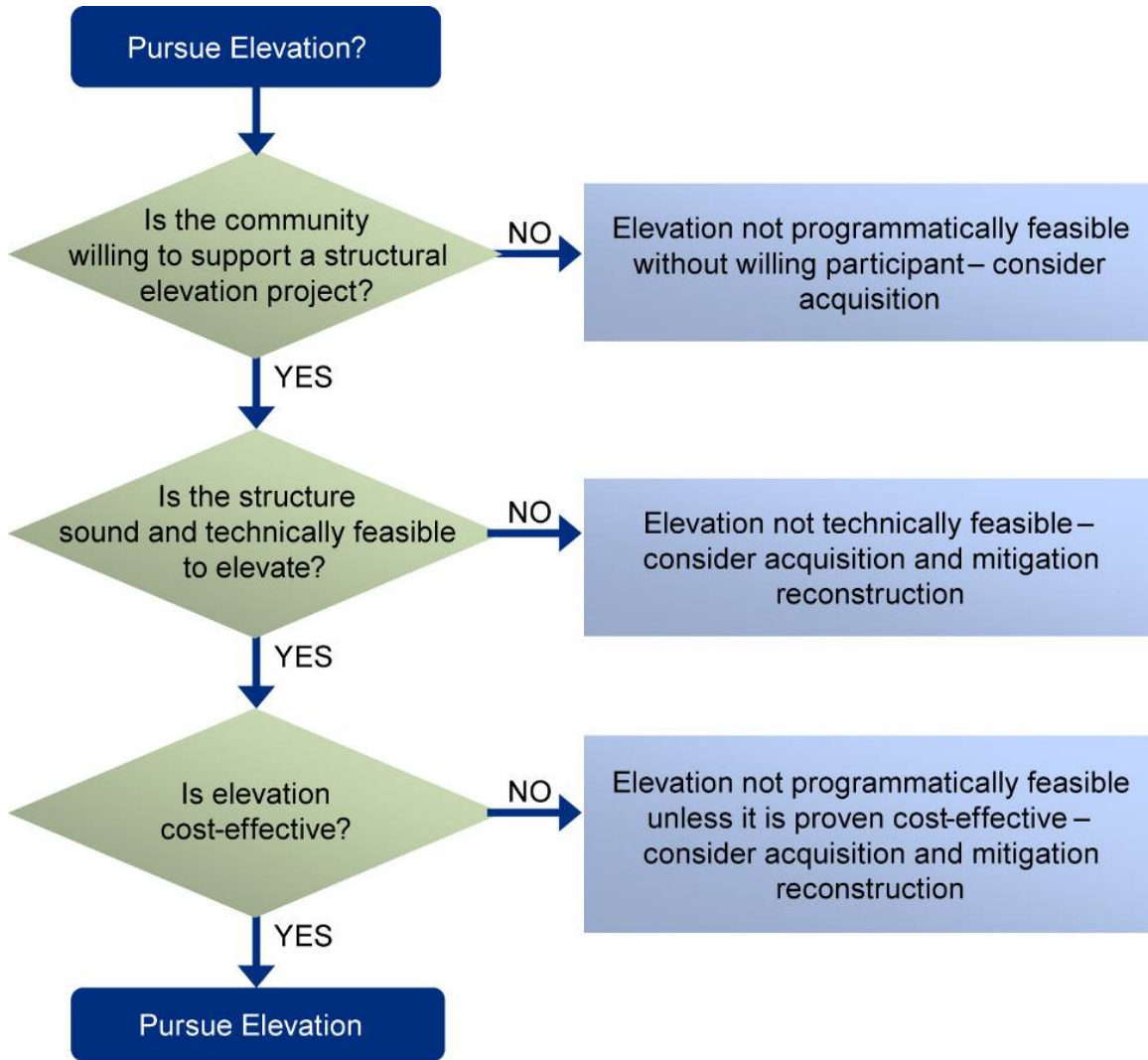


Figure 3-3: Structural Elevation Decisionmaking Tree

3.4.3.10 Ineligible Activities and Associated Costs

Certain project activities and their associated costs are not eligible. Ineligible project activities and costs include, but are not limited to, the following:

- Hazard mitigation plan development, update, or amendment;
- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, and waterway channelization, and erosion projects related to beach nourishment or re-nourishment;
- Mitigation Reconstruction located in a regulatory floodway or Zone V as identified on the effective FIRM, or within the mapped limit of the 1.5-foot breaking wave zone;

- Floodproofing of any residential structure that does not qualify as a historic residential property listed or eligible for inclusion in the NRHP;
- A phased or partial project that is dependent on another phase or part to be effective and feasible;
- Studies not directly related to the design and implementation of the proposed mitigation project;
- Flood studies or flood mapping other than project designs and eligibility analyses;
- Projects that solely address operation, maintenance, or repairs of existing structures, facilities, or infrastructure;
- Generators and related equipment;
- Warning and alert notification systems (e.g., NOAA weather radios);
- Response and communication equipment;
- Legal procedures related to litigation for an approved application or subapplication;
- Landscaping for ornamentation (trees, shrubs, etc.);
- Site remediation of hazardous contaminants;
- Water quality infrastructure projects; and
- Activities for which implementation has already been initiated or completed.

Project subapplications that propose ineligible activities will be removed from consideration. FEMA will not separate eligible activities from ineligible project subapplications for funding consideration.

3.4.3.11 Cost Share Requirements

FEMA may contribute up to 75 percent Federal funding for the amount approved under the grant award to implement approved activities. Any State or federally recognized Indian Tribal government that has taken actions to reduce the number of repetitive loss properties, including severe repetitive loss properties, and has a FEMA-approved State Mitigation Plan that specifies how it has and how it intends to reduce the number of such repetitive loss properties (see Section 3.4.3.13, Repetitive Loss Strategy) in compliance with 44 CFR § 201.4(c)(3)(v), as determined by FEMA, is eligible to receive an increased Federal cost share of up to 90 percent Federal funding for SRL grants.

For Mitigation Reconstruction projects, the percentage of Federal funds may be lower than 75 percent, since there is a cap on the Federal contribution for such projects. Detailed guidance on Mitigation Reconstruction projects is located in Section 3.4.8 (Mitigation Reconstruction).

3.4.3.12 Non-Federal Cost Share

The non-Federal cost share is at least 25 percent of eligible project costs, or 10 percent if the State meets the SRL requirement of the State Mitigation Plan. The non-Federal cost share must be in direct support of the approved activities and must be an allowable cost for SRL funding. The amount of all contributions, cash, in-kind, or any combination thereof, may be accepted as part of the non-Federal cost share. For Mitigation Reconstruction projects, the Federal share is capped; therefore, the non-Federal cost share may be greater than 25 percent of the total project costs necessary to fund the Mitigation Reconstruction project.

In lieu of requesting pre-award costs, Applicants and subapplicants may submit eligible costs incurred prior to award, but after the SRL application period has opened, as their non-Federal cost share (see Section 2.3.4, Pre-award Activities and Costs). Indirect costs may be included as part of the total project cost. Indirect costs in excess of the 10 percent management costs limit may not be used as part of the cost share (see Section 2.2.1, Eligible Management Cost Activities).

SRL funds generally cannot be used as cost share for another federally funded activity. In addition, costs contributing to the non-Federal cost share for the SRL program cannot be used as cost share for other Federal grant programs. In general, the non-Federal cost share for the SRL program may not include funds from other Federal agencies, except for Federal funds that have authorizing statutes that explicitly allow the funds to be used as a cost share for other Federal grants. For exceptions, see Section 2.1.6.2 (Federal Funds Allowed to be used as a Non-Federal Cost Share).

3.4.3.13 Repetitive Loss Strategy

Applicants are encouraged to amend their plans to include a strategy for mitigating repetitive loss properties. To be eligible to receive an increased Federal cost share of up to 90 percent for SRL project grants, State or Tribal mitigation plans must address repetitive loss properties, including severe repetitive loss properties. States or Indian Tribes may address the repetitive loss strategy through an amendment to their existing FEMA-approved State or Tribal Mitigation Plan. Amendments must be submitted to the respective FEMA Regional Office at least 45 days prior to the application deadline to allow time for review and, if necessary, revisions by the State or Indian Tribe. The amendments must be approved by the respective FEMA Regional Office no later than the application deadline in order to be eligible for the increased cost share for SRL program grants. Further, in order to maintain eligibility, States and Indian Tribes are required to incorporate any amendments, including their repetitive loss strategy, into their State or Tribal Mitigation Plan at the next required 3-year update.

In order to be eligible for an increased Federal cost share of up to 90 percent under the SRL program, the FEMA-approved State or Tribal Mitigation Plan must be in effect at grant award and must also meet all of the requirements described below:

- a) **Repetitive Loss Strategy** - 44 CFR § 201.4(c)(3)(v): “A State may request the reduced cost share authorized under § 79.4(c)(2) of this chapter for the FMA and SRL programs, if it has an approved State Mitigation Plan meeting the requirements of this section that also identifies specific actions the State has taken to reduce the number of repetitive loss

properties (which must include severe repetitive loss properties), and specifies how the State intends to reduce the number of such repetitive loss properties...”

This requirement supplements the risk assessment and mitigation strategy portions of the plan required under §§ 201.4(c)(2) and (3) by specifically identifying goals, capabilities, and actions that will reduce the number of repetitive loss properties, including severe repetitive loss properties.

The mitigation strategy is based on the State’s Risk Assessment as required under § 201.4(c)(3)(ii). Therefore, the State must address repetitive loss structures in its risk assessment, where applicable. For example, in its overview of Estimating Potential Losses by Jurisdiction under § 201.4(c)(2)(iii), the State may analyze potential losses to identified repetitive loss properties based on estimates provided in local risk assessments. The plan should refer generally to geographic areas where concentrations of repetitive loss properties are located for the purpose of identifying and prioritizing areas for mitigation projects, or the plan may list the number of repetitive loss properties with aggregate repetitive loss data.

The State Hazard Mitigation Goals under § 201.4(c)(3)(i) must support the selection of activities to mitigate and reduce potential losses to structures susceptible to flood damage, including repetitive loss properties. In addition, the State and Local Capability Assessments required under § 201.4(c)(3)(ii) must include an evaluation of policies, programs, and capabilities that allow the mitigation of repetitive losses from flood damage.

The State must describe specific actions that it has implemented to mitigate repetitive loss properties, and specifically actions taken to reduce the number of severe repetitive loss properties as a subset of all repetitive loss properties in the State. If the State cannot show that any action has ever been taken to reduce the number of such properties, this criteria cannot be met.

Based on the findings of the risk assessment, the State must identify actions in the statewide mitigation strategy that specifically address repetitive loss properties, including those that are severe repetitive loss properties. This supplements the mitigation actions requirement under § 201.4(c)(3)(iii). Mitigation actions should be tied to goals and objectives and provide the means to achieve them. Actions should have been identified in the planning process, and local plans should be consistent with statewide actions.

As part of the mitigation strategy, the plan must also describe the current funding sources as well as potential sources that will be pursued to fund proposed mitigation actions for repetitive loss properties. This supplements the identification of funding requirement under § 201.4(c)(3)(iv); and

- b) **Coordination With Severe Repetitive Loss Jurisdictions** - 44 CFR § 201.4(c)(3)(v):
“...In addition, the plan must describe the strategy the State has to ensure that local

jurisdictions with severe repetitive loss properties take actions to reduce the number of these properties, including the development of local mitigation plans.”

The State is required to identify strategies that encourage local communities to mitigate severe repetitive loss properties, including the development of local mitigation plans. This supplements the Coordination of Local Mitigation Planning portion of the plan under § 201.4(c)(4). At a minimum, the State must include severe repetitive loss in the description of its process for providing funding and technical assistance to prepare mitigation plans (§ 201.4(c)(4)(i)), and in its criteria for prioritizing communities that have such properties for planning and project grant assistance (§201.4(c)(4)(iii)). Other strategies for encouraging local communities to mitigate severe repetitive loss properties should be demonstrated through specific actions identified in the Mitigation Strategy.

3.4.3.14 Cost Overruns and Cost Under-Runs

If cost overruns are anticipated for obligated project activities, the Grantee shall inform the Regional Administrator, who will verify the circumstances, including costs incurred and activities completed, and either approve or disapprove requests for funding.

For SRL project grants, overruns may only be considered if the project grant, including the overrun amount, would continue to meet programmatic eligibility requirements, including cost effectiveness and cost share.

Cost under-runs (i.e., unexpended funds) remaining after the expiration of the period of performance must be reported to FEMA for de-obligation. Cost under-runs from one subapplication cannot be used to meet the cost overrun associated with another subapplication.

There may be limited exceptions made to permit an increase in subgrantee management costs.

3.4.4 The SRL Consultation, Offer, and Appeal Process

3.4.4.1 The SRL Consultation Process

The consultation process does not represent a formal offer of mitigation assistance. The consultation process is a required notification and information gathering process for the Applicant and/or subapplicant interested in submitting an application for an SRL project. The goal of the consultation process is to notify the property owner that his or her property has been selected for the program, to collect sufficient information about the property, and to advise the property owner that the subapplicant may include his or her property in the SRL subapplication, and that there are potential consequences of declining a Mitigation Offer. Property owners who decline offers of mitigation assistance will be subject to increases to their insurance premium rates.

All information related to the individual SRL property owner and individual property that is collected during the consultation shall be protected consistent with the Privacy Act of 1974 as amended, and similar State and local laws and ordinances.

3.4.4.2 Subapplicant Responsibilities during the Consultation Process

The subapplicant shall consult with the property owner prior to submitting the sub-application on project types available, estimated costs, and insurance implications, as well as the right to appeal. The subapplicant will make every effort to make the consultation process as simple and streamlined as possible for the property owner.

3.4.4.3 Preparation for Consulting

In preparation for and prior to the consultation, the subapplicant will:

- Consider prioritizing their SRL properties for funding. FEMA has provided a tool to assist in this process. The alternative benefit-cost methodology prioritizes properties representing the greatest financial effect on the NFIF. This information may also be used in preparing the BCA;
- Identify appropriate mitigation project activity types that are available to the property owner in accordance with local codes and standards, and included within the local mitigation plan;
- Prepare property-specific examples of potential insurance premium rate increases. For property owners that refuse the offer, quantitative examples of the potential increase in the property owner's insurance premium rate are provided in Tables 3-1 and 3-2 (see Section 3.4.6.2, Actuarial Risk Premium Rate Limitation); and
- Notify SRL property owners that a personal representative may accompany or attend the consultation on behalf of a property owner. If a property owner wants the personal representative to make decisions on his or her behalf, the property owner must provide authorization (i.e., a notarized letter) to the personal representative. FEMA shall not pay for costs incurred by the property owners for a personal representative.

3.4.4.4 Consultation with the Property Owner

In consulting with the property owner, the subapplicant will:

- Conduct the consultation in a format agreed upon by, and convenient to, the property owner (i.e., in person, via telephone). The consultation process may involve an initial meeting and follow-up meetings as necessary to complete the process;
- Complete the project subapplication and not require the property owner to complete technical paperwork;
- Conclude and sign the Pre-Award Consultation Agreements, securing the signature of the property owner on the Pre-Award Consultation Agreements at the conclusion of the consultation process;
- Advise the property owner of the insurance implications of refusing a Mitigation Offer by providing quantitative examples of the potential increase in the property owner's insurance premium rate;

- Continue to consult with the property owner on the mitigation offer process if FEMA awards a grant for the mitigation project; and
- Advise the property owner that if FEMA does not award the grant for the mitigation project, the property owner will be notified by the subapplicant.

3.4.4.5 Criteria for Subapplicant Consideration of Project Type

The subapplicant will consider the SRL property owner's preference for a specific project type, but does not have to accept the SRL property owner's first preference, if that is an approach the subapplicant does not typically implement for legal, cost effectiveness, contractual, land-use, or other policy reasons; for example:

- Subapplicants should provide similar treatment to all property owners regarding the use of current market value or pre-event market value for acquisition projects;
- Some subapplicants will not elect to pursue an acquisition project, in order to maintain their tax base;
- Some subapplicants will not select elevation activities because that mitigation approach is not preferred, and thus is not integrated into their FEMA-approved mitigation plans;
- Some subapplicants may experience a shortage of qualified contractors and/or structural engineers to implement a particular project type, such as relocation, elevation, Mitigation Reconstruction, acquisition projects, or floodproofing (for historic properties only); and
- Some subapplicants may select minor, physically localized flood reduction projects because property owners will not experience the risk of increased insurance premium rates.

Therefore, under some circumstances, the subapplicant may select a different project type for an individual structure than proposed by the SRL property owner. Information regarding appropriate mitigation project types is available in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*.

3.4.4.6 Consultation Meetings

The subapplicant shall inform the property owner of the following items during the initial consultation meeting:

- The SRL program is a voluntary program, and the Applicant and subapplicant will not use eminent domain to acquire the property if the property owner opts out;
- A final Mitigation Offer is contingent upon SRL program funds being awarded to the subapplicant;

- The property appears on the FEMA SRL Property List, and the subapplicant intends to include the property in a SRL project subapplication;
- If the property owner declines a final offer made under the SRL program, the property will be subject to an increase in the flood insurance premium rate. To ensure that the property owner is aware of the insurance implications of refusing a Mitigation Offer, FEMA will support the subapplicant by providing quantitative examples of the potential increase in the insurance premium rate;
- There are benefits to the property owner for accepting the Mitigation Offer, if the subapplication is awarded, such as reduced risk of flood damage for elevated structures, and the opportunity to move out of the SFHA for acquisitions;
- Several eligible project types may be available for mitigating the property, including relocation, elevation, acquisition, Mitigation Reconstruction, and dry floodproofing (historic properties only). Eligible project types will be discussed with the property owner to determine the most appropriate project activity type for the property;
- The property owner's preferences will be discussed, and the final decision as to project type will be made by the subapplicant in conjunction with the property owner;
- If SRL program funds are awarded, the subapplicant shall make the final selection for the project type to be formally offered to the property owner. The subapplicant's decision regarding the selected project type will be based on a combination of factors, including the SRL property owner's preferences; cost effectiveness; technical feasibility; and the subapplicant's legal, land-use, and contractual requirements;
- For property acquisition, the subapplicant will:
 - Estimate the value of the property. Document the methodology to determine the purchase offer (e.g., current market value, pre-event market value, original purchase price) and estimate the highest purchase offer amount available to the property owner based on 44 CFR § 80.17 and this Guidance (see Section 2.3.13.3.1.5, Purchase Offer);
 - Explain that the final offer amount may also include any applicable comparable housing payments, and where applicable, deductions such as duplicated benefits and costs borne by the property owner consistent with 44 CFR § 80 and this Guidance;
 - Advise the property owner that he or she will need to certify that he or she is a National of the United States or qualified alien in order to receive an offer based on pre-event market value. This must be done as part of the application process, and the certification must be included in the application;
 - Complete all removal of existing incompatible facilities by demolition or relocation within 90 days of settlement of the property transaction. The acquired land will be deed restricted in perpetuity and managed by the subgrantee or an acceptable third-party organization;

- Recognize that any second mortgages or home equity loans taken out following the initial consultation meeting will not be included in the purchase offer;
 - Not use its power of eminent domain to acquire the property during or after negotiations. The property shall not be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (examples include roads and flood control levees);
 - Recognize that any tenants who have resided in the property within 90 days prior to the initiation of the consultation process are entitled to relocation assistance under 44 CFR § 80;
- For elevation, Mitigation Reconstruction or dry floodproofing, a Model Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds must be signed;
 - Any SRL mitigation grant funds received directly or indirectly are generally not taxable for Federal income tax purposes. The Applicant or subapplicant should advise the property owner that any further questions may be directed to a tax advisor or the IRS with respect to any potential State, local, or other tax implications regarding the property or income upon receiving an SRL program grant;
 - Any Mitigation Offer made under the SRL program remains open and available to the property owner as long as the SRL program exists, subject to the availability of funds;
 - Provide specific claims history information, which may include losses which occurred prior to current ownership of the property, in order to explain their inclusion on the SRL list. This information is available from the FEMA Regional Office or State NFIP coordinator;
 - An NFIP insurance policy must be maintained on the SRL structure from the time of application submittal until completion of the project or until property transfer is complete, in order to qualify for SRL program mitigation assistance. For certain types of mitigation where the structure remains in the SFHA, an NFIP policy must be maintained in perpetuity;
 - The property owner may appeal insurance premium rate increases that result from declining an SRL program Mitigation Offer based on criteria listed in this Guidance. Upon receiving the Notice of NFIP Insurance Premium Rate Increase, the property owner must mail a postmarked Request for Appeal to the appropriate FEMA Regional Administrator within 90 days of the date of the Notice of the NFIP Insurance Premium Rate Increase;
 - The schedule of premium rate increases resulting from declining a Mitigation Offer will not terminate with the expiration of the SRL program; and

- Explain to the property owner that their failure to sign the Pre-Award Consultation Agreement does not preclude the subapplicant from submitting a subapplication including their property.

3.4.4.7 Consultation Process Required Information

Prior to the conclusion of the consultation process, the subapplicant shall:

- Verify the property address and document property owner names and addresses of other individuals, financial institutions, or government agencies with a recorded interest in the property. This includes any co-owners of the property who have an interest in future offers of mitigation assistance;
- Verify the property owner’s permanent mailing address for future communications regarding the Mitigation Offer;
- Collaborate with the property owner to identify the preferred eligible project activities appropriate for the property;
- Collect the names, unit numbers, length of time in residence, copies of current lease information (including monthly rent and utility payments), and other contact information for all tenants that may be adversely affected by a potential mitigation project;
- Identify all historical information in relationship to the property so that the selected project type will not interfere with the historic designation, or a historic district, site, building, structure, or object included in, or eligible for inclusion in, the NRHP;
- Identify all environmental considerations that must be addressed in selecting an appropriate project type for the property (e.g., the presence of hazardous materials, natural resources, etc.);
- Collect any structural information necessary for determining the proposed mitigation activity, the cost of mitigating the property, and the cost effectiveness of alternative project types (e.g., the deed with original purchase price of the property, recent appraisals, elevation certificates, and documentation from structural inspections);
- Verify the current NFIP insurance policy coverage and the property owner’s insurance premium rate;
- Verify the repetitive loss history of the property, and determine whether the property owner relied upon a FEMA FIRM that, although current at the time of purchase, did not indicate that the property was located in an SFHA;
- Advise the property owner that FEMA funds cannot duplicate amounts available to them from other sources, and that the property owner must identify any other sources of funds that may be reasonably available to them for the mitigation activity, such as:

funds to compensate in whole or part for the value of the property; funds to address any property damage, such as applicable insurance policies; and other assistance, legal claims, or third-party legal obligations; and

- Take the following measures for property acquisition:
 - Obtain a copy of the original deed and any deeds of trust for the property;
 - Estimate the highest purchase offer amount available to the SRL property owner based on this Guidance, and document the methodology used to determine the property value (i.e., market value, pre-event value, outstanding loans, original purchase price);
 - Comply with the requirements of 44 CFR § 80.7, 80.9 and this Guidance;
 - Determine if a comparable housing payment may be necessary for the property owner to purchase a replacement residence outside of the SFHA that is of comparable value and that is functionally equivalent.

Document through a signed Notice of Voluntary Interest or signed Pre-Award Consultation Agreement that the homeowner has been informed that participation in this project for open-space acquisition is voluntary. Neither the State nor the local government will use its eminent domain authority to acquire the property for open-space purposes if the homeowner chooses not to participate, or if negotiations fail.

3.4.4.8 Documentation of the Consultation Process

The Consultation Process is documented in the Pre-Award Consultation Agreement. The agreement may be signed by the property owner and the subapplicant, or the property owner may elect not to sign the agreement as detailed in Section 3.4.4.9 (Possible Outcomes of the Consultation Process). In either case, documentation must be provided acknowledging that the SRL program consultation process has occurred, is consistent with the requirements of this Guidance, and that all required information and documentation has been received from the property owner and the subapplicant. The Pre-Award Consultation Agreement is available at: <http://www.fema.gov/government/grant/srl/index.shtm> and will document the following:

- The property address and proposed mitigation project type for the property;
- The estimated final offer amount that the property owner might receive, directly or indirectly, for completion of the mitigation project. For acquisition projects, this estimate includes estimated purchase offer; any anticipated additions (e.g., supplemental housing payments), deductions (duplicated benefits or costs borne by the property owner), and the methodology used to determine the property value (i.e., market value, pre-event value, outstanding loans, or original purchase price). The subapplicant will indicate the methodology used to determine property value (market value, pre-event value, outstanding loans, or original purchase price);
- The estimated timeframe for implementing various project types and whether the property must be vacated during project implementation;

- The property owner understands that his or her property appears on the FEMA SRL Property List and the subapplicant intends to include the property in an SRL project subapplication; and
- In the event that the grant application is approved by FEMA and the property owner refuses a final offer of mitigation, the property owner understands that the insurance premium rate will increase. Quantitative examples of an effective increase in the property owner's insurance premium rate should be provided.

3.4.4.9 Possible Outcomes of the Consultation Process

The SRL program consultation process has two possible outcomes:

- The property owner will sign a Pre-Award Consultation Agreement that the subapplicant will include with the project subapplication to the Applicant; or
- The property owner will indicate either verbally or in writing that he or she will not sign the Pre-Award Consultation Agreement. In this case, the subapplicant must document the interaction with the property owner and inform the property owner that their property may be included in the subapplication and that an offer may be made even though the property owner declines to consult further. The subapplicant will include this documentation with the project subapplication.

3.4.4.10 Privacy of the Property Owner

All information related to the individual property owner and/or individual property that is collected during the consultation process shall be protected in accordance with the Privacy Act of 1974 and similar State and local laws and ordinances.

3.4.4.11 Reimbursement for Consultation Costs

The Applicant and subapplicant may claim allowable consultation costs, such as travel and salaries, associated with the consultation process as a pre-award cost in their project applications. Pre-award costs will not be reimbursed to an Applicant and/or subapplicant that does not receive a grant or subgrant from FEMA.

3.4.5 Mitigation Offer Process

The mitigation offer process will occur once FEMA has awarded the grant to the Grantee and the Grantee has awarded the subgrant to the subgrantee. The SRL program differs from FEMA's other mitigation grant programs because a property owner who declines the Mitigation Offer of assistance may experience increases to his or her NFIP insurance premium rate. The property owner retains the right to appeal such increases. Any Mitigation Offer made under the SRL program remains open and available to the property owner until the SRL program terminates, subject to the availability of funds. When a property owner declines an offer of mitigation, the Grantee may use its accounting system to retain the funds for the duration of the period of performance. The guidance provided below will assist the subgrantee in implementing the mitigation offer process with the property owner identified in the approved subgrant.

The amount of the Mitigation Offer includes the cost of the project, the basis for the offer, and the methodology for calculating the final offer. The amount that the property owner receives is the **final offer amount** that reflects applicable reductions (e.g., duplicated benefits and costs borne by the property owner) and additions (e.g., supplemental housing payments).

- **For non-acquisition projects**, the final offer amount will be based on at least two contractor estimates or appraisals for the cost of the project and applicable deductions; and
- **For acquisition projects**, the final offer amount is based on the purchase offer for the SRL property determined in accordance with Section 2.3.13.3.1.5 (Purchase Offer), adjusted by applicable deductions (e.g., duplicated benefits and costs borne by the property owner), additions (e.g., supplemental housing payment), and the methodology used to determine the property value (i.e., market value, pre-event value, outstanding loans, original purchase price). The subapplicant will indicate the methodology used to determine purchase offer (market value, pre-event value, outstanding loans, or original purchase).

3.4.5.1 Subgrantee's Responsibilities during the Mitigation Offer Process

The Mitigation Offer may involve an initial meeting and follow-up meetings, telephone calls, or mailings necessary to provide information requested by the property owner. In accordance with SRL program regulations, the property owner must return a signed Mitigation Offer Letter accepting or refusing the offer of mitigation to the subgrantee within 45 days from the date of the Mitigation Offer Letter. The 45-day period may be extended by the FEMA Regional Administrator, if the property owner submits a written request before the expiration of the 45-day time period describing extenuating circumstances and the FEMA Regional Administrator grants the request.

The subgrantee will:

- Sign and send (via certified mail) Mitigation Offer Letters to all property owners identified in the subgrant within 30 days of receiving the subgrant award. The 30-day period may be extended by the FEMA Regional Administrator if the subgrantee, through the Grantee, submits a written request before the expiration of the 30-day time period describing the extenuating circumstances, and the FEMA Regional Administrator grants the request;
- Follow the Mitigation Offer Letter with a meeting with the property owner, if requested;
- Forward a copy of each Mitigation Offer Letter and all responses to the appropriate FEMA Regional Office and the Grantee, and retain copies in the subgrant file for a minimum of 3 years after the project closeout;
- Make every effort to ensure the mitigation offer process is as simple and streamlined as possible for the property owner;

- Complete Federal grants reports or technical paperwork associated with the project implementation process for the property owner, or seek assistance from the appropriate FEMA Regional Office;
- Clearly state any financial and other reporting requirements incumbent upon the property owner accepting the Mitigation Offer;
- Ensure that for offers made based on pre-event market value, the property owner has certified that he/she is a National of the United States or qualified alien;
- Complete the Statement of Voluntary Participation form for the property owner's signature;
- Continue to coordinate the mitigation activity with the property owner; and
- If the property owner refuses the Mitigation Offer, then advise the property owner of the increase in insurance premium rate, their right to appeal the insurance premium rate increase, and that the Mitigation Offer remains open and available subject to the availability of funds.

3.4.5.2 Content of Mitigation Offer

The subgrantee will use the model format found at:

<http://www.fema.gov/government/grant/srl/index.shtm> when issuing a Mitigation Offer Letter. If the subgrantee finds it legally necessary to substitute its own Mitigation Offer Letter, the proposed draft must be reviewed and approved by the FEMA Office of Chief Counsel, prior to sending the letter to the property owner.

The Mitigation Offer Letter will inform the property owner of the following:

- A mitigation grant has been awarded to the subgrantee that includes the property owner's SRL property;
- The mitigation project activity type for which the grant award was made;
- For property acquisition: In accordance with 44 CFR § 80.17(c) and program guidance, the subgrantee will indicate the current market value of the property, and identify the highest purchase offer amount available to the property owner. This includes property value; any anticipated additions (e.g., supplemental housing payments) and deductions (duplicated benefits or costs borne by the property owner); and the methodology used to determine the property value (i.e., market value, pre-event value, outstanding loans, or original purchase price). The subapplicant will indicate the methodology used to determine purchase offer (market value, pre-event value, outstanding loans, or original purchase price);
- For elevation, Mitigation Reconstruction, and dry floodproofing projects: the total project cost of the proposed mitigation activity and any applicable deductions.

Alternatively, the Pre-Award Consultation Agreement may be referenced and attached to the Mitigation Offer Letter if the information is still valid;

- Participation in the SRL program is voluntary;
- There are benefits to the property owner for accepting the Mitigation Offer (e.g., reduced risk of flood damage for elevated structures and the opportunity to move out of the SFHA for acquisitions);
- All holders of recorded interest in the property have been notified that a formal Mitigation Offer has been made on the property;
- The property owner has 45 days from the date of the Mitigation Offer Letter to accept or refuse the mitigation offer of assistance;
- Failure to respond to the Mitigation Offer Letter within 45 days of the date on the Mitigation Offer Letter constitutes a refusal;
- The FEMA Regional Administrator may extend the property owner's period of consideration beyond 45 days based on a written request by the property owner explaining extenuating circumstances and submitted before the expiration of the 45-day time period;
- The Mitigation Offer Letter constitutes a formal Mitigation Offer under the SRL program, and refusing the Mitigation Offer will subject the property owner to an increase in flood insurance premium rate. The property owner will receive a separate notice of the determination of flood insurance rate increase;
- The property owner retains the right to appeal an increase in flood insurance premium rate in certain circumstances;
- A summary of the consultation process;
- The maintenance and insurance responsibilities of the property owner during and after the mitigation project process (e.g., maintaining flood insurance, securing a contractor, receiving funds in a bank account for the project, and keeping receipts for the project in accordance with State and local grant and contract requirements);
- If the selected project type is elevation, Mitigation Reconstruction, or dry floodproofing, the requirement for the property owner to sign a Model Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds;
- For acquisition projects, the requirement for the property owner to sign a Notice of Voluntary Participation and attach it to the Mitigation Offer Letter;

- If the property has historic significance, there are compliance and treatment measures that must occur. If the property is 50 or more years of age, the property owner must be informed of the potential historic significance of their property. If the property is listed or eligible to be listed in the NRHP and the mitigation activity offered would cause the property to lose this status, the property owner has the right to appeal an insurance premium rate increase resulting from declining the offer; and
- For acquisition projects, the property owner must provide tenants 90 days to vacate the property prior to implementation of the acquisition. The subgrantee must notify affected tenants of their eligibility for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 in accordance with 49 CFR § 24.203.

3.4.5.3 Personal Representative for the SRL Property Owner

If the property owner wants a personal representative to make decisions on his or her behalf, the property owner must provide authorization (i.e., a notarized letter) to the personal representative. FEMA shall not pay for costs incurred by property owners for engaging personal representatives.

3.4.5.4 Possible Outcomes of the Mitigation Offer Process

The SRL program mitigation offer process has two possible outcomes:

- The property owner accepts the mitigation offer of assistance and signs the Mitigation Offer Letter within the allotted time. The subgrantee then forwards the response to the Mitigation Offer Letter to the FEMA Regional Administrator copying the Grantee, and the mitigation activity may proceed; or
- The property owner does not accept the mitigation offer of assistance and/or does not sign and return the Mitigation Offer Letter within the allotted time. The subgrantee will notify the FEMA Regional Administrator (copying the State) and the Assistant Administrator for the Mitigation Directorate will issue a notice to the property owner specifying the effective date of the insurance premium rate increase for their property. Generally, this increase will occur upon renewal of the insurance policy contract. In this notice, the Assistant Administrator for the Mitigation Directorate will notify the property owner that he or she has the right to appeal the insurance premium rate increase in accordance with 44 CFR Part 79 and this Guidance.

3.4.5.5 Period of Mitigation Offer

A Mitigation Offer made under the SRL program remains open and available to the property owner subject to the availability of funds. When a property owner declines an offer of mitigation, the Applicant may use its accounting system to retain the funds for the duration of the period of performance.

3.4.6 Increased Insurance Premiums and Subsequent Claims Payments

Property owners who decline offers of mitigation assistance will be subject to increases to their insurance premium rates. In accordance with 44 CFR § 79.7(c) and this Guidance, in any case in

which the owner of a property refuses a mitigation offer of assistance or purchase under this program, the Assistant Administrator for the Mitigation Directorate will notify each holder of recorded interest on the property of such refusal. This notification will note that upon policy renewal or issuance of a new NFIP policy covering the property, the chargeable premium rate with respect to the property shall be the amount equal to 150 percent of the chargeable premium rate for the property at the time the offer was made, as adjusted by any other premium adjustments otherwise applicable to the property. Such property will also be subject to subsequent premium rate increases as the result of each additional NFIP claim payment totaling in excess of \$1,500. These insurance premium rate increases are limited to the actuarial risk premium rate for the type and class of property as established in accordance with 44 CFR § 79.7(c).

3.4.6.1 Implementation of Insurance Premium Rate Increases

In the case of a property owner who fails to respond in writing to the mitigation offer of assistance within the allotted 45-day time period, or who provides written notification of refusal of the Mitigation Offer, the property owner will receive a Notice of NFIP Insurance Premium Rate Increase from the Assistant Administrator for the Mitigation Directorate of the intent to increase the chargeable insurance premium rate for the property to an amount equal to 150 percent of the chargeable rate for the property at the time the offer was made, as adjusted by any other premium adjustments otherwise applicable to the property.

Unless the property owner initiates a viable appeal of the Assistant Administrator for the Mitigation Directorate's written notice of increased insurance premium rate within 90 days of the date of the notice, the increase will take effect on the first renewal or issuance of a new NFIP policy covering the property after the 90-day appeal period has elapsed. Should the property owner submit a written appeal, including supporting documentation, during the 90-day appeal period and in accordance with this Guidance, the applicable insurance premium rate increase for the property will be suspended during a stay of applicability pending the outcome of the appeal.

If the property owner prevails on appeal, the chargeable risk premium rate for flood insurance coverage on the property will continue to be based on the applicable rating characteristics of the structure prior to the Mitigation Offer, including any other premium adjustments otherwise applicable to the class of property.

If the property owner loses the appeal, the increase in the chargeable risk premium rate for flood insurance coverage on the property will be effective on the first renewal or issuance of a new NFIP policy covering the structure after the appeal is closed. In addition, any insurance premium rate increase suspended during the stay of applicability shall be collected from the property owner. If FEMA does not receive the additional premium by the date it is due, the amount of coverage will be reduced to correspond to the amount of premium payment received. In addition, if a loss occurs, the loss payment will be limited to the amount of coverage which the original premium received will buy.

With every additional claim payment made against the NFIP policy in excess of \$1,500 in total claim payments, the chargeable premium rate for that property will be subject to an additional premium rate increase of 150 percent over the chargeable rate, as adjusted by any other premium

adjustments otherwise applicable to the property. Any additional premium rate increases will be effective at the first renewal of issuance of a new NFIP policy. The increases shall end when the actuarial rate is reached.

If the Mitigation Offer is refused, the Notice of NFIP Insurance Premium Rate Increase will be accompanied by a detailed, side-by-side comparison of the total premium at the time the offer was made and the projected total premium as a result of increased insurance premium rate (see Section 3.4.6.2, Actuarial Risk Premium Rate Limitation, Tables 3-1 and 3-2). A similar document and notification will accompany the official written notice of insurance premium rate increase resulting from any subsequent paid insurance claims of more than \$1,500 in total claim payments to a property owner who has previously refused a Mitigation Offer. The increases shall end when the actuarial rate is reached.

3.4.6.2 Actuarial Risk Premium Rate Limitation

To establish the actuarial or risk premium rate limits for the insurance premium rate increases, specific underwriting information related to the flood zone and BFE on the effective FIRM, and the elevation of the lowest floor, as well as other rating criteria specific to the subject property, are required. The property owner may be required to provide the Special Direct Facility with all such required information to ensure that initial and subsequent insurance premium rate increases do not exceed the actuarial risk premium rate limitation for the structure. The need for this underwriting information only exists should the property owner refuse a Mitigation Offer.

Table 3-1: Pre-FIRM Premium Excluding ICC and Federal Policy Fee

	PRE-FIRM PREMIUM ¹ EXCLUDING ICC ² AND FEDERAL POLICY FEE ³			
	A, AE, A1-A30, AH, AO, D		V, VE, V1-V30	
BUILDING ⁵	With Basement	Without Basement	With Basement	Without Basement
AMOUNT OF INSURANCE				
\$ 20,000	\$ 162	\$ 152	\$ 212	\$ 198
\$ 30,000	\$ 243	\$ 228	\$ 318	\$ 297
\$ 40,000	\$ 324	\$ 304	\$ 424	\$ 396
\$ 50,000	\$ 405	\$ 380	\$ 530	\$ 495
\$ 60,000	\$ 484	\$ 434	\$ 732	\$ 630
\$ 70,000	\$ 563	\$ 488	\$ 934	\$ 765
\$ 80,000	\$ 642	\$ 542	\$ 1,136	\$ 900
\$ 90,000	\$ 721	\$ 596	\$ 1,338	\$ 1,035
\$ 100,000	\$ 800	\$ 650	\$ 1,540	\$ 1,170
\$ 125,000	\$ 998	\$ 785	\$ 2,045	\$ 1,580
\$ 150,000	\$ 1,195	\$ 920	\$ 2,550	\$ 1,845
\$ 175,000	\$ 1,393	\$ 1,055	\$ 3,055	\$ 2,183
\$ 200,000	\$ 1,590	\$ 1,190	\$ 3,560	\$ 2,520
\$ 225,000	\$ 1,788	\$ 1,325	\$ 4,065	\$ 2,858
\$ 250,000 ⁴	\$ 1,985	\$ 1,460	\$ 4,570	\$ 3,195

As of May 1, 2008

¹ Premium before applying any CRS credits or optional deductible factors.

² For building coverage amounts of \$230,000 and less, add \$75 to the building premium selected from the tables above to cover ICC cost, except Zone Ds add \$6. For building coverage amounts above \$230,000 see footnote 4 below.

³ Add \$30 to the premium selected from the Tables above to cover the Federal Policy Fee.

⁴ Add \$60 to cover the ICC cost for the \$250,000 building limit, except for Zone Ds. For Zone Ds add \$4.

⁵ Rates are per \$100 of coverage for a 12-month policy term and applicable for single and 2- to 4-family dwellings only. The first rate list is applied up to the basic insurance limits of \$50,000 with the second rate applying to the additional insurance limits in excess of \$50,000. Premiums are rounded to the nearest \$1.

Table 3-2: Pre-FIRM Premium Increased By 50% Excluding ICC and Federal Policy Fee

PRE-FIRM PREMIUM INCREASED BY 50%¹ EXCLUDING ICC² AND FEDERAL POLICY FEE³				
	A, AE, A1-A30, AH, AO, D		V, VE, V1-V30	
BUILDING⁵	With Basement	Without Basement	With Basement	Without Basement
AMOUNT OF INSURANCE				
\$ 20,000	\$243	\$228	\$318	\$297
\$ 30,000	\$365	\$342	\$477	\$446
\$ 40,000	\$486	\$456	\$636	\$594
\$ 50,000	\$608	\$570	\$795	\$743
\$ 60,000	\$726	\$651	\$1,098	\$945
\$ 70,000	\$845	\$732	\$1,401	\$1,148
\$ 80,000	\$963	\$813	\$1,704	\$1,350
\$ 90,000	\$1,082	\$894	\$2,007	\$1,553
\$100,000	\$1,200	\$975	\$2,310	\$1,755
\$125,000	\$1,497	\$1,177	\$3,068	\$2,370
\$150,000	\$1,793	\$1,380	\$3,825	\$2,768
\$175,000	\$2,090	\$1,583	\$4,583	\$3,275
\$200,000	\$2,385	\$1,785	\$5,340	\$3,780
\$225,000	\$2,682	\$1,988	\$6,098	\$4,287
\$250,000 ⁴	\$2,978	\$2,190	\$6,855	\$4,793

As of May 1, 2008

¹ Premium before applying any CRS credits or optional deductible factors.

² For building coverage amounts of \$230,000 and less, add \$75 to the building premium selected from the tables above to cover ICC cost, except Zone Ds add \$6. For building coverage amounts above \$230,000 see footnote 4 below.

³ Add \$30 to the premium selected from the Tables above to cover the Federal Policy Fee.

⁴ Add \$60 to cover the ICC cost for the \$250,000 building limit, except for Zone Ds. For Zone Ds add \$4.

⁵ Rates are per \$100 of coverage for a 12 month policy term and applicable for single and 2- to 4-family dwellings only. The first rate list is applied up to the basic insurance limits of \$50,000 with the second rate applying to the additional insurance limits in excess of \$50,000. Premiums are rounded to the nearest \$1.

3.4.7 Requirements to Appeal an Insurance Premium Rate Increase

A property owner who has received a notice from FEMA for an increase in flood insurance premium rates may appeal the decision by following the procedures in this section and supporting the appeal with one or more of the six statutorily permitted grounds for appeal. Section 3.4.7.5 (Six Grounds for Appeal) provides a description of each grounds for appeal that is permitted and the specific documentation required to be provided by a property owner to demonstrate that basis for appeal.

3.4.7.1 Request for Appeal

A property owner's Request for Appeal must be submitted in writing and include supporting documentation. The request for appeal must contain the following: the full name and current mailing address of the property owner, the full address of the SRL property at issue, a copy of the Mitigation Offer Letter, a copy of the Notice of NFIP Insurance Premium Rate Increase, the basis or bases for the appeal, and information and documentation in support of the specific grounds for appeal, consistent with this Guidance. In addition, the request for appeal must be postmarked or delivered to the appropriate FEMA Regional Administrator within 90 days of the date of the Notice of NFIP Insurance Premium Rate Increase.

At any time during the appeal phase, the property owner has the right to withdraw the appeal and opt to sign the Mitigation Offer Letter.

3.4.7.2 Stay of Increased Insurance Premium Rate Pending Appeal

By submitting a Request for Appeal, an increase in the chargeable insurance premium rate is stayed pending the decision on the appeal by the Independent Third Party (ITP). In addition, the stay will be lifted if:

- The FEMA Regional Administrator does not accept the appeal for submission to an ITP because it is (i) untimely, (ii) not based on one of the six-statutorily outlined grounds, or (iii) lacks the necessary supporting documentation, in which cases the increase will go into effect;
- The FEMA Regional Administrator closes the appeal prior to ITP review upon identification of error in the extension of the Mitigation Offer, in which case no increase will occur; and
- The property owner withdraws the appeal and accepts the Mitigation Offer prior to ITP review and therefore, no insurance premium rate increase will occur.

3.4.7.3 FEMA Regional Administrator Review of Appeal

The FEMA Regional Administrator will conduct an initial review of each appeal received on a timely basis in order to:

- Confirm that the property owner is raising a viable appeal (i.e., that the appeal is based on one or more of the six statutorily outlined grounds and includes sufficient supporting documentation and information for consideration of each grounds for appeal on the merits). The FEMA Regional Administrator may reject the Request for Appeal if it is made on a basis other than one of the six-statutorily outlined grounds, resulting in an increase in the chargeable insurance premium rate upon renewal of the policy;
- Request and assemble additional documentation and information from the property owner in support of the grounds for appeal raised by the property owner. And if applicable, request cooperation, documentation, and information from the Grantee and subgrantee in support of the Mitigation Offer, and in opposition to the property owner's grounds for appeal. The FEMA Regional Administrator may reject the Request for Appeal if the property owner fails to provide sufficient supporting documentation within the time period prescribed by the Regional Administrator, resulting in an increase in the chargeable insurance premium rate upon renewal of the policy; and
- Consider whether the property owner can establish, based on the face of the documentation and information provided, that the basis of the Mitigation Offer was in error. In such a case, the FEMA Regional Administrator has the discretion to request that the subgrantee reoffer the mitigation, or to close the appeal if appropriate. In all other cases, the FEMA Regional Administrator will refer the appeal, consistent with Section 3.4.7.5 (Six Grounds for Appeal), for review by an ITP.

Upon receipt of the property owner's Request for Appeal, the FEMA Regional Administrator will review it for completeness and depending upon the basis for the appeal, may contact the Grantee and subgrantee to request their cooperation, as well as documentation and information in support of the Mitigation Offer to be provided within a specified period of time.

3.4.7.4 Appeal to Independent Third Party

If the appeal is not resolved after FEMA's initial review, the FEMA Regional Administrator will transmit the Request for Appeal and the accompanying documentation and information to the Assistant Administrator for the Mitigation Directorate as soon as practicable.

The Assistant Administrator for the Mitigation Directorate will forward the property owner's Request for Appeal to the Director of FEMA's Alternative Dispute Resolution (ADR) Office (the ADR Director). The ADR Director will maintain a list of individuals qualified to hear appeals as an ITP based on objective criteria, including training and experience as an ADR professional, established by the ADR Director. FEMA's ADR Office employs ADR professionals who possess the training and experience to serve as a neutral third party to review the appeal in lieu of an ITP. Accordingly, the property owner may choose to have his/her appeal

heard by a reviewer from the FEMA ADR Office in order to minimize the expense of the appeal. If the property owner chooses this low-cost alternative to an ITP, the property owner waives the right to have the appeal heard by an ITP and the determination by the reviewer from the FEMA ADR Office has the same effect as a determination by an ITP. The ADR Director can provide further guidance to the property owner about his or her options for a reviewer.

Grounds for Appeal: The basis for a property owner's appeal must be one or more of the six statutorily based grounds for appeal described at 44 CFR § 79.7 (d) and this section of the guidance. No other grounds will be considered by the ITP.

Selection of ITP: The ADR Director will select an ITP from a list compiled by the ADR Director to hear each appeal. Selection of ITP for inclusion on the list will be based on objective criteria developed by the ADR Director. The ADR Director has the discretion to remove an ITP from the list for good cause.

Appeal Based on the Record or Hearing: The ITP may hear a property owner's appeal in one of two ways:

1. Upon written request by the property owner, the ITP will conduct a hearing in connection with the appeal. The written request for a hearing must be included in the Request for Appeal; or
2. If the property owner does not make a written request for a hearing, the ITP will consider the record on appeal; documents and information submitted by the property owner and the Grantee and subgrantee, if applicable, and make a decision based on the record on appeal.

Because the property owner is responsible for the compensation of the ITP if he or she loses on appeal, the property owner will receive information about additional costs, if any, associated with a hearing versus costs associated with consideration of the record on appeal.

When making a decision about the merits of the appeal, the ITP will consider the record on appeal. In addition, the ITP has the discretion to consider other relevant documentation and information outside the record on appeal. The ITP has the exclusive authority to determine whether other relevant documentation and information outside the record on appeal will be considered.

Conduct of a Hearing: If the property owner makes a written request for a hearing, such hearing will be conducted by the ITP in a manner consistent with guidelines established by the ADR Director. The ADR Director will provide these guidelines upon request. The ITP may convene a hearing at a location designated by the ADR Director. Whenever possible, hearings will be held at a location close to the SRL property that is the subject of the appeal, unless the parties jointly agree to a different location.

The parties to the hearing are the property owner and a representative of the Assistant Administrator for the Mitigation Directorate.

Parties are permitted to have a designated personal representative accompany them to the hearing. The ITP may request information about attendees other than the parties prior to the hearing. The ITP has the discretion to permit or refuse attendees at the hearing other than the parties and his or her personal representative.

Technical or Subject Matter Experts: The ITP has the discretion to consult with or hear from a technical or subject matter expert. The ADR Director will maintain a list of appropriate technical or subject matter experts from other Federal agencies and elsewhere. The ITP will notify the parties of his or her intent to utilize a technical or subject matter expert provided there is no conflict of interest among the parties to the appeal or the participants at the hearing. If one of the parties raises a conflict of interest, the ADR Director will consider it and make a decision about whether to replace the technical or subject matter expert.

For an appeal on the grounds of insufficient funding for an acquisition project, the ITP must coordinate with a certified Review Appraiser to ensure technical compliance of appraisal standards, consistent with Standard 3 of the USPAP, unless the ITP meets the USPAP requirements.

The Review Appraiser's responsibilities include reviewing the subgrantee's appraisal that served as the basis of the purchase offer to ensure compliance with relevant appraisal standards. In addition, the Review Appraiser will review the property owner's appraisal submitted as documentation for an appeal (see Section 3.4.7.5.2, Appeals Relating to Insufficient Funding for Acquisition, Relocation, Elevation, Mitigation Reconstruction, and Floodproofing).

Decision: Within 90 days of the date on which FEMA receives the property owner's Request for Appeal to an ITP, the ITP will issue a decision in connection with the property owner's appeal in writing to the ADR Director. The decision will establish whether or not the increased chargeable insurance premium rate for flood insurance coverage of the SRL property was properly determined and will be paid by the property owner. If the ITP decides to uphold the increase, the decision will include the reasons and the effective date of such increase (i.e., the date of the refusal of the Mitigation Offer). If, on the other hand the ITP reverses the determination to increase the chargeable insurance premium rate for flood insurance coverage, the decision will include the reasons for the reversal. In addition, depending on the outcome, the decision will state which party will bear the costs for the compensation of the ITP.

Final Decision: The decision of the ITP will be final and binding on the parties to the appeal. However, the ADR Director may correct clerical, typographical, or computational errors made by the ITP.

Action on Decision: The ADR Director will forward the decision to the parties and the Assistant Administrator for the Mitigation Directorate. If the determination to increase the chargeable insurance premium rate for flood insurance coverage is upheld, the Assistant Administrator for the Mitigation Directorate will calculate any required insurance premium rate increases, including past amounts due, based on regulation.

Administration of Appeal to ITP: The ADR Director will conclusively resolve any procedural disputes arising in the course of the appeal to the ITP. The ADR Director will initially pay the

fees of the ITP and reimburse the ITP for expenses unless the parties jointly agree otherwise. However, in the event the property owner loses on appeal, he or she is responsible for the compensation of the ITP and would be required to reimburse the ADR Director the amount paid in fees and expenses in connection with the appeal.

Outcomes of Appeal to ITP:

- 1) **If the SRL Property Owner Prevails on Appeal**, the ITP shall require the Assistant Administrator for the Mitigation Directorate to charge the risk premium rate for flood insurance coverage of the property at the rate paid prior to the Mitigation Offer (see 44 CFR § 79.7(d)(5).)

The ITP has no authority to award attorneys' fees, pre-judgment interest, post-judgment interest, or punitive damages. In addition, the ITP is prohibited from creating other categories of awards; for example, no award of consequential, special, or exemplary damages is available to a property owner.

Costs: If the ITP or technical or subject matter expert receives compensation for his or her services and the property owner prevails on appeal, the NFIF shall bear the costs of such compensation. A property owner who brings an appeal will be responsible for paying his/her attorneys' fees and costs; or

- 2) **If the SRL Property Owner Loses the Appeal**, the Assistant Administrator for the Mitigation Directorate shall promptly apply the increase to the chargeable risk premium rate for flood insurance coverage of the property to the amount established pursuant to 44 CFR § 79.7(c) and shall collect from the property owner the amount necessary to cover the stay of the applicability of such increased rates while the appeal was pending.

Costs: If the ITP or technical or subject matter expert receives compensation for his/her services and the property owner loses on appeal, the property owner shall bear the costs of such compensation. In addition, a property owner who brings an appeal will be responsible for paying his or her attorneys' fees and costs.

3.4.7.5 Six Grounds for Appeal

3.4.7.5.1 Appeals Relating to Inability to Purchase Replacement Property (Acquisition Projects Only)

The offered mitigation activity is an acquisition and the property owner would be unable to purchase a replacement of the primary residence that is of comparable value and that is functionally equivalent. The property owner must document the actions taken to locate such replacement dwelling and demonstrate that no such dwelling is available.

For purposes of this appeal, the definition of "comparable value and functionally equivalent" means a dwelling that is decent, safe, and sanitary, and that meets applicable housing and occupancy codes. It also performs the same function, provides the same utility, and is capable of contributing to a comparable style of living. These grounds for appeal apply only where the mitigation offer was for the acquisition of a primary residence.

To prevail on this appeal, the property owner appellant must establish that, at the time of the Mitigation Offer, he/she was unable to purchase a replacement primary residence of comparable value and one that was functionally equivalent to the SRL property with the valuation contained in the Mitigation Offer Letter. The property owner shall demonstrate evidence of comparable value through documentation, including licensed real estate agency listings.

3.4.7.5.2 Appeals Relating to Insufficient Funding for Acquisition, Relocation, Elevation, Mitigation Reconstruction, and Floodproofing

“The amount of Federal funds offered for a mitigation activity, when combined with funds from the required non-Federal sources, would not cover the actual eligible costs of the mitigation activity contained in the mitigation offer, based on independent information. In the case of an acquisition, the purchase offer is not an accurate estimation of the market value of the property, based on independent information.

For a mitigation activity other than acquisition, the property owner must submit independent estimates from professional engineers or registered architects to support this claim. For an acquisition, the property owner must submit an appraisal from a qualified appraiser to support this claim, and valuations will be considered by a review appraiser (44 CFR § 79.7).”

This appeal applies to SRL property owners receiving a final Mitigation Offer for: (a) mitigation activities other than acquisition, and (b) acquisition only when the Mitigation Offer was based on the pre-event or current market value. These grounds for appeal do not apply to owners of SRL properties that were valued for the purpose of acquisition based on the original purchase price or the outstanding amount of any loan.

- a) **For Mitigation Activities Other Than Acquisition:** Under these grounds for appeal, the property owner who was offered funds for a mitigation activity other than acquisition must show that the total project cost that was the basis for the Mitigation Offer, including the Federal contribution combined with the non-Federal funding sources, does not cover the actual eligible costs of the project.

To prevail on these grounds for appeal for a mitigation activity other than acquisition, the property owner appellant must:

- 1) Submit at least two independent project cost estimates from professional engineers or registered architects demonstrating a higher project cost than the total project cost amount that was the basis for the offer;
 - 2) Establish that the project cost estimates that were the basis of the subgrantee’s Mitigation Offer were not reasonable and appropriate; and
 - 3) Establish that the subgrantee was not restricted from offering higher valued estimates by Federal, State, or local laws, or other policy reasons.
- b) **For Acquisition Offers:** Under these grounds for appeal, the property owner whose property was valued at its pre-event or current market value for the purpose of acquisition must show that the purchase offer, as described in Section 2.3.13.3.1.5.1 (Property Valuation), is not an accurate estimation of the market value of the property.

To prevail on these grounds for appeal for an acquisition offer, the property owner appellant must:

- 1) Submit an independent appraisal from a qualified appraiser demonstrating a higher value of the property than the purchase offer amount. Such appraisal shall reflect the property value at the time of the final Mitigation Offer (where current market value is the basis for the purchase offer) or the value immediately preceding the relevant event (where pre-event market value is the basis for the purchase offer). Appraisals must be conducted by an appraiser in accordance with the USPAP. The appraiser must comply with relevant State laws and requirements and shall have the appropriate certification, qualifications, and competency based on the type of property being appraised;
- 2) Establish that the subgrantee did not base the purchase offer on a reasonable and appropriately applied methodology to reflect market value; and
- 3) Establish that the subgrantee was not restricted from offering higher valued amounts by Federal, State, or local laws.

The subgrantee will supply documentation to the FEMA Regional Administrator or individual undertaking the ITP Review, if requested, concerning its own appraisals, project cost estimates, and applicable legal limitations, for the selected project for the ITP to compare with the property owner's documentation.

3.4.7.5.3 Appeals Relating to Diminishing Integrity of Historic Properties

The offered mitigation activity would diminish the integrity of a historic district, site, building, or object's significant historic characteristics to the extent where the historic resource would lose its status as listed or eligible for inclusion on the National Register of Historic Places.

This appeal is based on the impact of the proposed mitigation project to a historic district, site, or structure, referred to here as the historic resource.

FEMA must provide to the ITP information and documentation related to the NHPA Section 106 consultation process for the proposed undertakings. The subgrantee will provide the summary of the SRL consultation process between the subgrantee and the property owner.

To prevail on these grounds for appeal, the property owner appellant must establish that:

- 1) The affected historic resource is listed or eligible for inclusion on the NRHP as determined by FEMA through the NHPA Section 106 process at the time the Mitigation Offer was made; and
- 2) The mitigation activity offered for the SRL property would adversely affect the significant historic characteristics of that historic resource to the extent that it would cause it to lose its status as listed or eligible for inclusion in the NRHP.

3.4.7.5.4 Appeals Relating to Third Party Violations Affecting Multifamily Properties

For a multifamily property: Each of the flood insurance claims payments that served as the basis for its designation as a Severe Repetitive Loss property must have resulted directly from the actions of a third party in violation of Federal, State, or local law, ordinance, or regulation. The property owners must submit appropriate evidence, documentation, or data to support this claim.

This appeal is limited to multifamily SRL properties consisting of five or more residences.

- a) This appeal does **not** apply to owners of multifamily SRL properties whose NFIP insurance claims were caused by occurrences such as the following, which are not addressed in the FEMA NFIP Floodplain Management Regulations (44 CFR § 60.3):
 - Common sediment accumulation from upstream such as clay, mud, gravel, etc., that would raise the channel and floodplain elevation;
 - Increased run-off due to development of watershed or neighboring properties from paving, removal of vegetative cover (e.g., trees), or agricultural activities;
 - Natural debris accumulation downstream of a property, such as trees, plant material, etc.; or
 - Minor culvert or drainage ditch work in a watercourse that is not mapped by FEMA.
- b) This appeal does not apply to owners of multifamily SRL properties located in Zone B, C, or X.

To prevail on these grounds for appeal, the property owner appellant must establish:

- a) A third party's violation of floodplain management regulations or other applicable Federal, State, or local laws, ordinances, or regulations, depending upon the jurisdiction; and
- b) Such violations caused the flood-related damage that gave rise to each insurance claim payment that served as the basis for its designation as an SRL property.

Required evidence, documentation, or data would depend upon the specific alleged violation of Federal, State, or local law, ordinance, or regulation raised by the appellant as the basis for the appeal. A written statement from the community official responsible for floodplain management concerning the nature of the flooding may be also considered a form of documentation. Evidence of a settlement in connection with an alleged violation by a third party may also be considered on appeal.

3.4.7.5.5 Appeals Relating to Reliance on FIRM Current at the Time of Purchase

The property owner relied upon a FEMA FIRM that was current at the time the property was purchased, and the effective FIRM and associated FIS did not indicate that the property was

located in an area having special flood hazards. The property owner must produce the dated FIRM and FIS in effect at the time the property was purchased to support this claim.

To prevail on these grounds for appeal, the property owner appellant must produce the FIRM and FIS in effect at the time the SRL property was purchased.

Information regarding FIRMs and the FISs are available from:

- a) The FEMA Web site:
 - <http://www.fema.gov/hazard/map/firm.shtm>
 - <http://www.fema.gov/hazard/map/fis.shtm>
 - <http://www.fema.gov/business/nfip/mscjumppage.shtm>;
- b) The local town or county public records department, land use and development office, or library;
- c) The State NFIP coordinator, who is often part of the State's Department of Natural Resources or Environment (check State office departments);
- d) The FEMA Region supporting the State in which the property is located; and
- e) The FEMA Map Service Center, which can be reached by telephone: (877) FEMA-MAP (336-2627).

The property owner must also produce documentation establishing the purchase date of the SRL property. Examples of proof of property purchase include a deed to the property, a closing statement for the purchase of the property, real estate tax assessments, or bills.

The property owner must establish that at the time of purchase, the effective FIRM and associated FIS did not indicate that the SRL property was located in an area having special flood hazards. This would include a map showing the boundaries of the property in relation to the SFHA boundaries.

3.4.7.5.6 Appeals Relating To Cost Effectiveness of Alternative Project

An alternative mitigation activity would be at least as cost-effective as the offered mitigation activity. The property owner must submit documentation of the costs for a technically feasible and eligible alternative mitigation activity based on estimates from qualified appraisers, professional engineers, or registered architects, and information and documentation demonstrating the cost effectiveness using a FEMA approved methodology to support this claim.

Under this appeal, it will be incumbent upon the property owner to produce documentation of the costs for a technically feasible and eligible alternative mitigation activity based on estimates from qualified appraisers, professional engineers, or registered architects, and information and documentation demonstrating the cost effectiveness using a FEMA approved methodology.

Further, the Grantee and subgrantee will produce, from the Grantee or subgrantee files, documentation on alternative mitigation activity types evaluated for cost effectiveness for that particular structure. The Grantee and subgrantee will provide documentation of the property owner's preferences related to accepting different mitigation activities, as developed during the consultation.

Note: The subgrantee's legal, contractual, land-use preferences or restrictions, or other policies may cause the subgrantee to select a less cost-effective mitigation activity than that preferred by the property owner.

To prevail on these grounds for appeal, the property owner appellant must demonstrate that:

- a) Appraisals, engineering, or architectural materials provide sufficient information and documentation on total project costs for a proposed eligible mitigation activity that will meet all FEMA Environmental/Historic Preservation requirements; and
- b) The proposed eligible mitigation activity, based on an approved FEMA methodology, is at least as cost-effective as the mitigation activity selected by the subgrantee, **and** either of the following:
 - The subgrantee failed to consult with the property owner appellant to help identify other eligible mitigation activities for the property that are cost-effective and technically feasible; or
 - The subgrantee does not have any legal, contractual, land-use preferences or restrictions, or other policies that may have kept the subgrantee from implementing the mitigation activity type proposed by the property owner appellant.

3.4.8 Mitigation Reconstruction

This section is specific to Mitigation Reconstruction activities and must be used in conjunction with the program guidance. Mitigation Reconstruction, which is the demolition and rebuilding of structures, is permitted when traditional elevation cannot be implemented.

Mitigation Reconstruction is defined as any activity where an existing building and/or foundation is partially or completely demolished or destroyed and an improved, elevated building is constructed on the same site. This includes, but is not limited to, pre-existing buildings that were substantially damaged or destroyed as a result of a declared event. All activities submitted for consideration under FEMA's HMA programs that result in the construction of new living space at or above the BFE shall be considered Mitigation Reconstruction and shall be subject to all related requirements. Mitigation Reconstruction is currently an eligible activity type within the HMGP Gulf Coast Pilot and the SRL Program.

Mitigation Reconstruction activities are intended to provide another option for State, Tribal, and local governments only when traditional elevation cannot be implemented. Refer to the diagrams in Section 3.4.4.5 (Criteria for Subapplicant Consideration of Project Type) for assistance in evaluating the appropriateness of this activity.

Applicants and subapplicants should recognize that not all potential Mitigation Reconstruction projects will be cost-effective due to locations within areas of low flood risk. Other eligible project types may be at least as cost-effective as Mitigation Reconstruction, and property owners may appeal Mitigation Offers based on identifying more cost-effective projects. Applicants and subapplicants should use discretion in selecting Mitigation Reconstruction even if individual property owners prefer this project type over more cost-effective mitigation measures.

Eligible costs for Mitigation Reconstruction projects are limited to \$150,000 Federal share per property (excluding administrative allowances and permitting fees); in some cases there may be a higher percentage of non-Federal share required to cover the total project costs.

Grantee and subgrantee management costs may be used to support increased oversight and inspection requirements associated with Mitigation Reconstruction projects.

Mitigation Reconstruction is a relatively new project activity type, and FEMA will continue to conduct analyses to determine the appropriateness of this activity in both the Gulf Coast Hazard Mitigation Grant Program Reconstruction Grant Pilot and the SRL program.

3.4.8.1 Summary of Mitigation Project Requirements

In addition to complying with the subapplicant requirements in Section 2.3, Mitigation Project Subapplication Guidance, the subapplicant must provide documentation that traditional elevation cannot be implemented (e.g., because it is not structurally feasible). Grantees may establish requirements more stringent than the parameters outlined in this guidance.

Mitigation Reconstruction will not be eligible if the structure is located in a regulatory floodway or Zone V as identified on the effective FIRM, or within the mapped limit of the 1.5-foot breaking wave zone. Flood elevation data applicable in a particular area is referenced as BFE or ABFE. In the wake of a major flood event, FEMA may issue ABFEs that more closely reflect post-storm conditions than pre-existing BFEs.

Mitigation Reconstruction must be completed to at least the BFE or an ABFE or higher if required by any State or local ordinance, and in accordance with criteria established in this Guidance. As outlined in the February 5, 2006 memo, *Issuance and Use of Advisory Base Flood Elevations (ABFE) in the Implementation of FEMA Assistance*, Applicants requesting FEMA program funds in areas where ABFEs have been issued will be required to elevate to the ABFE.

Mitigation Reconstruction projects will result in the construction of a code-compliant and hazard-resistant structure on an elevated foundation system. A Certificate of Occupancy must be issued by a qualified building official to certify that the construction was properly completed. Subgrantees must adhere to all requirements regarding building code, design, and proper inspections as set forth in this guidance. Specifically, projects funded under this program shall be designed and constructed, at a minimum, to the requirements of the 2003 edition of the International Building Code (IBC), or the *International Residential Code for One- and Two-Family Dwellings* published by the International Code Council. Use of the 2006 editions of the codes is strongly encouraged.

Mitigation Reconstruction activities must be feasible and cost-effective. The reconstruction must approximate the original footage of the structure before reconstruction. More details about the construction requirements of this project type are explained in Section 3.4.8.7 (Mitigation Reconstruction Project Scoping).

Property owners are required to sign the “Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds” form as described in Section 2.6.4.4 (Special Flood Hazard Area Requirement) that require flood insurance coverage be maintained on the property.

3.4.8.2 Compliance with Local Standards

Applicable local ordinances, State laws, as well as Federal laws, regulations, and Executive Orders must be followed, in addition to the standards and requirements outlined in this guidance. In addition, if a Mitigation Reconstruction project is proposed for a designated Historic District or other designated district, special considerations may be needed to determine SRL program eligibility and/or allowable construction methods.

3.4.8.3 Eligible Mitigation Reconstruction Activities and Costs

Mitigation Reconstruction activities may involve the demolition of an existing structure, followed by onsite replacement with a hazard-resistant (e.g., flood, wind, and fire) and code-compliant structure.

All reasonable and necessary costs, including anticipated project costs, direct costs associated with project scoping, reviewing design professional changes, and pre-construction and construction activities listed below, are eligible project costs. All costs shall be based on the construction of fundamental, code-compliant structures as related to the codes and standards outlined in this Guidance. Eligible activities must adhere to all Federal, State, and local requirements. A detailed project cost estimate shall be prepared by, or under the supervision of, the design professional responsible for project design. Details pertaining specifically to the project cost estimate, such as submittal format, cost ranges, preparation requirements, and source documentation are included in Section 3.4.8.23 (Cost Estimate).

Eligible costs are limited to \$150,000 Federal share per property. Some eligible activities such as administrative allowances and permitting fees need not be included in the \$150,000 maximum Federal share as indicated in Table 3-3 below.

The activities eligible as part of a grant award under this activity type are separated into three major categories: Consultation and Project Scoping; Pre-Construction Activities; and Construction Activities. Specific activities within each of these categories that are eligible to the extent reasonable and necessary to perform the project purpose are identified in the following table:

Table 3-3: Eligible Mitigation Reconstruction Activities

Activity	Subject to Federal Share Funding Limit of \$150,000?
1) Project Scoping	
Property Verification (e.g., size of pre-existing structure)	No
Preliminary Elevation Determination	No
Environmental Site Assessment Phase 1	No
Engineering Feasibility Study (e.g., can existing structure be elevated? Is Mitigation Reconstruction feasible?)	No
Benefit-Cost Analysis	No
Title Search (e.g., ownership verification)	No
2) Pre-Construction Activities	
Site Survey (i.e., boundaries and elevation)	No
Testing of Soils/Geotechnical, Testing for Asbestos and Lead-Based Paint	No
Archeological Assessment Phase 1	No
Local, State, and Federal Permitting (e.g., environmental, historic, etc.)	Yes
Architectural/Engineering Design/Plans/Specifications	Yes
Plan Review	No
3) Construction Activities	
Permitted Disposal of routine asbestos and household hazardous wastes incidental to demolition	No
Environmental/Historic Preservation Mitigation	No
Demolition/Removal (see also Section 3.4.8.4, Eligible Demolition/Removal Activities)	Yes
Erosion Control/Grading/Drainage	Yes
Utility Connections	Yes
Landscaping for Site Stabilization (i.e., seeding)	Yes
Walkways and Driveways	Yes
Elevated Foundation Construction	Yes
Inspection of Foundation System	No
Structural Shell	
Framing	Yes
Exterior Doors	Yes
Windows (includes protection)	Yes
Access/Egress	Yes
Exterior Cladding	Yes
Roofing	Yes
Interior Partitioning	
Drywall	Yes
Trim	Yes
Painting	Yes
Interior Doors	Yes
Insulation	Yes

Activity	Subject to Federal Share Funding Limit of \$150,000?
Utility Equipment	
Heating, Ventilation, and Air Conditioning (HVAC)	Yes
Water/Wastewater Plumbing	Yes
Electrical Panel and Wiring	Yes
Hot Water Heater	Yes
Fixtures	
Sinks/Toilets/showers	Yes
Lighting	Yes
Cabinets and Countertops	Yes
Flooring	Yes
Building Inspections	No
Certificate of Occupancy	No
Final Elevation Certificate	No
Owner Displacement Costs	No
Tenant Displacement Costs	No
Prepare and Record Flood Insurance Requirement (after construction finalized)	No

3.4.8.4 Eligible Demolition/Removal Activities

Mitigation Reconstruction projects will include either total or partial demolition of the site. All demolition debris (e.g., hazardous and non-hazardous) shall be removed and taken to an approved landfill. The following must be considered during demolition:

- All asbestos must be abated and disposed of properly;
- Mitigation Reconstruction projects may include the removal of existing associated structures, garages, and above-grade concrete slabs as required;
- Any abandoned septic tanks that are not removed shall be emptied, have the floors and walls cracked or crumbled to prevent the tank from holding water, and be filled with sand or other clean fill;
- All foundation and basement walls not included within the Mitigation Reconstruction project footprint shall be removed to at least 1 foot below the finish grade of the site, or as necessary to construct the new foundations;
- All basements not included within the Mitigation Reconstruction project footprint shall be filled with compacted clean fill. Prior to filling, basement floors should be provided with a minimum 1-foot diameter hole in the floor to allow for drainage;
- Only trees which restrict the Mitigation Reconstruction work on any structure may be removed;

- Any abandoned utilities shall be terminated at least 2 feet below the finish grade of the site;
- Any abandoned wells shall be capped and associated components may be removed; and
- All disturbed areas must be graded and leveled. The top 12 inches of soil should be capable of encouraging vegetation in areas not included in the reconstructed footprint.

3.4.8.5 Ineligible Mitigation Reconstruction Activities and Costs

Certain Mitigation Reconstruction activities and their associated costs are not eligible. Ineligible activities and costs include, but are not limited to, the following:

- Mitigation Reconstruction of structures located in a regulatory floodway or Zone V as identified on the effective FIRM, or within the mapped limit of the 1.5-foot breaking wave zone;
- Unapproved scope changes;
- Legal procedures related to litigation for an approved application;
- Landscaping for ornamentation (e.g., trees, shrubs, etc.);
- Decks and garages not included as part of the foundation system;
- All construction activities not specifically noted in this Guidance and not specifically approved by FEMA in advance;
- Site remediation of hazardous contaminants; and
- Maintenance costs.

3.4.8.6 Feasibility/Effectiveness Requirement

Mitigation Reconstruction projects must be both feasible and effective at mitigating the hazards for which the project was designed. To determine both feasibility and effectiveness, FEMA will use the information provided in the project subapplication, including the SOW and cost estimate sections, as well as any supporting documentation to perform an Engineering Feasibility evaluation of the proposed project. If applicable, proposed schematic or detailed architectural/engineering drawings shall be included to allow FEMA to assess the effectiveness and feasibility of the proposed project.

The height to which a foundation can be constructed is a key factor in determining feasibility. Assistance in evaluating flood mitigation techniques can be found in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. FEMA has developed guidance for the design of appropriate foundations based on the requirements of the International Codes and other applicable coastal construction standards. This guidance is included in FEMA 550,

Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations, which also includes sample foundation design calculations and drawings, and describes in detail the considerations for determining the feasibility of constructing to the required height. While FEMA 550 was developed in response to the reconstruction needs following Hurricane Katrina, the design solutions provided can be used in both coastal and non-coastal flood zones. The document recommends users employ the appropriate foundation by following the Foundation Selection Decision Tree. In this document, FEMA recommends that the sample designs be used for a maximum height of 8 feet for a closed foundation, and up to 15 feet for an open foundation. A design professional should be consulted to determine feasibility for residential structures with required foundation heights greater than these limits.

3.4.8.7 Mitigation Reconstruction Project Scoping

In order to facilitate project development, including determination of technical feasibility and cost effectiveness, and to ensure all potential costs have been estimated, a conceptual design of proposed activities must be established during the application development. Although the construction of each structure will be designed by a licensed professional as part of the implementation of the project, basic design parameters for each structure must be established during project scoping. Some of the design parameters that must be established during project scoping include foundation type, required foundation height, flood hazard conditions, appropriate wind design, project cost, and site conditions. To aid potential subapplicants through the project scoping process, FEMA has developed detailed information regarding project cost estimates (see Section 3.4.8.23, Cost Estimate). The primary design parameters that must be considered during project scoping include:

- a) **Foundation Type:** A key consideration for scoping Mitigation Reconstruction projects will be the type of foundation required. The type of foundation for a specific Mitigation Reconstruction project will be based on the location of the property within a defined flood zone (based on the BFE or ABFE) and the required height of the proposed structure above adjacent grade. During project scoping, the applicable flood zone or flood hazard area for each structure must be identified as well as the associated foundation design requirements. This will aid subapplicants in determining the appropriate foundation type.

The type of foundation selected will affect the type and cost of construction, and must be identified prior to application submittal. Assistance in evaluating flood mitigation techniques can be found in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. Detailed guidance on foundation designs and design parameters can be found in FEMA 550, *Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations*;

- b) **Foundation Height:** The required height to which a foundation must be constructed is a key factor in determining feasibility and cost. Assistance in evaluating flood mitigation techniques can be found in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. FEMA has developed guidance for the design of appropriate foundations based on the requirements of the International Codes and other applicable coastal construction standards. This guidance is included in FEMA 550, *Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations*,

which also includes sample foundation design calculations and drawings. In this document, FEMA has recommended sample designs and associated height limitations for various foundation types. For residential structures with required foundation heights greater than these limits, a design professional should be consulted to determine feasibility;

- c) **Wind Design Considerations:** All Mitigation Reconstruction activities must be completed in accordance with the International Codes. This includes the appropriate wind design as dictated by the required wind design speed for the project location. An additional consideration is the requirement for the installation of shutters or other protective measures in wind-borne debris regions, which are defined by those areas with a design wind speed of 120 miles per hour or greater. During project scoping, projects located within these areas should be identified and the associated cost of shutters or protective measures must be included in project costs;
- d) **Seismic Considerations:** All Mitigation Reconstruction activities must be completed in accordance with the International Codes. This includes the appropriate seismic design as dictated by the required seismic design for the project location. During project scoping, projects located within these areas should be identified and the associated cost of seismic design measures or protection must be included in project costs; and
- e) **Project Cost:** The requirements and preferences for Mitigation Reconstruction developed through the parameters described above will significantly affect the cost of proposed activities. Proposed costs must be developed for consideration of mitigation options and completion of the BCA. Detailed guidance on costing procedures will be available from the FEMA Regional Office. In addition to these specific parameters, other considerations may need to be addressed during project scoping, such as:
 - Zoning requirements and other local ordinances
 - Soil conditions
 - Site access requirements
 - Environmental and historic structure considerations

During project scoping, consideration should be given to all parameters that have the potential to significantly affect project implementation including work schedule, project cost, and project effectiveness.

3.4.8.8 Certificate of Occupancy

Projects funded under this program shall not be occupied, or the occupancy category changed, without prior issuance of a Certificate of Occupancy by the governing local jurisdiction. In jurisdictions that have adopted the International Codes, the Certificate of Occupancy shall be issued only after the building official inspects the structure and finds no violations of the provisions of applicable codes or other laws enforced by the building department, as well as the provisions and requirements of this guidance.

In the absence of an adopted building code in a participating jurisdiction or the absence of a designated building official, the required inspections shall be conducted by or under the direct supervision of a design professional licensed in the State of the subject project. In communities that have not currently adopted the International Codes, the State Building Commission shall determine the education, training, and experience requirements for inspectors responsible for conducting inspections.

Inspections required prior to the issuance of a Certificate of Occupancy include, but are not limited to, the following:

- a) **Demolition Inspection:** Inspections shall be made after all utility connections have been disconnected and secured in such manner that no unsafe or unsanitary conditions exist on the site during or after demolition operations;
- b) **Foundation Inspection:** Inspections shall be made during foundation construction to verify that the foundations have been installed to the depth and capacity specified in the construction documents;
- c) **Floodplain Inspection:** Inspections shall be made for properties located in the SFHA, upon placement of the lowest floor, and prior to subsequent vertical construction. Documentation of the elevation of the lowest floor shall be provided by a land surveyor, engineer, or architect authorized by law to certify elevation information in the State where the project is located. Handheld, Global Positioning System (GPS)-derived ground elevations are not acceptable to meet this requirement. In addition, set backs and distances from water courses, the regulatory floodway, Zone V, and mapped limit of the 1.5-foot breaking wave zone should be checked prior to construction;
- d) **Framing Inspection:** Inspections shall be made after the roof is in place, including all framing and bracing, and after the plumbing, mechanical, and electrical rough-ins are complete. The framing inspections shall be made to verify that framing members are of the type, size, and grade indicated on the construction documents and the connections and fasteners have been installed in accordance with the applicable codes and construction documents;
- e) **Sheathing Inspection:** Shall be conducted after all roof and wall sheathing and fasteners are complete and, at a minimum, shall include inspection of the roof sheathing, wall sheathing, sheathing fasteners, and roof/wall dry-in; and
- f) **Final Inspection:** A final inspection should be completed to document compliance with all requirements of the International Codes, local floodplain ordinances, and any other State or local regulations.

A comprehensive list of all required inspections, permits, and certifications is included in the International Codes. Additional information on flood-related inspections can be found in the International Code Council document, *Reducing Flood Losses Through the International Codes*. A sample inspection checklist is available at:

<http://www.fema.gov/library/viewRecord.do?id=1595>.

3.4.8.9 Approximation of Original Square Footage

Mitigation Reconstruction activities must result only in an approximation of the original square footage of the structure. **The square footage of all resulting structures shall be no more than 10 percent greater than that of the original structure.** The final square footage will be verified at the time of subgrant closeout for compliance with this requirement. The original square footage shall be considered that portion of the structure that was situated on a foundation system. As such, breezeways, decks, garages, etc. will not be considered part of the original square footage unless they were situated on the original foundation system. Original square footage must be documented in the SRL subapplication through copies of tax records or other verifiable means.

3.4.8.10 Codes and Standards

Projects funded under this program shall be designed and constructed to the minimum standard as established by the requirements of the 2003 International Codes. Structures, including all parts and appurtenances, shall be designed and constructed to safely support all loads, including dead loads, live loads, roof loads, floor loads, wind loads, flood loads, snow loads, seismic loads, and combination of loads expected to be imposed on the structure as defined in the code and related documents referenced in the codes. The construction of structures shall result in a system that provides a complete load path capable of transferring all loads from the point of origin through load-resisting elements to the soils supporting the foundations. One- and two-family dwellings shall be designed and constructed, as a minimum, to meet the requirements of the *2003 International Residential Code for One-and Two-Family Dwellings* published by the International Code Council. However, FEMA encourages communities to use the newly implemented 2006 International Codes with its referenced standards. These include Appendix G: Flood Resistant Construction, as well as American Society of Civil Engineers (ASCE)/Structural Engineering Institute (SEI) 24-05, *Flood Resistant Design and Construction*, for all occupancies including residential, commercial, and other. The 2003 International Codes shall be the minimum applicable requirement until and unless a subsequent edition of that code is adopted by the governing jurisdiction.

Multi-family dwellings shall be designed and constructed, at a minimum, to meet the requirements of the IBC published by the International Code Council. The 2003 IBC shall be the minimum applicable requirement until and unless a subsequent edition of that code is adopted by the governing jurisdiction. For purposes of this program, the absence of an adopted building code in a participating jurisdiction or a jurisdiction's use of a building code not meeting the requirements of the International Codes shall not relieve the subapplicant from meeting the minimum design and construction requirements.

Installation of manufactured homes must follow regulations and guidance provided by HUD and the State Administering Agency. In addition, for installations in the SFHA, the flood provisions in the NFPA 225, *Model Manufactured Home Installation Standard* (2005 Edition), shall be the minimum requirement. This document details the standards for preparation of sites, foundations on which manufactured homes are installed, and the procedures for onsite installation of homes.

Project construction documents, including design drawings and specifications, shall be signed and sealed by a design professional licensed in the State in which the project is to be constructed

and certified for compliance with the codes, standards, and minimum construction requirements specified in this Guidance. Construction documents must be produced prior to the start of construction but are not required for submittal as part of an application. The construction documents shall include a statement that the design meets or exceeds the applicable 2003 International Code. Construction documents based on standard details developed by a manufacturer or material supplier, including framing members, framing connections and roofing, siding or appurtenance fasteners shall be signed and sealed by a design professional licensed in the State in which the project is constructed.

3.4.8.11 Plan Review and Inspections

Construction drawings and specifications shall be reviewed by the local jurisdiction prior to the start of construction. As defined by Section 103 of the IBC, the required review of the construction drawings and specifications shall be conducted by the local jurisdiction's building official. If the local jurisdiction has not established a building department, the reviews must be conducted by an independent design professional retained by the jurisdiction to conduct such reviews. The reviewing design professional shall be licensed in the State. Payment of the reviewing design professional is an allowable cost. Construction inspections must be conducted to verify that the project was constructed in full accordance with the approved design and the applicable International Codes. Construction inspections shall be conducted by the office of the building official or under the direct supervision of a design professional licensed in the State of the project as applicable.

3.4.8.12 Builder Certification

At a minimum, all work must be performed by contractors licensed or registered in the State where they are working and who maintain appropriate insurance coverage. In addition, contractors must adhere to more stringent local requirements, where applicable.

3.4.8.13 Additional Design and Construction Guidance

In addition to the code requirements established by the International Code Council, the following documents are available to provide additional guidance and assistance (i.e., not requirements) for Mitigation Reconstruction activities:

- ASCE/SEI 24-05, *Flood Resistant Design and Construction*, January 2006;
- ASCE/SEI 7-05, *Minimum Design Loads for Buildings and Other Structures*, 2002;
- IBC, 2006 edition (Note: IBC appendices are not mandatory unless specifically adopted by the local jurisdiction.);
- International Code Council, *Reducing Flood Losses Through the International Codes*, 2nd Edition, 2005;
- FEMA 55, *Coastal Construction Manual*, 3rd Edition, May 2000;
- FEMA 489, *Mitigation Assessment Team Report: Hurricane Ivan in Alabama and Florida*, August 2005;

- FEMA 499, *Home Builder's Guide to Coastal Construction, Technical Fact Sheet Series*, 2005;
- FEMA 543, *Design Guide for Improving Critical Facility Safety from Flooding and High Winds*, January 2007;
- FEMA 549, *Mitigation Assessment Team Report: Hurricane Katrina in the Gulf Coast*, July 2006;
- FEMA 550, *Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations*, July 2006; and
- FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*, March 2007.

3.4.8.14 Scope of Work for Mitigation Reconstruction Projects

Eligible Mitigation Reconstruction activities and costs are divided into three major categories: Project Scoping, Pre-Construction Activities, and Construction Activities (see Section 3.4.3.8, Eligible Activities and Associated Costs). However, more specific details about the Construction Activities portion of the process are needed to ensure an effective and feasible project. This process is described in detail in the sections that follow.

FEMA will use documentation provided by the subapplicant to evaluate the SOW, which determines the eligibility and feasibility of the Mitigation Reconstruction project. Therefore, when applicable, attachments must be provided of details, supplementary data, and pertinent information from qualified/credible sources (e.g., professional engineer, architect, and local government records). See Section 2.3.6 (Project Subapplication Scope of Work) for a checklist of all pertinent information pertaining to a well-documented application. Any deviation from methods, standard building procedures, or techniques must be thoroughly explained and documented.

3.4.8.15 General Requirements

The SOW for Mitigation Reconstruction projects is expected to include six general activities associated with construction. Each of the following activities is outlined in subsequent subsections:

- Pre-construction;
- Site preparation;
- Foundation construction;
- Structural shell construction;
- Interior finishes; and
- Construction completion.

3.4.8.16 Pre-Construction

Pre-construction activities for each structure include project design, analysis, and permitting required to meet the requirements for funding.

Project design will be performed by, or under the direct supervision of, a design professional (i.e., a registered architect or engineer licensed in the State of the project). The design includes all calculations, analysis, and research necessary to determine the forces expected to act on the project structure. The design must account for all attachments and appurtenances. The selected structural framing members must be sufficient to provide a load path for all load bearing members so as to transfer design loads to the foundations. The design must also account for the connections required to transfer load from one member to another in accordance with the design concept.

Assistance in evaluating flood mitigation techniques can be found in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. Design and construction techniques for building foundations can be found in FEMA 550, *Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations*. This Guidance describes in detail the considerations for determining the feasibility of constructing to the required height. While FEMA 550 was developed in response to the reconstruction needs following Hurricane Katrina, the design solutions provided can be used in both coastal and non-coastal flood zones.

The design process also includes any testing required to establish site-specific design parameters, such as soil borings conducted as part of a geotechnical exploration, to determine foundation requirements.

Prior to construction, each subapplicant must obtain all applicable permits and pay all required permitting fees. Applicable permits are expected to include, but not be limited to the following:

- Zoning or land use approvals;
- Environmental permits or required certifications;
- Historic preservation approvals; and
- Building permits.

3.4.8.17 Site Preparation

Site preparation activities include demolition of existing structures, removal and disposal of project debris, site environmental restoration, utility relocation, and site grading required as part of the project. Environmental site remediation costs are not eligible; the properties must be certified as “clean” by the appropriate State office before project funds may be expended on the site.

3.4.8.18 Foundation Construction

Foundation construction activities include installation, monitoring, and testing (if required) of foundations supporting the structure. Assistance in evaluating flood mitigation techniques can be

found in FEMA 551, *Selecting Appropriate Mitigation Measures for Floodprone Structures*. Design and construction techniques for building foundations can be found in FEMA 550, *Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations*. This guidance document describes in detail the considerations for determining the feasibility of constructing to the required height. While FEMA 550 was developed in response to the reconstruction needs following Hurricane Katrina, the design solutions provided can be used in both coastal and non-coastal flood zones.

Installation of an open foundation system shall be monitored to assure that foundation elements are installed to the depth and achieve the load capacity specified in the construction documents. Foundation construction monitoring can be conducted by a building official or their designee, the licensed design professional responsible for the project design, or an independent agency.

3.4.8.19 Structural Shell Construction

Structural shell construction activities include all framing, load-carrying elements, attachments, and building envelope components above the foundation. As rough-in installation of electrical, communications, plumbing, and mechanical systems may require drilling through or making notches in load-carrying elements, such rough-in work also is part of the structural shell construction activities. Structural shell construction activities must include an inspection of the completed shell prior to interior work covering the framing.

A critical element of structural shell construction is an engineering inspection conducted after framing, service rough-in, and building envelope construction are completed but prior to installation of interior wall or coverings. The engineering inspection shall verify that the size, location, and materials used in the construction are in conformance with the construction drawings and the applicable International Code.

Results of an engineering inspection by, or under the direct supervision of, the responsible design professional or an independent agency shall be presented in a written report signed and sealed by the licensed design professional in charge of the monitoring. The engineering inspections must be conducted by a building official or their designee. The licensed design professional responsible for the project design may inspect the structure for quality control reasons.

3.4.8.20 Interior Finishes

Interior finish activities include installation of interior walls, flooring, wiring/lighting fixtures, insulation, plumbing and mechanical fixtures, kitchen/bath counters, cabinets, sinks, toilets, tub/shower, and HVAC. Inspections of these interior finish activities shall be conducted in accordance with the requirements of the applicable International Code Council building code.

3.4.8.21 Construction Completion

Construction completion activities consist of conducting final inspections, preparation of a final elevation certificate (including digital photographs), issuance of a Certificate of Occupancy for the structure, and assembling the documentation necessary to verify the project's conformance with program requirements.

3.4.8.22 Scope of Work Changes for Mitigation Reconstruction Projects

Requests for changes to the SOW after award are permissible as long as they do not change the nature of the activity, cost of the project, the feasibility and effectiveness of the project, or the BCR. SOW changes can include the type of foundation (i.e., from closed to open) and the type of structure to be constructed (i.e., from masonry to wood frame). Requests must be supported by adequate justification from the Applicant in order to be processed. The justification is a written explanation of the reason or reasons for the change, an outline of remaining funds available to support the change, and a description of the work necessary to complete the activity. There is no guarantee that SOW changes will be approved, and all approvals will be at FEMA's discretion.

3.4.8.23 Cost Estimate

Each project requires a project cost estimate as part of the technical and cost effectiveness evaluation process. The project cost estimate shall include all reasonably anticipated project costs, including direct costs associated with project scoping and construction and closeout activities. The project cost estimate should also be based on standard-grade construction.

Eligible costs are limited to \$150,000 Federal share per property. Some eligible activities such as administrative allowances and permitting fees need not be included in the \$150,000 maximum Federal share, as detailed in Table 3-3, Eligible Mitigation Reconstruction Activities.

Federal share funding will be estimated and obligated on a per square foot basis; reimbursement will be in a manner consistent with standard SRL Grantee procedures. Based on the foundation type and required elevation height, a square foot cost for each potential combination of structure characteristics will be developed. All structures of the same type within an application will have costs allocated at the same square foot rate. Subapplicants will identify the type and number of structures of each possible combination to be included in the proposed project.

For cost estimating purposes, the breakdown of structure types will be based on the following structure and foundation characteristics:

- Structure Type:
 - One-story
 - Two-story
- Structure Area:
 - 800 to 3,200 square feet (one-story)
 - 1,200 to 3,600 square feet (two-story)
- Foundation Type:
 - Open foundation
 - Closed foundation

- Foundation Height:
 - 0 to 5 feet
 - 5 to 10 feet
 - 10 to 15 feet
 - Over 15 feet

To facilitate the application development process, FEMA will provide square foot cost estimates for combinations of the above structure characteristics with respect to the appropriate geographic region of the Grantee. The square foot costs will be developed with the understanding that the costs of eligible construction activities can vary based on the quality and type of construction materials and finishing work. Mitigation Reconstruction costs will be consistent with Section 3.4.8.10 (Codes and Standards), and based on materials, service equipment, and standard-grade construction practices, with basic exterior ornamentation and interior refinements consistent with an average quality of construction as defined by Marshall & Swift, RSMeans, or similar guidance. Any costs incurred above and beyond the square foot costs as allocated by FEMA will not be the responsibility of FEMA and will not be included in the determination of the Federal share or local match. Only actual costs incurred for eligible activities will be reimbursed by the Grantee.

Subapplicants may contact their Applicant to obtain the FEMA-provided square foot cost estimates and may use these values without submitting additional documentation. However, an Applicant may provide a specific cost estimate for each combination of structure characteristics on a square foot basis. FEMA will review cost estimates submitted to ensure they are reasonable and valid for the type of construction and the geographic area. Cost information will be maintained and updated by FEMA to keep the reference cost range information as current as possible. Additional dollars per square foot information provided by subapplicants may be used by FEMA to manage the changing dynamic of construction cost variances.

For Applicants not using the square foot costs provided by FEMA, documentation of the source of all cost estimates must be provided. Costs must be provided in dollars per square foot format. The costs shall be based on the construction of fundamental, code-compliant structures with essential appurtenances as described. This will allow for a comparative review of projects of varying types within a region and to ensure reasonable construction costs have been submitted.

3.4.8.24 Cost Estimate Documentation

The project cost estimate shall describe all anticipated and potential costs associated with the proposed Mitigation Reconstruction project. Sufficient detail should be provided regarding various cost items. The project cost estimate should clearly identify costs associated with each major work activity, including construction and non-construction activities, and include a detailed breakdown of costs within each activity. Project cost estimates may be developed using commercial estimating references, well-documented local area historic costs, or competitive bids for the proposed project.

3.4.8.25 Cost-Effectiveness

Applicants and subapplicants should recognize that not all potential Mitigation Reconstruction projects will be cost-effective due to locations within areas of low flood risk. Other eligible project types may be at least as cost-effective as Mitigation Reconstruction, and property owners may appeal Mitigation Offers based on identifying more cost-effective projects. Applicants and subapplicants should use discretion in selecting Mitigation Reconstruction even if individual property owners prefer this project type over more cost-effective mitigation measures.

Considering and evaluating the potential costs and benefits when scoping project activities will help to ensure the submission of cost-effective projects. For project subapplications that address multiple structures, the BCR may be calculated by totaling the anticipated or net present value of benefits for each structure to obtain the project's total net present value of benefits and then dividing the total project benefits by the total project cost. This represents the composite project BCR. Applicants and subapplicants are encouraged to ensure that the BCA includes all benefits associated with the proposed mitigation project. Projects with a composite project BCR less than 1.0 will not be eligible for funding.

3.4.8.26 Methodology

Cost effectiveness of Mitigation Reconstruction activities must be demonstrated through the use of a standard FEMA BCA module. Applicants and subapplicants should select the appropriate BCA Flood module based on the type of flood hazard for the structure location and the data available. The Very Limited Data module may not be used for SRL mitigation projects. Project costs in the BCA will be based on all eligible costs, as described in Section 2.3.8 (Cost Estimate). Applicants and subapplicants must ensure the projects costs reflect the full costs associated with Mitigation Reconstruction to the BFE or appropriate design elevation.

3.4.8.27 Data Requirements for Mitigation Reconstruction Projects

The data required to conduct a BCA for Mitigation Reconstruction activities will vary slightly depending on the module and methodology utilized. Typical data required to conduct a standard BCA for Mitigation Reconstruction activities will include:

- Structure square footage;
- Structure type;
- Site specific elevation data, including first floor elevations;
- Structure use;
- Unit replacement costs (in dollars per square foot);
- Contents value²;
- Displacement costs²;

² If different than FEMA standard value

- Loss of rent or business income³; and
- Site FIS or ABFE data.

Project applications should include surveys, copies of elevation certificates, copies of appropriate sections of the FIS, FIRM, or ABFE data, copies of relevant supporting information, and data from engineering reports and other documentation to support figures used in developing the project BCA.

3.4.8.28 Closeouts

Closeout of Mitigation Reconstruction projects generally includes the following:

- Agreement to close the project;
- Reconciliation/adjustment of project costs;
- The subgrantee shall submit to the Grantee a Certificate of Occupancy and Final Elevation Certificate for each structure in the project to certify that the structure is code-compliant. A copy of a recorded deed for each property including Mitigation Reconstruction project deed requirements shall also be submitted to the Grantee. In addition, a certification from a building official or licensed design professional verifying that the structure was designed and constructed to the minimum standard of the 2003 International Codes must be provided. These documents shall be submitted before closeout can be completed. If a subgrantee fails to provide these documents, FEMA has the authority to recoup grant funds provided for the project;
- Verification that final square footage is within 10 percent of original structure square footage at time of closeout;
- Verification of insurance for each structure;
- Submission of the final project report;
- Site visit and photograph record for each structure;
- Update to repetitive loss database for mitigated properties;
- Update to property site information in the eGrants database for each structure; and
- Project closeout in SRL program and financial systems.

3.4.9 Special Flood Hazard Area Requirement

See Section 2.6.4.4 (Special Flood Hazard Area Requirement) for details.

³ If applicable



4. APPENDIX

4.1 REFERENCED STATUTES, REGULATIONS, AND GUIDANCE

Reference Type	Description	Web Link
REGULATIONS		
26 CFR Part 1.170A-14, Qualified Conservation Contributions	Discusses deductions allowable for charitable contributions of interests in properties.	Not available electronically.
44 CFR Part 10, Environmental Considerations	Implements the Council on Environmental Quality's regulations and provides policy and procedures to enable FEMA officials to account for environmental considerations when authorizing/approving major actions that have a significant impact on the environment.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr10_07.html
44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments	Establishes uniform administrative rules for Federal grants and cooperative agreements and subgrant to State, local and Indian Tribal governments.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr13_07.html
44 CFR Part 201, Mitigation Planning	Provides information on policies and procedures for mitigation planning as required by the Stafford Act.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr201_07.html
44 CFR Part 206, Federal Disaster Assistance for Disasters Declared On or After November 23, 1988	Prescribes policies and procedures for implementing the sections of Public Law 93-288 (the Stafford Act) that are delegated to the director of FEMA. These rules only apply to major disasters and emergencies declared by the President on or after November 23, 1988.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr206_07.html
44 CFR Part 59.1, General Provisions, Definitions	Section 1 Defines terms used in the Emergency Management and Assistance Federal Regulations	http://www.access.gpo.gov/nara/cfr/waisidx_99/44cfr59_99.html
44 CFR Part 60, Criteria for Land Management and Use	Regulations for sale of flood insurance; criteria to determine the adequacy of a community's floodplain management regulations; sets forth the minimum standards for the adoption of floodplain management regulations in floodprone areas.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr60_07.html
44 CFR Part 60.3(b)(5) and (c)(4), Criteria for Land Management and Use, Floodplain Management Criteria for Floodprone Areas	Regulations regarding obtaining the elevation of residential and non-residential structures.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr60_07.html

Reference Type	Description	Web Link
44 CFR Part 78, Flood Mitigation Assistance	Prescribes actions, procedures, and requirements for the administration of the FMA program.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr78_07.html
44 CFR Part 79, Flood Mitigation Grants	Prescribes actions, procedures, and requirements for the administration of the hazard mitigation grant programs (the SRL and FMA grant programs) made available under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973.	http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;sid=0d9b687c1980e0ce74db103faccb7e35;rgn=div5;view=text;node=44%3A1.0.1.2.45;idno=44;cc=ecfr
44 CFR Part 80, Property Acquisition and Relocation for Open Space	This part provides guidance on the administration of FEMA mitigation assistance for projects to acquire property for open space purposes under all FEMA hazard mitigation assistance programs. It provides information on the eligibility and procedures for implementing projects for acquisition and relocation of at-risk properties from the hazard area to maintain the property for open space purposes.	Not available electronically.
44 CFR Part 9, Floodplain Management and Protection of Wetlands	Sets forth the policy, procedure and responsibilities to implement and enforce E.O. 11988, Floodplain Management, and E.O. 11990, Protection of Wetlands.	http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfr9_07.html
49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs	Ensures that owners of real property displaced or acquired by Federal or Federal-assisted programs are treated fairly, consistently, and equitably. Ensures that agencies who implement these regulations do so efficiently and cost-effectively.	http://www.access.gpo.gov/nara/cfr/waisidx_07/49cfr24_07.html
49 CFR Part 29, Governmentwide Debarment and Suspension (Nonprocurement)	This part adopts a governmentwide system of debarment and suspension for DOT nonprocurement activities, provides for reciprocal exclusion of persons who have been excluded under the Federal Acquisition Regulation, and provides for the consolidated listing of all persons who are excluded, or disqualified by statute, executive order, or other legal authority.	http://www.access.gpo.gov/nara/cfr/waisidx_07/49cfr29_07.html
NFIP Technical Bulletin 3-93, <i>Non-Residential Floodproofing – Requirements and Certification</i>	Provides guidance on the NFIP regulations concerning watertight construction and the required certification for floodproofed non-residential buildings in Zones A, AE, A1-A30, AR, AO, and AH whose lowest floors are below the Base Flood Elevation.	http://www.fema.gov/plan/prevent/floodplain/techbul.shtm

Reference Type	Description	Web Link
STATUTES		
Immigration and Nationality Act, 8 U.S.C. § 1101 (a)(22)	Section 1101. Definitions used in the Aliens and Nationality Act. (a)(22) The term "national of the United States" means (A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States.	http://law.onecle.com/uscode/8/1101.html
Immigration and Nationality Act, 8 U.S.C. § 1153 (a)(7), Allocation of Immigrant Visas	Defines who is eligible for a visa.	http://law.onecle.com/uscode/8/1153.html
Immigration and Nationality Act, 8 U.S.C. § 1157, Annual admission of refugees and admission of emergency situation refugees	Section 1157 Information on the maximum number of admissions and situations under which a refugee may gain admission to the United States.	http://law.onecle.com/uscode/8/1157.html
Immigration and Nationality Act, 8 U.S.C. § 1158, Asylum	Section 1158 Information on authorities who grant asylum, conditions under which asylum is granted and asylum procedures.	http://law.onecle.com/uscode/8/1158.html
Immigration and Nationality Act, 8 U.S.C. § 1182 (d)(5), Inadmissible aliens	Section 1182 (d)(5) Temporary admission of nonimmigrant and the conditions under which that may occur.	http://law.onecle.com/uscode/8/1182.html
Immigration and Nationality Act, 8 U.S.C. § 1231 (b)(3), Detention and removal of aliens ordered removed	Section 1231 (b)(3) Information on restrictions on removal of an alien to a country where the alien's life or freedom would be threatened.	http://law.onecle.com/uscode/8/1231.html
Immigration and Nationality Act, 8 U.S.C. § 1253, Penalties related to removal	Section 1253 Information on the penalties invoked if an immigrant fails to depart the country and information on the discontinuation of granting visas to nationals of countries denying or delaying accepting the alien.	http://law.onecle.com/uscode/8/1253.html
Immigration and Nationality Act, 8 U.S.C. § 1641, Definitions	Section 1641 Definitions of "qualified alien" and the treatment thereof.	http://law.onecle.com/uscode/8/1641.html
Appalachian Regional Commission Funds, 40 U.S.C. § 14321(a)(3), Grants and other assistance	Section 14231 (a)(3) Information on the authority of the Appalachian Regional Commission to make grants for administrative expenses and lists what those expenses may and may not include. Also provides information on what the local development district's contributions should be.	http://www.arc.gov/index.do?nodeId=1483#14321
Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108-264), § 102	A bill to amend the National Flood Insurance Act of 1968 to reduce loses to properties for which repetitive flood insurance claim payments have been made.	http://www.govtrack.us/data/us/bills/text/108/s/s2238.pdf

Reference Type	Description	Web Link
Civil Rights Act of 1964, 42 U.S.C. § 2000A, Title VI of the Civil Rights Act	Prohibition against discrimination or segregation in places of public accommodation.	http://uscode.house.gov/download/pls/42C21.txt
Coastal Barrier Resources Act (Public Law 97-348; 16 U.S.C. § 3501 et seq.)	Designated various undeveloped coastal barrier islands, depicted by specific maps, for inclusion in the Coastal Barrier Resources System (System). Areas so designated were made ineligible for direct or indirect Federal financial assistance that might support development, including flood insurance, except for emergency life-saving activities. Exceptions for certain activities, such as fish and wildlife research, are provided, and National Wildlife Refuges and other, otherwise protected areas are excluded from the System.	http://www.access.gpo.gov/uscode/title16/chapter55_.html
Endangered Species Act (Public Law 93-205; 16 U.S.C. § 1531-1544)	Through Federal action and by encouraging the establishment of State programs, the 1973 Endangered Species Act provided for the conservation of ecosystems upon which threatened and endangered species of fish, wildlife, and plants depend.	http://epw.senate.gov/esa73.pdf
Federal Crop Insurance Act, as amended, 7 U.S.C. § 1501 et seq.	It is the purpose of Federal Crop Insurance Act to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance.	http://www.agriculturelaw.com/links/cropins/statute.htm
Federal Financial Assistance Management Improvement Act of 1999 (Public Law 106-107), 31 U.S.C. § 6101	Improves the effectiveness and performance of Federal financial assistance programs, simplifies Federal financial assistance applications and reporting requirements, and improves the delivery of services to the public.	http://www.grants.gov/section3/PL106107.pdf
National Environmental Policy Act (Public Law 91-190; 42 U.S.C. §§ 4321 and 4331-4335)	The purposes of this Act are: To declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation; and to establish a Council on Environmental Quality.	http://www.nps.gov/history/local-law/FHPL_NtlEnvirnPolcy.pdf

Reference Type	Description	Web Link
National Flood Insurance Act of 1968, as amended, 42 U.S.C. § 4001 et seq	The National Flood Insurance Act of 1968 created the Federal Insurance Administration and made flood insurance available for the first time. The Flood Disaster Protection Act of 1973 made the purchase of flood insurance mandatory for the protection of property located in Special Flood Hazard Areas.	http://www.fema.gov/library/vi ewRecord.do?id=2216
National Flood Insurance Reform Act of 1994 (Public Law 103-325)	The National Flood Insurance Reform Act of 1994 resulted in major changes to the NFIP. The Act, which amended the Flood Disaster Protection Act of 1973, provides tools to make the NFIP more effective in achieving its goals of reducing the risk of flood damage to properties and reducing Federal expenditures for uninsured properties that are damaged by floods.	National Flood Insurance Reform Act of 1994 (Public Law 103-325)
National Historic Preservation Act (Public Law 89-665; 16 U.S.C. § 470 et seq.)	Establishes a program for the preservation of historic and prehistoric resources deemed important to our understanding of prehistory and U.S. history and created the National Register of Historic Places.	http://www.achp.gov/nhpa.html
National Register of Historic Places	The National Register of Historic Places is the official list of the Nation's historic places worthy of preservation. It is part of a national program to support public and private efforts to identify, evaluate, and protect our historic and archeological resources.	http://www.nps.gov/history/nr/
Non-Insured Crop Disaster Assistance Program (NAP), 7 U.S.C. § 1519	USDA's Farm Service Agency's Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters..	http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pf s&newstype=prfactsheet&type=detail&item=pf_20070126_distr_en_nap07.html
Privacy Act of 1974 (5 U.S.C. § 552a)	Regulates the collection, maintenance, use, and dissemination of personal information by Federal executive branch agencies.	http://www.defenselink.mil/privacy/documents/PrivacyAct1974_Am0702.pdf
Public Health and Welfare, 42 U.S.C. § 5133, Pre-Disaster Hazard Mitigation	Section 5133 Authorizes the Pre-Disaster Mitigation Program.	http://law.justia.com/us/codes/title42/42usc5133.html
Public Health and Welfare, 42 U.S.C. § 5154 (a), Insurance	Section 5154 Information on compliance with certain regulations and maintaining insurance in regard to Applicants requesting assistance to repair, restore, or replace damaged facilities under this code.	http://law.justia.com/us/codes/title42/42usc5154.html
Refugee Education Assistance Act of 1980, (Public Law 96-422) § 501(e)	Allows the President to exercise authorities over Cuban and Haitian immigrants identical to the authorities exercised in the Immigration and Nationality Act, 8 U.S.C. § 1158.	http://www.ssa.gov/OP_Home/comp2/F096-422.html

Reference Type	Description	Web Link
Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121 <i>et seq.</i>	This Act constitutes the statutory authority for most Federal disaster response activities especially as they pertain to FEMA and FEMA programs.	http://www.fema.gov/pdf/about/stafford_act.pdf
Secure Rural Schools and Community Self-Determination Act of 2000, 16 U.S.C. § 500	Section 500 Payment and evaluation of receipts to State or Territory for schools and roads; moneys received; projections of revenues and estimated payments.	http://www.govtrack.us/data/us/bills.text/106/h/h2389.pdf
Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (Public Law 91-646)	Provides important protections and assistance for people affected by federally funded projects. This law was enacted by Congress to ensure that people whose real property is acquired, or who move as a result of projects receiving Federal funds, will be treated fairly and equitably and will receive assistance in moving from the property they occupy.	http://www.access.gpo.gov/uscode/title42/chapter61_.html
DIRECTIVES		
Executive Order 11988, <i>Floodplain Management</i>	E.O. 11988 requires Federal agencies to avoid, to the extent possible, the long and short-term adverse impacts associated with the occupancy and modification of floodplains and to avoid direct and indirect support of floodplain development wherever there is a practicable alternative.	http://www.fema.gov/plan/ehp/regionviii/laws.shtm
Executive Order 11990, <i>Protection of Wetlands</i>	The purpose of this E.O. is to “minimize the destruction, loss or degradation of wetlands and to preserve and enhance the natural and beneficial values of wetlands.” To meet these objectives, the Order requires Federal agencies, in planning their actions, to consider alternatives to wetland sites and limit potential damage if an activity affecting a wetland cannot be avoided.	http://www.fema.gov/plan/ehp/regionviii/laws.shtm
Executive Order 12898, <i>Environmental Justice for Low Income and Minority Population</i>	On February 11, 1994, President Clinton signed E.O. 12898. This E.O. directs Federal agencies “to make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States.”	http://www.fema.gov/plan/ehp/regionviii/laws.shtm
Executive Order 12372, July 14, 1982, <i>Intergovernmental Review of Federal Programs</i>	The objective of the E.O. 12372, is to foster an intergovernmental partnership and to strengthen federalism by relying on State and local processes for State and local coordination and review of proposed Federal financial assistance.	http://www.archives.gov/federal-register/codification/executive-order/12372.html

Reference Type	Description	Web Link
Executive Order 12416, April 8, 1983, <i>Intergovernmental Review of Federal Programs</i>	Amends Section 8 of E.O. 12372 regarding the content of the Director of the Office of Management and Budget's report and to whom the report is submitted.	http://www.mdp.state.md.us/c/house/pdfc/Pres_ExOrder12416.pdf
Executive Order 13132, August 4, 1999, <i>Federalism</i>	The objective of E.O. 13132 is to ensure that the principles of federalism are executed according to the vision of the framers of the Constitution, namely that that policymaking criteria, special requirements for preemption, special requirements for legislative proposals are carried out at the appropriate level of government and to further the policies of the Unfunded Mandates Reform Act.	http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=1999_register&docid=fr10au99-133.pdf
GUIDANCE		
2/5/06 Memo: <i>Issuance and Use of Advisory Base Flood Elevations (ABFE) in the Implementation of FEMA Assistance</i>	Floodplain Management Using the Advisory Base Flood Elevations (ABFEs): Questions and Answers. Prepared by FEMA Mitigation, Biloxi (MS) Field Office, February 2006	http://www.fema.gov/pdf/hazard/flood/recoverydata/ms_mitigation_q&a.pdf
FEMA 317, <i>Property Acquisition Handbook for Local Communities</i> (October 1998)	A "how to" guide to help communities work through one specific hazard mitigation alternative known as property acquisition (also referred to as "buyout").	http://www.fema.gov/government/grant/resources/acqhandbook.shtm
FEMA 320, <i>Taking Shelter from the Storm: Building a Safe Room Inside Your House</i> (March 2004)	Guide to help homeowners decide if they should build a shelter in their house and provides various shelter designs that can be given to a contractor/builder.	http://www.fema.gov/plan/prevent/saferoom/fema320.shtm
FEMA 361, <i>Design and Construction Guidance for Community Shelters</i> (July 2000)	A guidance manual for engineers, architects, building officials, and prospective shelter owners that presents important information about the design and construction of community shelters that will provide protection during tornado and hurricane events.	http://www.fema.gov/plan/prevent/saferoom/fema361.shtm
FEMA 489, <i>Mitigation Assessment Team Report: Hurricane Ivan in Alabama and Florida</i> (August 2005)	On September 18, 2005, FEMA deployed a Mitigation Assessment Team (MAT) to Alabama and Florida. The MAT evaluated building performance during Hurricane Ivan and the adequacy of current building codes, other construction requirements, and building practices and materials.	http://www.fema.gov/rebuild/mat/mat_fema489.shtm

Reference Type	Description	Web Link
FEMA 499, <i>Home Builder's Guide to Coastal Construction, Technical Fact Sheet Series</i> (2005)	The fact sheets present information aimed at improving the performance of buildings subject to flood and wind forces in coastal environments. Photographs and drawings illustrate NFIP regulatory requirements, the proper siting of coastal buildings, and recommended design and construction practices for building components, including structural connections, the building envelope, and utilities.	http://www.fema.gov/rebuild/mat/mat_fema499.shtm
FEMA 543, <i>Design Guide for Improving Critical Facility Safety from Flooding and High Winds</i> (January 2007)	This manual concentrates on critical facilities (hospitals, schools, fire and police stations, and emergency operation centers). It is based on the behavior of critical facilities during Hurricane Katrina and makes recommendations on the performance of these types of buildings. It provides building professionals and decisionmakers with information and guidelines for implementing a variety of mitigation measures to reduce the vulnerability to damage and disruption of operations during severe flooding and high-wind events.	http://www.fema.gov/library/vi ewRecord.do?id=2441
FEMA 549, <i>Mitigation Assessment Team Report: Hurricane Katrina in the Gulf Coast</i> (July 2006)	In response to Hurricane Katrina, FEMA deployed a MAT to evaluate and assess damage from the hurricane and provide observations, conclusions, and recommendations on the performance of buildings and other structures impacted by wind and flood forces. The conclusions and recommendations of the report provide decisionmakers with information and technical guidance that can be used to reduce future hurricane damage.	http://www.fema.gov/library/vi ewRecord.do?id=1857
FEMA 55, <i>Coastal Construction Manual</i> , 3 rd Edition (May 2000)	To provide mitigation guidance to local officials and professionals in building design and construction, FEMA prepared the new, third edition of the Coastal Construction Manual. The manual provides a comprehensive approach to sensible development in coastal areas based on guidance from over 200 experts in building science, coastal hazard mitigation, and building codes and regulatory requirements.	http://www.fema.gov/library/vi ewRecord.do?id=1671

Reference Type	Description	Web Link
FEMA 550, <i>Recommended Residential Construction for the Gulf Coast: Building on Strong and Safe Foundations</i> (July 2006)	Every storm has shown that, while good design and construction cannot completely eliminate risk, they can significantly reduce the risk to life and damage to property. This design manual provides recommended designs and guidance for rebuilding homes destroyed by hurricanes in the Gulf Coast. The manual also provides guidance in designing and building less vulnerable new homes that reduce the risk to life and property.	http://www.fema.gov/library/vi ewRecord.do?id=1853
FEMA 551, <i>Selecting Appropriate Mitigation Measures for Floodprone Structures</i> (March 2007)	This manual is intended to provide guidance to community officials for developing mitigation projects that reduce or eliminate identified risks for floodprone structures.	http://www.fema.gov/library/vi ewRecord.do?id=2737
FEMA's Financial and Acquisition Management Division's Extension Policy	Allows the FEMA Regional Offices to extend the performance period up to one year for hazard mitigation projects.	Not available electronically.
Guidance for Geocoding Mitigation Data (FEMA)	Guidance for Geocoding Mitigation Data provides advice to Applicants on geocoding project locations as often required by FEMA mitigation grants.	http://www.fema.gov/library/vi ewRecord.do?id=1849
Mitigation eGrants System (FEMA)	FEMA has developed a Web-based eGrants management system to allow States, federally recognized Indian Tribal governments, territories, and local governments to apply for and manage their mitigation grant application processes electronically. The eGrants system is an intuitive, user-friendly system that follows the paper application requirements and processes.	http://www.fema.gov/governm ent/grant/egrants.shtm
Mitigation Planning How-To Guides (FEMA)	This series of "How-To" guides was designed to help States, Tribes and local governments understand mitigation planning and to provide information and tools that go beyond the basic requirements of 44 CFR Part 201. The guides focus on initiating and maintaining a planning process that will result in safer communities, and they are applicable to jurisdictions of all sizes and all resource and capability levels.	http://www.fema.gov/plan/mit planning/planning_resources. shtm#1
Multi-Hazard Mitigation Planning Guidance under DMA2000 Blue Book (FEMA, January 2008)	FEMA mitigation planning regulations at 44 CFR Part 201 are further clarified through the following guidance materials to assist State and local officials develop mitigation plans, and to assist State and FEMA staff review mitigation plans. All plans are reviewed against the regulations and the "Blue Book" guidance prior to FEMA approval.	www.fema.gov/plan/mitplanni ng/guidance.shtm

Reference Type	Description	Web Link
Uniform Standards of Professional Appraisal Practice (The Appraisal Foundation)	The USPAP are the generally accepted standards for professional appraisal practice in North America. USPAP contains standards for all types of appraisal services. Standards are included for real estate, personal property, business and mass appraisal.	https://commerce.appraisalfoundation.org/
OTHER RESOURCES		
Community Rating System Resource Center (Emergency Management Institute)	The National Flood Insurance Reform Act of 1994 codified the Community Rating System in the NFIP. Under the CRS, flood insurance premium rates are adjusted to reflect the reduced flood risk resulting from community activities that meet the three goals of the CRS: Reduce flood losses; Facilitate accurate insurance rating; and Promote the awareness of flood insurance.	http://training.fema.gov/EMIWeb/CRS/
Government-to-Government Relations with American Indian and Alaska Native Tribal Governments. January 12, 1999 (FR vol. 64 no. 7)	This final policy statement has been developed to guide FEMA's interactions with American Indian and Alaska Native Tribal governments in response to a policy memorandum issued by the President on April 29, 1994. President Clinton's memorandum directed agency and department heads to ensure that the Federal Government operates within a government-to-government relationship with federally recognized Indian Tribal governments.	http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=1999_register&docid=99-642-filed
OMB Circular A-87, <i>Cost Principles for State, Local, and Indian Tribal Governments</i> (August 29, 1997)	This circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian Tribal governments (governmental units).	http://www.whitehouse.gov/omb/circulars/a087/a087-all.html
OMB Circular A-94, <i>Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs</i> (October 29, 1992)	The revised circular specifies certain discount rates that will be updated annually when the interest rate and inflation assumptions in the budget are changed. These discount rates are found in Appendix C of the revised circular. The attachment to this memorandum is an update of Appendix C. It provides discount rates that will be in effect for the period February 2005 through the end of January 2006.	http://www.whitehouse.gov/omb/circulars/a094/a094.html

Reference Type	Description	Web Link
ASCE/SEI 24-05, <i>Flood Resistant Design and Construction</i> (2006)	Provides minimum requirements for flood-resistant design and construction of structures located in flood hazard areas. This standard applies to new construction which includes: (a) new structures including subsequent work to such structures, and (b) work classified as substantial repair or substantial improvement of an existing structure that is not an historic structure.	http://www.asce.org/bookstore/book.cfm?book=5661
ASCE/SEI 7-05, <i>Minimum Design Loads for Buildings and Other Structures</i> (2006)	Provides requirements for general structural design and includes means for determining dead, live, soil, flood, wind, snow, rain, atmospheric ice, and earthquake loads, and their combinations that are suitable for inclusion in building codes and other documents.	http://www.asce.org/bookstore/book.cfm?book=5583
<i>International Building Code</i> (IBC, 2003 and 2006)	The scope of this code covers all buildings except 3-story one- and two-family dwellings and townhomes. This comprehensive code features time-tested safety concepts, structural, and fire and life safety provisions covering means of egress, interior finish requirements, comprehensive roof provisions, seismic engineering provisions, innovative construction technology, occupancy classifications, and the latest industry standards in material design.	http://www.iccsafe.org/e/product.html?catid=I-C-06&pcats=ICCSafe,C&stateInfo=iLbIgfNYccWDSXhh3335 2
International Code Council, <i>Reducing Flood Losses Through the International Codes</i> , 2nd Edition, 2005	This guide is intended to help community officials decide how to integrate the 2003 edition of the International Codes (I-Codes) into their current floodplain development and regulatory processes in order to meet the requirements to participate in the NFIP.	http://www.fema.gov/library/viewRecord.do?id=1595
<i>International Residential Code for One- and Two-Family Dwellings</i> (International Code Council)	A comprehensive code for homebuilding that brings together all building, plumbing, mechanical and electrical provisions for one- and two-family residences.	http://www.iccsafe.org/e/product.html?catid=I-C-06&pcats=ICCSafe,C&stateInfo=iLbIgfNYccWDSXhh3335 2
National Fire Protection Association (NFPA) 225, <i>Model Manufactured Home Installation Standard</i> , (2005 Edition)	NFPA 225 is a brand new document intended to replace American National Standards Institute (ANSI) A225.1. Includes updated criteria cover the anchoring of the home and protection against seismic events, floods, and wind. Rules apply to single- and multi-section units.	http://www.nfpa.org/catalog/

Reference Type	Description	Web Link
National Fire Protection Association (NFPA) 5000 Code, <i>Building Construction and Safety Code</i> (2003 Edition)	Scientifically based and supported, this is the only building code developed through an ANSI-accredited process, and the only one organized by occupancy. NFPA 5000®: Building Construction and Safety Code® combines regulations controlling design, construction, quality of materials, use and occupancy, location, and maintenance of buildings and structures, with fire and life safety requirements found in NFPA® codes and standards such as the Life Safety Code®.	http://www.nfpa.org/catalog/
Firewise Communities	The national Firewise Communities program is a multi-agency effort designed to reach beyond the fire service by involving homeowners, community leaders, planners, developers, and others in the effort to protect people, property, and natural resources from the risk of wildland fire - before a fire starts. The Firewise Communities approach emphasizes community responsibility for planning in the design of a safe community as well as effective emergency response, and individual responsibility for safer home construction and design, landscaping, and maintenance.	http://www.firewise.org/
U.S. Department of Commerce, Bureau of Economic Analysis	BEA produces economic accounts statistics that enable government and business decisionmakers, researchers, and the American public to follow and understand the performance of the Nation's economy.	http://www.bea.gov
U.S. Bureau of Labor and Statistics	The U.S. Bureau of Labor Statistics (BLS) is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics. The BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the U.S. Congress, other Federal agencies, State and local governments, business, and labor.	http://stats.bls.gov

4.2 HMA PROJECT DECISION MATRIX

PROGRAMS	PDM	FMA	RFC	SRL
CRITERIA APPLICABLE TO ALL PROJECT TYPES (✓ Indicates that project would be eligible under the specified program)				
Applicant and Subapplicant Eligibility				
Applicants: State emergency management agencies, U.S. Territories, and federally recognized Indian Tribal governments	✓	✓	✓	✓
Subapplicants: State agencies, federally recognized Indian Tribal governments, and local communities	✓	✓	✓	✓
Subapplicants: State-recognized Indian Tribes, authorized Indian Tribal organizations, and Alaska Native Villages	✓	✓	✓	✓
Subapplicants: Private Nonprofit Organizations				
Funding Availability				
The Applicant/subapplicant can provide the 25 percent non-Federal share	✓	✓		✓
The subapplicant meets the “small and impoverished community requirements” and can provide at least 10 percent of the non-Federal share	✓			
The Applicant has a strategy to reduce repetitive loss properties and can provide 10 percent or more of the non-Federal share				✓
The Applicant and the subapplicant cannot provide the non-Federal share and can demonstrate reduced capacity. 100 percent funding is available.			✓	
Cost-Related Issues				
Project cost exceeds \$3 million		✓	✓	✓
The Federal share could increase due to project cost overruns		✓		✓
Management costs are available for the Applicant/subapplicant	✓	✓	✓	✓
The Applicant could use the cost under-run from another subapplication to fund the cost overrun of this application (with prior approval)		✓		✓
Applicants may request a change in the Scope of Work after the project is awarded		✓	✓	✓

PROGRAMS	PDM	FMA	RFC	SRL
CRITERIA APPLICABLE TO ALL PROJECT TYPES (✓ Indicates that project would be eligible under the specified program)				
Feasibility and Effectiveness Requirements				
BCR of 1.0 or greater is required	✓	✓	✓	✓
Pilot Alternative BCA allowed for properties that are Eligible Insured Repetitive Loss Properties	✓	✓	✓	✓
Environmental/Historic Preservation clearance required	✓	✓	✓	✓
NFIP Requirements				
The subapplicant participates in the NFIP and has not been suspended or withdrawn	✓	✓	✓	✓
ACQUISITION/RELOCATION PROJECTS				
The property must be insured by NFIP at the time of application		✓	✓	✓
The property must have one or more NFIP claims to be eligible			✓	
Must be a residential property that has had four or more NFIP claim payments (building and contents) exceeding \$20,000				✓
Must be a residential property that has had two or more NFIP claim payments (building payments only) exceeding the market value of the building				✓
The property to be acquired is a residential property	✓	✓	✓	✓
The property to be acquired is a non-residential property	✓	✓	✓	
Vacant land acquired after relocating structure(s) will be restricted in perpetuity to open space uses	✓	✓	✓	✓

4.3 FEMA ELIGIBILITY AND COMPLETENESS CHECKLIST

The following Eligibility and Completeness checklist is used by FEMA Regions to determine the eligibility of Applicants/subapplicants and review the completeness of submitted applications for funding under the HMA programs. The italicized text shown in the table indicates questions that the FEMA Region will be responding to.

This checklist can be used by Applicants and subapplicants to check if they meet the HMA program eligibility requirements and verify the completeness of their application/subapplication.

CATEGORY OF INFORMATION		PDM	FMA	RFC	SRL
Explanation					
<ul style="list-style-type: none"> • Yes: This item can be determined yes/no. A YES answer is required for the FEMA Region to forward the application to National Technical Review. If FEMA Region determines that this item is inadequate or missing, then application WILL NOT be forwarded for National Technical Review. • X: This item is required information and will be reviewed for adequacy during National Technical Review. Lack of responsiveness will not automatically eliminate the subapplication; however, responsiveness to this item will affect speed of review and approval process used for allocating funding. • N/A : Not needed 					
APPLICANT & SUBAPPLICANT ELIGIBILITY					
1	Is the Applicant eligible?	Yes	Yes	Yes	Yes
2	Is the subapplicant eligible?	Yes	Yes	Yes	Yes
3	Is the subapplicant participating in the NFIP?	Yes	Yes	Yes	Yes
4	If the project application includes properties, are all properties NFIP insured?	N/A	Yes	Yes	Yes
5	Do properties meet severe repetitive loss definition?	N/A	N/A	N/A	Yes
6	Does the mitigation activity match the description in the SOW?	X	X	X	X
7	Is the project eligible under the requested funding program?	Yes	Yes	Yes	Yes
8	Is the period of performance 3 years or less?	Yes	Yes	Yes	Yes
9	Does the proposed project comply with Section 308 of the Stafford Act?	Yes	Yes	Yes	Yes
10	Is Environmental/Historic Preservation supporting documentation provided?	X	X	X	X
11	Is the SOW complete? <i>Does it tell us the "Who, What, When, Where, Why, and How"?</i>	X	X	X	X
12	Does the work schedule accurately reflect the description of the mitigation activity provided in the SOW?	X	X	X	X
13	Is the work schedule reasonable and complete?	X	X	X	X

CATEGORY OF INFORMATION		PDM	FMA	RFC	SRL
Planning Review					
14	Does the subapplicant have a current FEMA-approved local mitigation plan? <i>Provide the name and type of the local mitigation plan and the FEMA approval date.</i>	Yes	Yes	Yes	Yes
15	Is the project described in this subapplication consistent with the goals and objectives of the local mitigation plan? <i>If no, disapprove the queue and enter comments. If yes, please provide the citation in the mitigation plan for the applicable goal, objective, or action item relevant to this type of project, as well as any specific mention of the proposed project.</i>	Yes	Yes	Yes	Yes
16	Does the State/Tribe in which the subapplicant is located have a current FEMA-approved Mitigation Plan? <i>If yes, please provide the citation in the mitigation plan for the applicable goal, objective, or action item relevant to this type of project. Provide the name and type of the Mitigation Plan and the FEMA approval date.</i>	Yes	Yes	Yes	Yes
17	Funding is restricted to a maximum of \$800,000 Federal share per planning subapplication for new plans and a maximum of \$400,000 Federal share for an update of an existing FEMA-approved mitigation plan.	Yes	N/A	N/A	N/A
Cost Review					
18	Is project cost estimate/budget documentation complete and consistent with the SOW?	X	X	X	X
19	Is the Federal share within the limit set by the requested funding program?	Yes	Yes	Yes	Yes
20	Are all costs eligible?	X	X	X	X
21	Are the costs reasonable?	X	X	X	X
22	Is back-up documentation provided for all costs?	X	X	X	X
23	Are all anticipated project costs broken out by property?	X	X	X	X
24	Are subapplicant management costs included in the budget?	X	X	X	X
25	Are costs associated with any subgrantee management cost identified as a separate line item?	X	X	X	X
26	Are pre-award costs identified as a separate line item?	X	X	X	X

CATEGORY OF INFORMATION		PDM	FMA	RFC	SRL
27	Are indirect costs, if requested, part of the subapplicant's management costs and 5 percent or less of the total cost of the project subapplication?	X	X	X	X
28	Are the subapplicant management costs eligible?	X	X	X	X
29	Does the proposed project meet cost share requirements?	X	X	X	X
30	Is the non-Federal cost share consistent with the matching funds requirements?	X	X	X	X
31	Do the costs identified as non-Federal cost share meet all eligibility criteria?	X	X	X	X
32	Are maintenance costs and a maintenance schedule included in the subapplication?	X	X	X	X
33	Does subapplicant meet the "reduced capacity requirement or small and impoverished communities" criteria and submitted documentation to be eligible for a Federal cost share of up to 100 percent of the total?	N/A	N/A	Yes	N/A
34	Does subapplicant meet the "small and impoverished communities" criteria and submitted documentation to be eligible for a Federal cost share of up to 90 percent of the total?	Yes	N/A	N/A	N/A
Cost Effectiveness Review					
35	Was a FEMA BCA Module or approved methodology used for the benefit-cost calculation?	Yes	Yes	Yes	Yes
36	Is the calculated BCR 1.0 or greater?	Yes	Yes	Yes	Yes
37	Are the total project costs in the BCA equal to those in the project cost estimate?	X	X	X	X
38	Have maintenance costs been included in the BCA?	X	X	X	X
39	If a rental property, have URA costs been included in the BCA?	X	X	X	X
40	Was a FEMA Data Documentation Template attached?	X	X	X	X

CATEGORY OF INFORMATION		PDM	FMA	RFC	SRL
<i>Miscellaneous</i>					
41	Is a Notice of Voluntary Participation form attached, if applicable?	X	X	X	X
42	Has a claims history been provided?	X	X	X	X
43	Are photographs included?	X	X	X	X
44	Is an Elevation Certificate provided?	X	X	X	X
45	Is an Appraisal/Tax Card included?	X	X	X	X
46	Is a Pre-Award Consultation Agreement attached?	N/A	N/A	N/A	Yes
47	Are the DOT and USACE consultation letters attached if applicable?	X	X	X	X
48	Are the sample deed restrictions attached if applicable?	X	X	X	X
49	Has the DOB check been completed? <i>Verify project is not funded under any other program.</i>	X	X	X	X

4.4 FORMS

FEMA Report Forms

- FEMA Form AW-501, *NFIP Repetitive Loss Update Worksheet*, <http://www.fema.gov/government/grant/resources/aw501ins.shtm>
- SF 269, *Financial Status Report*, <http://www.whitehouse.gov/omb/grants/sf269.pdf>
- SF 270, *Final Request for Payment, Advance, or Reimbursement*, <http://www.whitehouse.gov/omb/grants/sf270.pdf>
- FEMA Form 20-16 (A through C), *Assurances and Certifications*, www.fema.gov/xls/government/grant/ff_2016.xls

ENVIRONMENTAL CLOSEOUT DECLARATION

It is the Federal Emergency Management Agency's (FEMA) responsibility to comply with and verify that environmental laws and executive orders are met prior to approval of FEMA-funded grants. In order to comply with this responsibility it is necessary to ensure that the requirements of the environmental documents have been met prior to grant closeout.

The Applicant or Applicant's agent must verify that the conditions stated in the Record of Environmental Consideration, Finding of No Significant Impact (FONSI) or Environmental Assessment, or any other environmental approval documentation are met. The Applicant must submit all copies of permits or other required documentation to the State, which are available if requested by FEMA at time of closeout.

Funding will be jeopardized if the environmental conditions contained in the project approval documents are not followed and required permits are not obtained.

This is to be completed and signed after project completion and submitted as part of the grant closeout documentation.

Program Grant

Project Number

Project Title

I attest that all conditions listed in the environmental documentation were followed and the appropriate permit and supporting documents are attached. I further attest that none of the issues listed under the Project Conditions section of the Record of Environmental Consideration, FONSI or Environmental Assessment were encountered that would have required further environmental coordination with FEMA.

Signature of Applicant or Applicant's Agent

Date

Signature of State Program Manager

Date

Signature of FEMA Regional Environmental Officer

Date

Grantee Project Closeout Verification (for acquisition projects)

Grantee: _____

Project#: _____

Type of Project: _____

Please verify the following information for the project to be closed by checking the appropriate answer:

- | | | | | |
|------------|--|----------------------------|----------------------------|------------------------------|
| 1. | Was eminent domain used to acquire any properties? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. | Was Duplication of Benefits Verification completed for each structure? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. | Are all appraisals on file? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. | Was Privacy Release Act signed? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. | Was Hazardous Material Checklist completed? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 6. | Was Statement of Assurances completed? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 7. | Are covenants on file? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 8. | Was demolition completed? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 9. | Was there a Relocation Assistance letter? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 10. | Was Property Site Inventory completed? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 11. | Were deed restrictions completed? | Y <input type="checkbox"/> | N <input type="checkbox"/> | N/A <input type="checkbox"/> |

Comments: _____

Signature and Title of Verifying Official

Date