

FY 2007 Pre-Disaster Mitigation (PDM) Program Guidance

November 2006



FEMA



FEMA

FY 2007 PRE-DISASTER MITIGATION PROGRAM GUIDANCE

OVERVIEW IV

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BACKGROUND

The Pre-Disaster Mitigation (PDM) program will provide 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. This is an overview of the fiscal year (FY) 2007 Pre-Disaster Mitigation program.

USES OF FUNDS

FUNDS:

PDM grants are awarded on a competitive basis. Congress has appropriated \$100 million for competitive grants, technical assistance, and program support for the FY 2007 PDM program. The PDM program was reauthorized through September 30, 2008. For the 2007 competitive PDM program, each State will receive at least \$500,000 for sub-application(s) for at least that amount are submitted that meet all the eligibility requirements of the program as stated in this guidance. All remaining eligible sub-applications will compete nationally for the remaining PDM funds.

- Mitigation planning: \$1M cap on Federal share, not to exceed 3 years;
Mitigation projects: \$3M cap on Federal share, not to exceed 3 years;
Total State cap on Federal share is \$15M in a any year;
Information dissemination activities: not to exceed 10%, must directly relate to planning or project sub-application;
Applicant management costs: not to exceed 10%; and
Sub-applicant management costs: not to exceed 5%.

COST-SHARE:

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

ELIGIBLE ACTIVITIES:

Mitigation planning activities;

- New plan development;
Upgrade; and
Comprehensive review and update.

Mitigation project activities; and,

- Voluntary acquisition of real property (i.e. structures and land, where necessary) for conversion to open space in perpetuity;
Relocation of public or private structures;
Elevation of existing public or private structures to avoid coastal or riverine flooding;
Structural retrofitting and non-structural 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 (e.g., tornado and severe wind shelters) for public and private structures that meet the FEMA construction criteria in FEMA 320 "Taking Shelter from the Storm" and FEMA 361 "Design and Construction Guidance for Community Shelters";
Hydrologic and Hydraulic studies/analyses, engineering studies, and drainage studies for the purpose of project design and feasibility determination;

KEY POINTS

INELIGIBLE PLANNING ACTIVITIES:

- Flood studies or flood mapping;
Mapping activities that are not part of a risk assessment;
Risk assessments, technical assistance, studies, or workshops not resulting in a FEMA-approved hazard mitigation plan;
Information dissemination activities exceeding 10% of the total cost of the planning sub-application or that are not tied directly to a PDM planning sub-application;
Any ground disturbing activity that would initiate the environmental review and compliance process;
Pre-award activities not directly related to the development of the planning sub-application or implementing the proposed planning activity; and
Limited revisions and amendments that do not result in a comprehensive hazard mitigation plan update.

INELIGIBLE PROJECT ACTIVITIES:

- Major flood control projects;
Water quality infrastructure projects;
Projects that address ecological issues related to land and forest management;
Warning and alert notification systems;
Phased or partial projects;
Studies that do not result in a project (e.g., engineering designs, feasibility studies, or drainage studies that are not integral to a proposed project);
Flood studies or flood mapping (general H&H studies not integral to project design);
Dry flood proofing of residential structures;
Generators 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 sub-application and is not directly related to the hazard(s) that threaten that critical facility
Any mitigation activities involving demolishing an existing structure (i.e.,

- 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 infrastructure (*e.g.*, roads and bridges);
- Storm water management projects (*e.g.*, culverts, retention basins) to reduce or eliminate long-term risk from flood hazards; and
- Localized flood control projects, such as certain ring levees, bank stabilization, 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

Any of the above mitigation projects for a critical facility, as defined above, 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 sub-application, as long as the generator or related equipment purchase directly relates to the hazard(s) that threatens the critical facility.

Applicant management costs activities.

- The solicitation, review, and processing of PDM planning and project sub-applications and sub-grant awards;
- Providing technical assistance to Sub-applicants regarding Benefit-Cost Analysis and Environmental and Historic Preservation documentation;
- Geocoding mitigation projects selected for further review;
- Delivery of technical assistance (*e.g.*, plan reviews, planning workshops) intended to support the implementation of planning and project activities;
- Managing grants (*e.g.*, quarterly reporting and close-out);
- Technical monitoring (*e.g.*, site visits, technical meetings); and
- Hiring staff to perform the above activities.

- commercial or residential building) and building a new structure (*i.e.*, demolition/rebuild) in floodplains;
- Projects that solely address a manmade hazard;
- Response and communication equipment;
- Projects that solely address maintenance or repairs of existing structures, facilities, or infrastructure (*e.g.*, dredging and removal);
- Localized flood control projects that do not protect a critical facility or constitute a part of a larger project; and
- Any project for which another Federal agency has primary authority.

PLANNING ACTIVITIES:

Eligibility for a project grant is dependent on the Applicant and Sub-applicant having a FEMA-approved hazard mitigation plan by the application deadline. The outcome of a mitigation planning sub-grant award must be a FEMA-approved hazard mitigation plan that complies with the requirements of 44 C.F.R. Part 201. The planning grant deliverable can be a new hazard mitigation plan, an upgrade of an existing FEMA approved hazard mitigation plan or an update of an already FEMA-approved hazard mitigation plan.

ELIGIBILITY REQUIREMENTS

APPLICANT ELIGIBILITY:

Only the State emergency management agencies or a similar office (*i.e.*, the office that has emergency management responsibility) of the State, the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, as well as Federally-recognized Indian tribal governments are eligible to apply to FEMA for assistance as Applicants under this program. Each State, Territory, or tribal government shall designate one Agency to serve as the Applicant for this program. Each Applicant may submit an unlimited amount of sub-applications for eligible planning/project activities that the Applicant has reviewed and approved in eGrants. A separate management cost sub-application must be submitted for Applicant management costs.

SUB-APPLICANT ELIGIBILITY:

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. Private non-profit (PNP) organizations and private colleges and universities are not eligible Sub-applicants; however, an eligible, relevant State agency or local government may apply

KEY POINTS

NFIP PARTICIPATION:

If Applicants and Sub-applicants have been identified through the NFIP as having a Special Flood Hazard Area (SFHA), and a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) has been issued for their specific jurisdiction, they must be participating in the NFIP and not on probation, suspended, or withdrawn from the NFIP to be eligible for the PDM program. Applicants/Sub-applicants 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

to the Applicant as the Sub-applicant for assistance to benefit the private entity.

necessary steps to join and participate in the NFIP.

MITIGATION PLAN REQUIREMENT:

All Applicants must have a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan by the application deadline to be eligible to receive project grant funding under the PDM program in accordance with 44 C.F.R. Part 201. In addition, all Sub-applicants must have a FEMA-approved hazard mitigation plan by the application deadline to be eligible to receive 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 hazard mitigation plan and the tribal/local/university hazard mitigation plan for the jurisdiction in which the activity is located.

INTENT TO PARTICIPATE:

A Letter of Intent to Participate from the owner of each property identified in the SOW. The form includes documentation that demonstrates that the Applicant/Sub-applicant has advised each property owner that acquisition projects for open space acquisition are voluntary and that Grantee/Sub-grantee will not use its eminent domain authority to acquire the property for open space purposes should negotiations fail. Documentation of signature for each property is required.

APPLICATION PROCESS

APPLICATION PROCESS:

Applicants must use the electronic grants (*eGrants*) management system: <https://portal.fema.gov> to submit a PDM grant application to include planning, project, and management cost sub-applications. Only PDM-C grant applications submitted through the *eGrants* system will be accepted. If a Sub-applicant does not use the *eGrants* system, the Applicant must enter the Sub-applicant's paper sub-application(s) into the *eGrants* system on their behalf using the Paper Sub-application Intake function. Paper planning and project sub-applications that follow the *eGrants* format are available in the *eGrants* system for Sub-applicants to use. Applicants must provide an original and two copies of any paper supporting documentation that cannot be electronically attached to the *eGrants* application (*e.g.*, engineering drawings, photos, maps) to the appropriate Regional Office. However, 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 sub-applications in *eGrants* are not necessary.

BENEFIT-COST ANALYSIS:

The Applicant or Sub-applicant are required to perform a BCA for each property, including repetitive flood loss properties and substantially damaged properties.

TECHNICAL ASSISTANCE:

FEMA may provide technical assistance to Applicants and Sub-applicants regarding the level of documentation and the types of information that FEMA will need to adequately review the feasibility and effectiveness of

KEY POINTS

APPLICATION PERIOD:

Applicants must submit an FY 2007 PDM grant application to the appropriate FEMA Regional Office by February 5, 2007, at 11:59:59 p.m. Eastern Standard Time.

EGRANTS TECHNICAL ASSISTANCE:

FEMA will provide technical assistance regarding the *eGrants* system through the *eGrants* Helpdesk: 1-866-476-0544 or mtegrants@dhs.gov.

PROJECT TECHNICAL ASSISTANCE:

Technical assistance for engineering feasibility, Benefit-Cost Analysis, and Environmental/ Historic Preservation compliance is available through the FEMA Technical Assistance Helplines:

TECHNICAL ASSISTANCE HELP LINES:

Phone:

(866) 222-3580 (toll free)

E-mail:

enghelpline@dhs.gov

bchelpline@dhs.gov

ehhelpline@dhs.gov

proposed mitigation projects. In addition, FEMA may provide technical assistance to Applicants and Sub-applicants regarding the completeness and accuracy of project cost estimating for engineering costs.

APPLICATION REVIEW

APPLICATION REVIEW:

FEMA will review all planning sub-applications to ensure the following:

- Eligibility of the Applicant and Sub-applicant;
- Eligibility of proposed planning activities and costs;
- Completeness of the sub-application;
- Consistency of the proposed planning activity with the goals and objectives of the Applicant’s State/tribal hazard mitigation plan;
- Adequacy of the justification for the proposed planning activity if the Sub-applicant already has a FEMA-approved hazard mitigation plan or has already received a planning grant;
- Completeness of SOW;
- Completeness of the Cost Estimate and consistency with the SOW;
- Eligibility and availability of non-Federal cost share; and
- Complete responses to Evaluation Information section questions for National Ranking and Evaluation, including the assessment of the frequency and severity of hazards.

Planning sub-applications that do not satisfy the Eligibility and Completeness requirements will be removed from consideration.

KEY POINTS

ELIMINATION CRITERIA:

- Ineligible Applicant or Sub-applicant;
- Applicant and Sub-applicant mapped through the NFIP, but not participating or on probation, suspended or withdrawn from the NFIP;
- Incomplete application;
- Ineligible activities;
- Mitigation projects from Applicants/Sub-applicants that do not have approved hazard 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 Benefit-Cost Ratio less than 1.0;
- Mitigation projects without a BCA or with inadequately documented BCA; and
- Missing cost-share funding.

NATIONAL RANKING PROCESS

NATIONAL RANKING:

National Ranking factors are:

FY 2007 NATIONAL RANKING FACTORS AND POINT VALUES	PLANS	PROJECTS
The priority given to the sub-application by the Applicant in their PDM grant application	35%	35%
Assessment of frequency and severity of hazards	30%	N/A
Whether the Applicant has a FEMA-approved Enhanced State/tribal hazard mitigation plan by the application deadline	15%	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	15%	15%
The percent of the population benefiting, which equals the number of individuals directly benefiting divided by the community population	N/A	15%
Whether the project protects critical facilities	N/A	10%
Status of the local Sub-applicant as a small and impoverished community	5%	5%
TOTAL POINT VALUES	100%	100%

KEY POINTS

NATIONAL RANKING:

FEMA will score all eligible planning and project sub-applications on the basis of predetermined, objective, and quantitative factors to calculate a National Ranking Score.

Sub-applications will be sorted in descending order based on the National Ranking scores. FEMA will forward from the National Ranking to the National Evaluation the highest scoring sub-applications representing no less than 150% of available funds. FEMA may also include the two highest scoring sub-applications from tribal Applicants in the National Evaluation, if not already included in the 150%.

NATIONAL EVALUATION PROCESS

NATIONAL EVALUATION:

National Evaluation factors are:

FY 2007 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 SOW that demonstrates an understanding of the planning process and describes a methodology for completing the proposed mitigation plan	30%	N/A
Project sub-application demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures.	N/A	20%
Durability of the financial and social benefits that will be achieved through the proposed mitigation project	N/A	15%
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 (<i>e.g.</i> , 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%

KEY POINTS

NATIONAL EVALUATION:

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 sub-applications on the basis of additional pre-determined qualitative factors.

Sub-applications will be sorted in descending order based on the National Evaluation and Confidence Rating scores. The highest scoring project sub-applications representing no less than 150 % of available funding will be forwarded to the Technical Review.

NATIONAL TECHNICAL REVIEW

NATIONAL TECHNICAL REVIEW:

FEMA will conduct the following technical reviews for the highest scoring project sub-applications representing no less than 150% of available funding:

- Benefit-Cost Analysis; and
- Engineering Feasibility.

KEY POINTS

NATIONAL TECHNICAL REVIEW:

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

AWARD PROCESS

SELECTION/AWARD:

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 sub-applications are selected for further review up to the amount of funds available for the program.

The process is two-fold:

KEY POINTS

ENVIRONMENTAL REVIEW:

FEMA will complete the Environmental/Historic preservation compliance review for projects selected for further review as part of pre-award activities. Project sub-applications will not be awarded and projects can not be initiated until FEMA has completed the Environmental/Historic Preservation review.

First, for States only, FEMA will select for further review the highest scoring eligible sub-applicants from each State in order until the projects and/or plans within a State are no less than \$500,000.

Second, all remaining eligible sub-applications (including those from Indian tribal governments) will be reordered and, the Approving Federal Official shall select the highest scored eligible planning and project sub-applications for further review, in order, up to the remaining amount of funds available for the program. That is unless a sub-application is justified for selection 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 sub-applications;
- 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.

UNSUCCESSFUL APPLICATIONS:

FEMA will notify Applicants of sub-applications that do not satisfy Eligibility and Completeness requirements; sub-applications that are not forwarded to National Evaluation following the National Ranking; and sub-applications that are not selected for further review by the Approving Federal Official.



FEMA

FY 2007 PRE-DISASTER MITIGATION PROGRAM LIST OF ACRONYMS

ACRONYM	DEFINITION
ABFE	Advisory Base Flood Elevations
ADR	Alternative Dispute Resolution Office
BCA	Benefit-cost Analysis
BCR	Benefit-cost Ratio
BEA	Bureau of Economic Analysis (Department of Commerce)
BFE	Base Flood Elevation
CATEX	Categorically Excluded
CDBG	Community Development Block Grant (HUD)
CFDA	Catalog of Federal Domestic Assistance
C.F.R.	Code of Federal Regulations
CRBA	Coastal Resource Barrier Act
CSO	Combined Sewer Overflow (EPA)
DHS	Department of Homeland Security
eGrants	Electronic Grants System (FEMA)
EPA	Environmental Species Act
ESA	Endangered Species Act
DUNS	Data Universal Numbering System
FEMA	Federal Emergency Management Agency
FHBM	Flood Hazard Boundary Map
FIRM	Flood Insurance Rate Map
FIS	Flood Insurance Study
FMA	Flood Mitigation Assistance Program
FMV	Fair Market Value
FY	Fiscal Year
GIS	Geographic Information System
HAZUS	Hazards United States (FEMA)
HHS	Department of Health and Human Service
HMGP	Hazard Mitigation Grant Program
HUD	Department of Housing and Urban Development
ICC	Increased Cost of Compliance (NFIP)
NEMIS	National Emergency Management Information System
NEPA	National Environmental Policy Act
NFIA	National Flood Insurance Act
NFIF	National Flood Insurance Fund
NFIP	National Flood Insurance Program
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
OMB	Office of Management and Budget
PCA	Pre-Award Consultation Agreement
PDM	Pre-Disaster Mitigation Program (FEMA)

ACRONYM	DEFINITION
PDM-C	Pre-Disaster Mitigation Program Competitive (FEMA)
PNP	Private Non-Profit
POC	Point of Contact
RFC	Repetitive Flood Claims Program
SDF	Special Direct Facility
SFD	Single Family Dwelling
SFHA	Special Flood Hazard Area
SHPO	State Historic Preservation Office
SRL	Severe Repetitive Loss
SOW	Scope of Work
SSO	Sanitary Sewer Overflow (EPA)
SQANet	Simple and Quick Access Net
USACE	United States Army Corps of Engineers
URA	Uniform Relocation Assistance
USBL	United States Bureau of Labor Statistics
USGS	United States Geological Survey

SECTION 1 GRANT APPLICATION GUIDANCE

1.1 DEFINITION AND PURPOSE

Hazard mitigation is defined as any sustained action taken to reduce or eliminate long-term risk to life and property from a hazard event. Hazard mitigation results in long-term, cost-effective, and environmentally-sound reduction of hazard vulnerability. The goal of hazard mitigation is to save lives and reduce property damage. This, in turn, can reduce the enormous cost of disasters to property owners and all levels of government. In addition, hazard mitigation can protect critical community facilities, reduce exposure to risk, and minimize community disruption. Examples include hazard mitigation planning, acquisition and relocation of structures out of the floodplain, construction of saferooms (*e.g.*, tornado and severe wind shelters) for public and private structures.

FEMA's Pre-Disaster Mitigation (PDM) program provides funds to States, Territories, 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-efficient mitigation measures. The PDM program provides funding to reduce loss of life as well as damage and destruction to property from natural hazards.

1.2 AUTHORIZATION AND APPROPRIATION

1.2.1 AUTHORIZATION

The Pre-Disaster Mitigation program was authorized by Part 203 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act), 42 U.S.C. 5133, 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 should be used primarily to support mitigation activities that address natural hazards, although hazard mitigation projects and plans also may address hazards caused by manmade events. The Catalog of Federal Domestic Assistance (CFDA) number is 97.017.

For the 2007 competitive PDM program, FEMA will ensure that a State will receive no less than \$500,000 for sub-application(s) within the State that meet all the eligibility requirements of the program as stated in this guidance. All remaining eligible sub-applications will compete nationally for the remaining PDM funds.

1.2.2 APPROPRIATION

Congress has appropriated \$100 million for competitive grants, technical assistance, and program support for the Fiscal Year (FY) 2007 PDM program. Availability of PDM funds have been reauthorized through September 30, 2008.

1.3 GRANT PROGRAM ELIGIBILITY

1.3.1 ELIGIBLE APPLICANTS

Only the State emergency management agency or a similar office (*i.e.*, the office that has primary emergency management responsibility) of the State, the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, as well as Federally-recognized Indian tribal governments are eligible to apply to Federal Emergency Management Agency (FEMA) for assistance as Applicants under this program. Each State, Territory, or tribal Government shall designate one agency to serve as the Applicant for the PDM program. Each Applicant may submit unlimited number of sub-applications for eligible planning/project activities that the Applicant has reviewed and approved in *eGrants* (See *Section 1.6.3, Applicant Review of Sub-applications*). A separate management cost sub-application must be submitted for Applicant management costs.

Consistent with the FEMA policy and Title 44 Code of Federal Regulations (C.F.R.) “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 PDM grants either through the State as a Sub-applicant or directly to FEMA as an Applicant. This choice is independent of a designation under other FEMA grants and programs. If the tribal Government acts as an Applicant by applying directly to FEMA and a grant is awarded, the tribal Government assumes the full responsibilities of a Grantee for the purposes of administering the grant. FEMA has determined that the unique status of Federally-recognized Indian tribal governments justifies providing this option to apply directly to FEMA. However, when legally permitted, tribal governments are encouraged to continue existing relationships with the State.

1.3.2 ELIGIBLE SUB-APPLICANTS

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 Tribal governments; local governments, including State-recognized tribes, authorized tribal organizations, and Alaska Native villages; public colleges and universities; and tribal colleges and universities.

Private non-profit (PNP) organizations and private colleges and universities are not eligible Sub-applicants; however, an eligible, relevant State agency or local government may apply to the Applicant as the Sub-applicant for assistance to benefit the private entity. For example, a State’s Parks and Recreation Department or Cultural Resources Agency may apply as a Sub-applicant for funds to mitigate a private museum, or a State Education Agency may apply as a Sub-applicant for funds to mitigate a private university if they are covered by a hazard mitigation plan. To be eligible for a project activity all entities must be covered by or participated in the development of the hazard mitigation plan. The Sub-applicant retains responsibility for the sub-grant and may not pass funding onto another entity without accountability of grant administration.

1.3.3 PROGRAM REQUIREMENTS

1.3.3.1 PLANNING REQUIREMENTS

All Applicants must have a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan by the application deadline, to be eligible to receive project grant funding under the PDM program in accordance with 44 C.F.R. Part 201. In addition, Sub-applicants must have a FEMA-approved hazard mitigation plan by the application deadline, to be eligible to receive project grant funding under the PDM program. Applicants and Sub-applicants that do not have a FEMA-approved hazard mitigation plan are eligible to apply for a planning grant to develop such a plan under PDM. Please see FEMA's planning web site: <http://www.fema.gov/plan/mitplanning/index.shtm>.

All activities submitted for consideration must be consistent with the Applicant's State/tribal Standard or Enhanced Hazard Mitigation Plan and the Sub-applicant's tribal or local hazard mitigation plan for the local jurisdiction in which the activity is located.

1.3.3.2 NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

If Applicants and Sub-applicants have been identified through the NFIP as having a Special Flood Hazard Area (SFHA), and a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) has been issued for their specific jurisdiction, they must be participating in the NFIP and not on probation, suspended, or withdrawn from the NFIP to be eligible for the PDM program. Applicants/Sub-applicants that are not mapped or have not been issued a map are eligible for the PDM program.

Further, all entities included in a planning or project sub-application for PDM funding that are mapped under the NFIP must be participating in the NFIP and not on probation, suspended, or withdrawn from the NFIP. A project that has an identified SFHA must be located within a community that is participating in the NFIP and is not on probation, suspended, or withdrawn from the NFIP. Projects located on campuses of public institutions must be in conformance with either local or State floodplain management requirements (see 44 C.F.R. Part 60, Criteria for Land Management and Use). If the community lacks jurisdiction to enforce NFIP floodplain management requirements on State-owned property, then the project involving a State facility must be in compliance with State floodplain management requirements.

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.

Property owners located in SFHAs who participate in a mitigation project that improves their structure must obtain and maintain flood insurance on the property prior to award (See *Section 4.3, Mitigation Project Requirements*).

1.3.3.3 NON-DISCRIMINATION

Like other FEMA mitigation programs, the PDM program must be administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status. The PDM program complies with Section 308 of the Stafford Act and Title VI of the 1964 Civil Rights Act. All Applicants/Grantees must comply with Title VI, including State and local governments distributing Federal assistance.

In implementing the PDM program, Applicants and Sub-applicants will ensure that no discrimination is practiced. Applicants must consider fairness, equity, and equal access when prioritizing and selecting planning and project sub-applications to submit with their PDM grant application. Sub-applicants must ensure fairness and equal access to homeowners and individuals that benefit from property acquisitions, structure improvements, etc.

1.3.3.4 COST-EFFECTIVENESS

Project sub-applications must demonstrate cost-effectiveness through a BCR of 1.0 or greater (See *Section 4.6, Cost Effectiveness*).

1.3.3.5 GEOCODING MITIGATION PROJECTS

The location of all approved mitigation projects funded by the PDM program must be geocoded using standard datum prior to award (See *Section 4.11, FEMA Pre-award Activities*). 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 the FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

1.3.4 PROGRAM RESTRICTIONS

1.3.4.1 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 over-runs 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 performance period must be reported to FEMA for de-obligation. Cost under-runs from one sub-application can not be used to meet another sub-application's cost over-run.

1.3.4.2 DUPLICATION OF BENEFITS

PDM grants may not duplicate benefits received by or available to the Applicant or Sub-applicant including participating persons or entities from insurance, other assistance programs, legal awards, or any other resource to address the same purpose. An Applicant must notify FEMA of all benefits that are received or anticipated by the Applicant or Sub-applicant from other sources for the same purpose, and Applicants and Sub-

applicants must seek all such benefits available to them. FEMA will reduce the PDM grant by the amounts available for the same purpose from another source.

If FEMA provides assistance under this program when other benefits are available, the Grantee will be liable to FEMA for any duplicative amounts that are received, and must reimburse FEMA for such amounts.

1.3.4.3 DUPLICATION OF PROGRAMS

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

For example:

- The Natural Resources and Conservation Service has the primary responsibility for funding watershed management plans; and
- The Environmental Protection Agency manages the Clean Water State Revolving Fund (CWSRF) program to fund a variety of water quality infrastructure projects (*e.g.* combined sewer overflow (CSO) and sanitary sewer overflow (SSO) projects to eliminate sewer system overflows).

1.3.4.4 PDM PROGRAM FUNDS

PDM funds retain their Federal identity and, thus, generally can not be used as cost share for another Federally-funded activity. In addition, the non-Federal cost share for the PDM program cannot be used as cost share for other Federal grant programs.

1.3.4.5 FUNDING LIMITS

Funding is restricted to a maximum of \$1 million Federal share for planning sub-applications and \$3 million Federal share for mitigation project sub-applications, and the cumulative Federal share for any one state shall not exceed 15% of the appropriated program funds. Sub-applications that propose a Federal cost share in excess of the Federal funding limit will not be considered.

1.3.4.6 PERFORMANCE PERIOD

The performance period for mitigation planning and project sub-applications shall not exceed three years from date of award. Sub-applications that propose a work schedule in excess of three years will not be considered.

1.3.4.7 CONFLICT OF INTEREST

Applicants and Sub-applicants must avoid conflicts of interest. Sub-applicants must comply with the procurement guidelines at 44 C.F.R. Part 13.36. Among other requirements, 44 C.F.R. Part 13.36 urges Sub-applicants to avoid situations where local officials with oversight authority might benefit financially from the grant disbursement.

Applicants must comply with guidelines for awarding and administering sub-grants at 44 C.F.R. Part 13.37.

1.4 ELIGIBLE ACTIVITIES AND ASSOCIATED COSTS

Mitigation plans and projects must be long-term, feasible, and meet all requirements referenced in the PDM Guidance. Projects also must demonstrate cost-effectiveness.

The following are eligible activities for the PDM program:

- Mitigation planning activities (See *Section 3, Mitigation Planning Sub-application Guidance*);
- Mitigation project activities (See *Section 4, Mitigation Project Sub-application Guidance*); and
- Applicant management costs (See *Section 2, Applicant Management Costs*).

1.5 INELIGIBLE ACTIVITIES

Mitigation planning and project sub-applications must meet all requirements referenced in the PDM Guidance. Specific ineligible mitigation planning activities are listed in *Section 3.2, Ineligible Mitigation Planning Activities*. Ineligible project activities are listed in *Section 4.2, Ineligible Project Activities*.

1.6 APPLICATION PROCESS

1.6.1.1 APPLICATION PERIOD

The PDM application period will open following receipt of appropriations (See *Section 1.2.2, Appropriation*). The application period will be posted on FEMA's website:

<http://www.fema.gov/government/grant/pdm/index.shtm>. PDM grant applications must be submitted to FEMA by the application deadline. Applications, including all supporting documentation, will not be accepted after February 5, 2007, at 11:59:59 p.m. Eastern Standard Time.

Sub-applicants should consult the official designated point of contact for their Applicant State/ Tribe/Territory for more information regarding the application process. Applicants are strongly encouraged to establish an earlier deadline for Sub-applicants to submit sub-applications in order to allow time to review and prioritize sub-applications (See *Section 1.6.3, Applicant Review of Sub-applications*) as well as enter any paper sub-applications into FEMA's Electronic Grants (*eGrants*) System (See *Section 1.6.2, FEMA's Electronic Grants System*).

1.6.1.2 FEMA'S ELECTRONIC GRANTS SYSTEM

Applicants must use the electronic grants (*eGrants*) management system:

<https://portal.fema.gov> to submit a PDM grant application to include planning, project, and management cost sub-applications. Only PDM-C grant applications submitted through the *eGrants* system will be accepted. If a Sub-applicant does not use the *eGrants* system, the Applicant must enter the Sub-applicant's paper sub-application(s) into the *eGrants* system on their behalf using the Paper Sub-application Intake function. Paper planning and project sub-

applications that follow the *eGrants* format are available in the *eGrants* system for Sub-applicants to use. Applicants must provide an original and two copies of any paper supporting documentation that cannot be electronically attached to the *eGrants* application (e.g., engineering drawings, photos, maps) to the appropriate Regional Office. However, 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 sub-applications in *eGrants* are not necessary.

FEMA requires Applicants to use *eGrants* for the PDM program as it facilitates the competitive process and simplifies the selection and award process. FEMA has developed the *eGrants* system to meet the intent of the *eGovernment* initiative authorized by Public Law 106–107, passed on November 20, 1999. This initiative requires that all government agencies both streamline the grant application processes and provide the means to electronically create, review, and submit a grant application via the Internet.

FEMA’s *eGrants* system incorporates all elements of the PDM application in a user-friendly format for both Applicant and Sub-applicant use. The electronic process replaces the paper-based process in that Sub-applicants’ planning and project sub-applications may be electronically submitted to the Applicant for review and approval in *eGrants*. Then, the Applicant must attach the Sub-applicants’ sub-applications to a grant application along with the Applicant’s own planning, project, and management cost sub-applications, if any, for submission 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.

In addition to the online help available within the *eGrants* system and the Grantee and Sub-grantee Quick Reference Guides available at <https://portal.fema.gov>, FEMA has established an *eGrants* Helpdesk to provide technical assistance to Applicants and Sub-applicants completing sub-applications and grant applications in the *eGrants* system. The *eGrants* Helpdesk can be reached via telephone: 1 (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.

1.6.1.3 APPLICANT REVIEW OF SUB-APPLICATIONS

Applicants must review and approve all sub-applications in *eGrants* before they can be attached to a grant application. Applicants should review all planning and project sub-applications for eligibility, completeness, and consistency with the Applicant’s Standard/Enhanced hazard mitigation plan and the goals and objectives of the applicable tribal/local/university hazard mitigation plan (See *Section 1.3.3.1, Planning Requirements*). Applicants may return sub-applications to Sub-applicants for revisions as necessary in *eGrants*.

FEMA strongly encourages Applicants to review the Sub-applicant’s responses to the Evaluation Information questions, including the assessment of the frequency and severity of hazards for mitigation planning activities (See *Section 3.6, Evaluation Information*), and the Benefit Cost Analysis (BCA) for mitigation projects (See *Section 4.8, Evaluation Information*), which will support competitiveness in the National Ranking process (See

Section 1.8.2, National Ranking). The Applicant may wish to revise or augment this information in consultation with the Sub-applicant.

Applicants should certify that they have evaluated the activities included in each sub-application to address all program requirements, thereby meeting the program criteria outlined under section 203(g) of the Stafford Act; and that they will be implemented in accordance with 44 C.F.R. Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

In addition, the Applicant should provide a narrative in the comment field for the sub-application in *eGrants* to describe:

- Whether the proposed activity meets the Applicant’s mitigation objectives as stated in the Applicants’ hazard mitigation plan and the goals and objectives of the Sub-applicant’s mitigation strategy;
- Whether the proposed activity is feasible and will provide a long-term, independent solution to mitigate natural hazards; and
- If the Sub-applicant is able to manage the grant funds and complete the activity in the time specified.

1.6.2 GRANT APPLICATION CHECKLIST

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

1. **Applicant Information:** Provide name, type, and State of the Applicant, State and Federal tax numbers, Federal Employer Identification Number, DUNS number. Indicate whether the Applicant has a Smartlink account, whether the application is subject to review by the Executive Order 12372 process (select “Program is not covered by E.O. 12372” in *eGrants*), and whether the Applicant is delinquent on any Federal debt;
2. **Contact Information:** Provide the name, agency, and address for the point of contact for the grant application;
3. **Sub-grant applications:** Include an unlimited number of sub-applications for eligible planning/project activities that the Applicant has reviewed and approved in *eGrants* (See *Section 1.6.3, Applicant Review of Sub-applications*). A separate management cost sub-application must be submitted for Applicant management costs. Applicants must rank each sub-application included in the grant application in order of their priority for funding based on the Applicant’s Standard or Enhanced hazard mitigation plan. Each sub-application must be assigned a unique rank (*i.e.*, only one number 001) in *eGrants*. If the Applicant is including a Management Cost sub-application, it should be ranked last. Applicants should explain the rank given to each sub-application and how it relates to their hazard mitigation plan;
4. **Schedule:** Provide the title of the grant application and the overall projected performance period for the grant, and ensure that the work schedule for each sub-

application included with the grant application is appropriate (See *Section 1.3.4.6, Performance Period*);

5. **Budget:** Ensure that the requested Cost Estimate for each sub-application is acceptable and provide the grant budget class for each item. Provide documentation to support Applicant and Sub-applicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*). Provide an Approved Indirect Cost Agreement, if applicable;
6. **Properties:** Ensure that all of the properties, including alternatives, in each project sub-application are included, if applicable; and
7. **Assurance and Certifications:** Complete the Assurances. Non-Construction Programs, FEMA Form 20-16A, if applicable; 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, if applicable.

1.7 COST SHARE REQUIREMENTS

FEMA will contribute up to 75% of the total amount approved under the grant award to implement approved activities. At least 25% of the total eligible costs must be provided from a non-Federal source. Funding is restricted to a maximum of \$3 million Federal share per each project sub-application and \$1 million Federal share per each planning sub-application (See *Section 1.3.4, Program Restrictions*).

1.7.1 SMALL AND IMPOVERISHED COMMUNITIES

Grants awarded to “small and impoverished communities” may receive a Federal cost share of up to 90% of the total amount approved under the grant award to implement eligible approved activities in accordance with the Stafford Act. Documentation must be submitted with the sub-application to support the eligibility for a higher FEMA cost share. If documentation is not submitted with the sub-application, then FEMA will provide no more than 75% 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% of the national per capita income, based on best available data. (The Department of Commerce Bureau of Economic Analysis (BEA) website states that the per capita personal income for the United States in 2003 was \$31,619.) 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 2005 is 5.2%. For up-to-date information, please see the USBL web site located at: <http://stats.bls.gov/>; and
- Must meet any other factors as determined by the State/Tribe/Territory in which the community is located.

1.7.2 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 Sub-applicants 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% management costs limit may not be used as part of the cost share (See *Section 2.1, Eligible Management Cost Activities*).

PDM funds retain their Federal identity and 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. Exceptions include:

- Department of Housing and Urban Development Community Development Block Grant (CDBG) monies if used 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;
- Tribal Health Services 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;
- Appalachian Regional Commission funds per Section 302(a)(3) of the Appalachian Regional Development Act of 1965;
- Funds derived from Title III of the Secure Rural Schools Act (P.L. 106-393) so long as the use also is consistent with the purposes of that Act; and
- The NFIP Increased Cost of Compliance (ICC) claim payment from previous flood events to the extent that the period for making such a claim remains open.

1.7.2.1 COST SHARE DOCUMENTATION

Requirements for in-kind contributions can be found in 44 C.F.R. Part 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 Code of Federal Regulation 13.24, this documentation is to be held at the Applicant and Sub-applicant level.

1.8 FEMA REVIEW, NATIONAL RANKING, NATIONAL EVALUATION, AND NATIONAL TECHNICAL REVIEW

1.8.1 FEMA REVIEW

FEMA will review all planning (See *Section 3.8.1, FEMA Review*) and project (See *Section 4.10.1, FEMA Review*) sub-applications to ensure Eligibility and Completeness. Sub-applications that do not satisfy either the Eligibility or Completeness requirements will be removed from consideration.

For the 2007 competitive PDM program, each State will receive at least \$500,000 provided the sub-applications for at least that amount are submitted that meet all the eligibility requirements of the program as stated in this guidance. FEMA will select for further review sub-applications to States for at least \$500,000, subject to the eligibility requirements. If the amount of eligible sub-applications within a State exceeds \$500,000, FEMA will select for further review the first \$500,000 of sub-applications in the order of the most competitive within the State. If the State does not submit eligible sub-applications for at least \$500,000 the State will not receive the minimum \$500,000. All remaining eligible sub-applications will compete nationally for the remaining PDM funds.

1.8.2 NATIONAL RANKING

FEMA will score all eligible mitigation planning and project sub-applications on the basis of predetermined, objective, quantitative factors (See *Section 2.4, National Ranking and Evaluation* and *Section 3.8.2, National Ranking*) to calculate a National Ranking Score for each sub-application. Applicant management cost sub-applications will not be scored but will be awarded based on planning and project sub-applications awarded for each Applicant (See *Section 2, Applicant Management Costs*). All mitigation planning and project sub-applications will be sorted in descending order based on National Ranking Scores. FEMA will forward from the National Ranking to the National Evaluation the highest scoring sub-

applications representing no less than 150% of available funds. FEMA may also include the two highest scoring sub-applications from tribal Applicants in the National Evaluation, if not already included in the 150%. In addition, all eligible sub-applications from small and impoverished communities will be forwarded to the National Evaluation.

1.8.3 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 sub-applications forwarded from the National Ranking. Evaluators will score sub-applications based on predetermined qualitative factors (See *Section 2.4, National Ranking and Evaluation* and *Section 4.10.3, National Evaluation*) to calculate a National Evaluation Score for each sub-application.

FEMA will ensure that panel evaluations are conducted consistently and fairly with no conflicts of interest. All mitigation planning and project sub-applications will be granted equal consideration during the National Evaluation regardless of their National Ranking Score. Applicant management cost sub-applications will not be scored but will be awarded based on planning and project sub-applications awarded for each Applicant (See *Section 2, Applicant Management Costs*). After the National Evaluation is completed, all planning and project sub-applications will be sorted in descending order based on National Evaluation Scores.

1.8.4 TECHNICAL REVIEW

FEMA will conduct the following technical reviews (See *Section 4.10.4, Technical Review*) for the highest scoring project sub-applications representing no less than 150% of available funding:

- BCA; and
- Engineering Feasibility.

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

1.9 SELECTION, FEMA PRE-AWARD ACTIVITIES, AND AWARDS

1.9.1 SELECTION

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 sub-applications are selected for further review up to the amount of funds available for the program.

The process is two-fold:

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

Second, all remaining eligible sub-applications (including those from Indian tribal governments) will be reordered and the Approving Federal Official shall select the highest scored eligible planning and project sub-applications for further review, in order, up to the remaining amount of funds available for the program. That is unless a sub-application is justified for selection 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 sub-applications;
- 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 a guarantee of an award.

1.9.2 FEMA PRE-AWARD ACTIVITIES

After selection and prior to grant award, FEMA Regional Offices will work with Applicants who have mitigation planning and project sub-applications selected for further review to implement required pre-award activities, such as verifying Applicant and Sub-applicant commitments and understanding of grant terms. FEMA also may, at its discretion, request information or documentation from Applicants to support certain planning or project sub-applications as part of pre-award activities (See *Section 3.9, FEMA Pre-award Activities* and *Section 4.11, FEMA Pre-award Activities*). Applicants must respond to requests for information from the FEMA Regional Offices regarding their sub-applications within the specified timeframe. Please note that pre-award activities are not considered notification or guarantee of an award.

FEMA will complete the Environmental/Historic preservation compliance review for projects selected for further review as part of pre-award activities (See *Section 4.11, FEMA Pre-award Activities*). Project sub-applications will not be awarded and projects can not be

initiated until FEMA has completed the Environmental/Historic Preservation review. Additional compliance information for the Environmental/Historic Preservation review is available at <http://www.fema.gov/plan/ehp/index.shtm>.

1.9.3 AWARDS

Regional Offices will provide an award package to the Applicant for successful sub-applications once pre-award activities are completed. An award package consists of an award letter, 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 #97.017, for the PDM program are available on the website: <http://www.fema.gov/government/grant/pdm/index.shtm> or from the Regional Offices (See *Section 1.14, Regional Contact Information*).

If an Applicant or Sub-applicant does not accept an award, FEMA may select additional eligible planning and project sub-applications for further review (See *Section 1.9.1, Selection*) 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 sub-applications will be listed on the FEMA website: <http://www.fema.gov/government/grant/pdm/index.shtm>.

1.9.4 NOTIFICATION OF STATUS OF SUB-APPLICATIONS

FEMA will notify Applicants of sub-applications that do not satisfy Eligibility and Completeness requirements (See *Section 1.8.1, FEMA Review*); sub-applications that are not forwarded to National Evaluation following the National Ranking (See *Section 1.8.2, National Ranking*); project sub-applications that do not meet cost-effectiveness and engineering feasibility requirements (See *Section 1.8.4, Technical Review*), and sub-applications that are not selected for further review by the Approving Federal Official (See *Section 1.9.1, Selection*).

Additional eligible planning and project sub-applications may be selected for further review (See *Section 1.9.1, Selection*) as additional funds become available after reconsideration requests have been analyzed (See *Section 1.10, Reconsideration*), awards are not accepted (See *Section 1.9.3, Awards*), award amounts are reduced, or additional funds are appropriated to the National Pre-Disaster Mitigation Fund. Eligible planning and project sub-applications will be sorted by National Evaluation Score, and the highest scored sub-applications will be selected in order up to the amount of funds available.

1.10 RECONSIDERATION

At its discretion, FEMA may review a decision regarding a planning or project sub-application that does not meet PDM requirements only where there is an indication of material, technical, or procedural error that may have influenced FEMA's decision. As PDM grants are awarded on a competitive basis, 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, Applicant Management Costs*). In addition,

Applicants who are not awarded any PDM 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 Director within 60-calendar days of the date of notification of FEMA's decision. The Regional Director will analyze the reconsideration request and make a recommendation to the Director of the Mitigation Division at Headquarters or his designee. FEMA's decision to uphold or overturn a decision regarding a sub-application that does not meet PDM requirements is final.

A small percentage of funds will be set aside to fund additional planning and project sub-applications after reconsideration requests have been analyzed. FEMA may convene a panel to determine the National Evaluation Score (See *Section 1.8.3, National Evaluation*), if necessary, for any sub-applications that FEMA overturns a decision. Overturned sub-applications and the remaining eligible planning and project sub-applications will be sorted by National Evaluation Score, and the highest scored sub-applications will be selected for further review up to the amount of funds available (See *Section 1.9.1, Selection, Section 1.9.2, FEMA Pre-award Activities, and Section 1.9.3, Awards*). Remaining funds may be used to fund additional eligible sub-applications on the waiting list or returned to the National Pre-Disaster Mitigation Fund for use in the next grant cycle.

1.11 PERFORMANCE PERIOD

The performance period is the period of time specified in the Agreement Articles (see Draft Pre-Disaster Mitigation Agreement Articles, available on the PDM web page: <http://www.fema.gov/government/grant/pdm/index.shtm> or from the FEMA Regional Offices) during which the Applicant and Sub-applicant is expected to complete the grant/sub-grant activities and to incur and expend funds approved for the PDM grant. The performance period for the grant shall begin on the date that the grant is awarded and end on the last day of the performance period of the longest sub-grant awarded to the Applicant. Neither planning sub-grants nor project sub-grants may be awarded with a performance period exceeding three years (See *Section 1.3.4, Program Restrictions*). Planning and project sub-applications that propose a work schedule in excess of three years will not be accepted.

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

1.12 EXTENSIONS

Requests for extensions to the performance period will be considered but will not be automatically approved. In accordance with FEMA's Financial and Acquisition Management Division's Extension Policy, the Regional Office may extend the performance period up to one year. Requests for a period of performance extension must be submitted in writing to the Regional Director and must be supported by adequate justification in order to be processed. This justification is 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 the following areas to enable the review of extension requests:

1. **Submission Date:** The request must be submitted **at least 60-calendar days prior** to the expiration date of the performance period;
2. **Reason for Delay:** Identify the status of the activity and give a brief description for the delay (*e.g.*, weather conditions);
3. **Budget:** Identify the remaining funds, both FEMA share and local cost share, available for the extended period and outline how the funds will be used. Identify sources of additional funding if remaining FEMA funds and cost share will not support the extension request;
4. **Plan for Completion:** Identify the objectives necessary to complete the activity, completion date for each objective, and list the position/person responsible for oversight of completion of the activity;
5. **Completion Date:** Identify the projected completion date for the activity; and
6. **No change of scope:** Provide a certification that the activity will be completed within the extended period without any modification to the original Scope of Work (SOW) approved by FEMA.

If a second extension becomes necessary, then the Grantee must submit an additional formal written request to the FEMA Regional Director. As with the first request, the second extension request must be made no later than 60-calendar days prior to the expiration of the initially extended period of performance and must include a justification for the extension that addresses the six items noted above. Per FEMA policy, the second extension request is sent from the FEMA Region to FEMA Headquarters for consultation and review.

Should any sub-grant performance period be extended, the grant performance period will be extended as well; however, the extension should be conditioned so that all completed sub-grants are closed out within their individual performance periods. The total extended period of performance for planning and project sub-grants shall not exceed five years.

1.13 REPORTING REQUIREMENTS

The following reports are required from Grantees:

1.13.1 FEDERAL CASH TRANSACTION REPORTS

If the Grantee uses the Health and Human Services (HHS) Payment Management System-SMARTLINK, the Grantee shall submit to FEMA a copy of the SF 272, Federal Cash Transaction Report submitted to the HHS.

1.13.2 FINANCIAL STATUS REPORTS

The Grantee shall submit Financial Status Reports, FF 20-10, to the FEMA Regional Office within 30-days from the end of the first Federal quarter following the initial grant award. The Regional Director 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.

Financial Quarterly Reports will be available for completion in the *eGrants* system. Financial reports must include the activity name or other identification, expenditures, and payment-to-date information (reference 44 C.F.R. Part 13.40 “Monitoring and Reporting” for additional information).

Note: The Regional Director may suspend draw downs from the HHS/Payment Management System-SMARTLINK if quarterly financial reports are not submitted on time.

1.13.3 PERFORMANCE REPORTS

The Grantee shall submit performance/progress reports for each grant award to the FEMA Regional Office within 30-days from the end of the first Federal quarter following the initial grant award. The Regional Director may waive the initial report. The Grantee shall submit quarterly performance/progress reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30.

Quarterly Performance Reports will be available for completion in the *eGrants* system. Performance/progress reports must include the activity name or other identification as well as:

- Describe significant activities and developments that have occurred that show performance during the quarter, including a comparison of actual accomplishments to the objectives established in the sub-application;
- Indicate whether completion of work is anticipated within the performance period. If not, describe any problems, delays, or adverse conditions that will impair the ability to meet the stated objectives in the sub-application; and
- Indicate whether cost under-run/cost over-run, change of scope request, or request for extension of performance period is anticipated.

1.13.4 FINAL REPORTS

The Grantee shall submit a Final Financial Status Report and Performance Report within 90-days from Grant Award Performance Period expiration date, per 44 C.F.R. Part 13.50 available on the web at: <http://www.whitehouse.gov/omb/grants/sf272.pdf>. Final Financial and Performance Reports will be available for completion in the *eGrants* system.

1.14 REGIONAL CONTACT INFORMATION

Contact information for FEMA Regional Offices is provided on the FEMA website:

<http://www.fema.gov/about/contact/regions.shtm> and also is listed here for your information.

FEMA Region I - Serving Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont: 99 High Street, 6th Floor, Boston, MA 02110-2356. (617) 832-4761 / (617) 956-7559

FEMA Region II - Serving New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands: 26 Federal Plaza, Suite 1337, New York, NY 10278-0002. (212) 680-3600

FEMA Region III - Serving the District of Columbia, Delaware, Maryland, Pennsylvania, Virginia, and West Virginia: 615 Chestnut Street, One Independence Mall, Sixth Floor, Philadelphia, PA 19106-4404. (215) 931-5608

FEMA Region IV - Serving Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee: 3003 Chamblee Tucker Road, Atlanta, GA 30341-4112. (770) 220-5400

FEMA Region V - Serving Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin: 536 South Clark Street, 6th Floor, Chicago, IL 60605-1523. (312) 408-5500

FEMA Region VI - Serving Arkansas, Louisiana, New Mexico, Oklahoma, and Texas: 800 North Loop 288, Denton, TX 76209-3698. (940) 898-5399

FEMA Region VII - Serving Iowa, Kansas, Missouri, and Nebraska: 9221 Ward Parkway, Suite 300, Kansas City, MO 64114-3372. (816) 283-7002

FEMA Region VIII - Serving Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming: Denver Federal Center, Building 710, Box 25267, Denver, CO 80255-0267. (303) 235-4800

FEMA Region IX - Serving Arizona, California, Hawaii, Nevada, the Territory of American Samoa, the Territory of Guam, and the Commonwealth of the Northern Mariana Islands: 1111 Broadway Street, Suite 1200, Oakland, CA 94607-4052. (510) 627-7100

FEMA Region X - Serving Alaska, Idaho, Oregon, and Washington: Federal Regional Center, 130 228th Street, SW, Bothell, WA 98021-9796. (425) 487-4600

SECTION 2 APPLICANT MANAGEMENT COSTS

Applicants may apply for a maximum of 10% of the total funds requested in their PDM grant application budget (Federal and non-Federal shares) for management costs to support the planning and project sub-applications included as part of their PDM grant application. Applicants requesting Applicant management costs must submit a separate Management Costs sub-application in eGrants, or the funds requested will not be considered. Applicants may not request Sub-applicant management costs in their own planning or project sub-applications under any circumstance.

2.1 ELIGIBLE MANAGEMENT COST ACTIVITIES

Eligible management cost activities include:

- The solicitation, review, and processing of PDM planning and project sub-applications and sub-grant awards;
- Providing technical assistance to Sub-applicants regarding BCA and Environmental/Historic Preservation documentation;
- Geocoding mitigation projects selected for further review (See *Section 4.3, Mitigation Project Requirements*);
- Delivery of technical assistance (*e.g.*, plan reviews, planning workshops) intended to support the implementation of planning and project activities;
- Managing grants (*e.g.*, quarterly reporting and close-out);
- Technical monitoring (*e.g.*, site visits, technical meetings); and
- Hiring staff to perform the above activities.

Management cost activities must be consistent with Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments.

Indirect costs, if requested, must be included as part of the Cost Estimate for the Applicant management cost sub-application, not to exceed 10% of the total cost of the grant application. Indirect costs are included as part of the total project cost; however, indirect costs in excess of the 10% management costs 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.

2.1.1 PRE-AWARD MANAGEMENT COSTS

Eligible management costs incurred prior to the grant award, but after the PDM application period has opened, are identified as pre-award management costs. FEMA may allow pre-award management costs at its discretion and as funds are available. In most cases, Applicants may be reimbursed for eligible pre-award management costs incurred prior to award but after the PDM application period has opened. Eligible pre-award management

costs should be included as separate line items in the Cost Estimate for the management cost sub-application.

In lieu of requesting pre-award management costs, Applicants may submit eligible management costs incurred prior to award but after the PDM application period has opened as their non-Federal cost share (See *Section 1.7.2, Non-Federal Cost Share*).

2.2 COST SHARE

Management costs must be cost shared with a non-Federal share of at least 25%. For example, an Applicant with planning and project sub-applications totaling \$1 million (Federal and non-Federal shares) may apply for up to \$100,000 Applicant management cost with a Federal share of \$75,000. An exception is when the Applicant can demonstrate its status as a small and impoverished community. In that case, the Federal cost share may increase up to 90% (See *Section 1.7.1, Small and Impoverished Communities*) with a corresponding decrease in the required non-Federal share.

2.3 APPLICANT MANAGEMENT COST SUB-APPLICATION CHECKLIST

Applicants must provide the following in their management cost sub-application in order to be eligible for consideration:

1. **Applicant Information:** Provide name, type, and State of the Applicant, State and Federal tax numbers, and Federal Employer Identification Number;
2. **Contact Information:** Provide the name, agency, and address for the point of contact for the Technical Assistance/Management Cost sub-application;
3. **Community Information:** Indicate the entity that will benefit from the sub-application (use “Statewide”);
4. **Mitigation Plan Information:** Indicate whether the Applicant is covered by a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan;
5. **Mitigation Activity Information:** Indicate the type, intent and title of the proposed activity;
6. **Hazard Information:** Describe the area to be covered and identify the source of the hazards to be addressed by the activity;
7. **Scope of Work:** Describe the goals and objectives of the activity and how they will be implemented, including timeline/schedule/milestones;
8. **Cost Estimate:** Provide all anticipated and potential costs for each activity, including Federal and non-Federal shares, including an Approved Indirect Cost Agreement, if applicable. Indicate all pre-award costs as separate line items;
9. **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share and Applicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*);
10. **Cost-Effectiveness Information:** Management costs are exempt from a BCA; and

11. **Assurances and Certifications:** Complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-Construction Programs, FEMA Form 20-16A; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL, if applicable.

2.4 NATIONAL RANKING AND EVALUATION

Applicant management costs will factor into neither the National Ranking nor the National Evaluation of planning or project sub-applications (See *Section 1.8.2, National Ranking and Section 1.8.3, National Evaluation*).

2.5 SELECTION AND AWARD

Applicant management costs will be approved for 10% of the total amount awarded (Federal and non-Federal shares) for the Applicant's planning and project sub-grants, or the amount of management costs requested by the Applicant, whichever is less (See *Section 1.9.1, Selection*). There are no exceptions. FEMA may award management costs with the initial planning/project award and then amend an Applicant's grant to increase management costs if and when additional planning/project sub-applications are awarded, or decrease management costs if any planning or project sub-applications are not awarded (See *Section 2.1, Eligible Management Cost Activities*). As part of the pre-award review process, the FEMA Regional Office will review all open PDM grants to ensure that all required reports have been submitted in a timely manner (See *Section 1.13, Reporting Requirements*). Applicants who are not awarded PDM funds will not receive reimbursement for management costs.

2.6 PERFORMANCE PERIOD

The performance period for the Applicant management costs sub-grant shall begin on the date that the management costs sub-grant is awarded and end on the last day of the performance period for the grant (See *Section 1.11, Performance Period*).

SECTION 3 MITIGATION PLANNING SUB-APPLICATION GUIDANCE

Mitigation plans are the foundation for effective hazard mitigation. The hazard mitigation plan is a demonstration of the commitment to reduce risks from natural hazards and serves as a guide for decision makers as they commit resources. Applicants/Sub-applicants must complete a planning sub-application for mitigation planning activities proposed for PDM funding.

The PDM program is FEMA's primary mechanism to provide grant assistance for mitigation planning. Therefore, States, Federally-recognized Tribal governments, local governments, and public colleges and universities are encouraged to submit planning sub-applications for the PDM program in order to develop, upgrade or comprehensively update their mitigation plans which, when approved by FEMA, will maintain their eligibility for future FEMA funding including PDM project grants.

3.1 ELIGIBLE MITIGATION PLANNING ACTIVITIES

Planning activities that develop State, tribal, local, and university hazard mitigation plans that meet planning criteria outlined in 44 C.F.R. Part 201 are eligible for the PDM program (See Section . The outcome of a mitigation planning grant award must result in an adopted FEMA-approved hazard mitigation plan within three years of award (See *Section 3.10, Performance Period*). 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 3.4, Scope of Work*).

The planning grant deliverable must be a FEMA approved hazard mitigation plan, whether PDM is funding the development of the entire plan or only a portion of the plan. PDM funding may be used for the development of a new FEMA approved hazard mitigation plan, an upgrade of an existing FEMA-approved hazard mitigation plan, or comprehensive revision and update of an already FEMA-approved hazard mitigation plan (See *Sections 3.1.1, New Plan Development 3.1.2 Upgrade, and 3.1.3 Comprehensive Plan and Update*). Hazard mitigation planning activities must primarily focus on natural hazards but may also address hazards caused by manmade events. Plans may be either single or multi-jurisdictional. Countywide or multi-jurisdictional hazard mitigation plans may be submitted for funding, as many mitigation issues are better resolved by evaluating hazards in a more comprehensive fashion. Funding is restricted to a maximum of \$1 million Federal share per planning sub-application.

3.1.1 NEW PLAN DEVELOPMENT

A new hazard mitigation plan to meet 44 C.F.R. Part 201 requirements is appropriate for:

- Jurisdictions at risk from a single or multiple natural hazards for which they can identify viable mitigation actions and with no existing hazard mitigation plan; and
- Jurisdictions with existing hazard mitigation plans that do not fully address the 44 C.F.R. Part 201 criteria (*e.g.*, Flood Mitigation Assistance plan, Community Rating System plan).

3.1.2 UPGRADE

A plan upgrade of an existing hazard mitigation plan compliant with 44 C.F.R. Part 201 is appropriate for:

- States/Tribes/Territories with a Standard hazard mitigation plan preparing an Enhanced hazard mitigation plan;
- Tribal Governments with a local hazard mitigation plan preparing a tribal Standard/Enhanced hazard mitigation plan; and
- Local jurisdictions that participated in a multi-jurisdictional hazard mitigation plan preparing a single-jurisdictional hazard mitigation plan.

Plan upgrades may include risk assessment activities as described in *Section 3.1.4, Risk Assessment*.

3.1.3 COMPREHENSIVE REVIEW AND UPDATE

A comprehensive review and update of an existing hazard mitigation plan is appropriate for States, tribal governments, and local jurisdictions to meet the three or five year requirements under 44 C.F.R. Part 201. In addition, eligible activities may include:

- Address data deficiencies identified in a previously approved hazard mitigation plan. The updated hazard mitigation plan may include a revised risk assessment, but must include a modified mitigation strategy and specific, related actions items. The planning sub-application must cite the location(s) in the current approved hazard mitigation plan where the data deficiencies are being addressed;
- Address process limitations such as participation, public input and plan maintenance already identified in a previously approved hazard mitigation plan. The planning sub-application must cite the location(s) in the current approved hazard mitigation plan where the process limitations are being addressed; and
- Modify actions and strategy in a previously approved hazard mitigation plan.

Comprehensive review and updates to hazard mitigation plans may include risk assessment activities as described in *Section 3.1.4, Risk Assessment*.

3.1.4 RISK ASSESSMENT

Risk assessment activities, including the use of HAZUS and Geographic Information Systems (GIS), may be submitted as part of a planning sub-application. Risk assessment activities may include the mapping of hazards, (with the exception of flood mapping, (See *Section 3.2, Ineligible Mitigation Planning Activities*), at-risk structures, including critical facilities, and repetitive flood loss structures, the location of at risk 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. All grants must lead to an approved plan. The most complex and difficult task in the plan development can be the risk assessment. Therefore, if Applicants or Sub-applicants only need assistance in completing

this section of the plan, and they are applying for PDM grant assistance, the application must also indicate how the rest of the plan will be completed. In fact, Applicants and Sub-applicants are encouraged to complete the mitigation strategy and the rest of the plan using in-house resources, and contract out only the risk assessment portion of the plan development. Mapping activities must be identified as separate line items in the Cost Estimate (see *Section 3.5, Cost Estimate*).

Mapping activities must not duplicate eligible mapping activities available under any other Federal program or agency, such as NFIP flood mapping activities (See *Section 1.3.4, Program Restrictions*). Applicants/Sub-applicants 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 Hazard Mapping Initiative:
[http://msc.fema.gov/webapp/wcs/stores/servlet/CategoryDisplay?storeId=10001&catalogId=10001&langId=-1&categoryId=12001&parent_category_rn=12001&type=1&stateId=&countyId=&communityId=&stateName=&countyName=&communityName=&dfirm_kit_id=&dfirmCatId=null&isCountySelected=null&isCommSelected=null&userType=G&urlUserType=G&sfc=0&cat_state](http://msc.fema.gov/webapp/wcs/stores/servlet/CategoryDisplay?storeId=10001&catalogId=10001&langId=-1&categoryId=12001&parent_category_rn=12001&type=1&stateId=&countyId=&communityId=&stateName=&countyName=&communityName=&dfirm_kit_id=&dfirmCatId=null&isCountySelected=null&isCommSelected=null&userType=G&urlUserType=G&sfc=0&cat_state;);
- U.S. Geological Survey (USGS) National Map View: <http://nationalmap.usgs.gov>;
and
- FEMA's Hazards U.S. (HAZUS):
<http://www.fema.gov/plan/prevent/hazus/index.shtm>.

Risk assessment activities must be identified as separate line items in the Cost Estimate (See *Section 3.5, Cost Estimate*) for the planning sub-application in order to be considered.

3.1.5 INFORMATION DISSEMINATION

Sub-applicants may apply for up to 10% of the funds requested for their mitigation planning sub-application for information dissemination activities. These activities may include: public awareness, education, public notices, marketing and outreach and must relate directly to the planning sub-application. Information dissemination activities should be identified as separate line items in the Cost Estimate (See *Section 3.5, Cost Estimate*) for the planning sub-application.

3.1.6 SUB-APPLICANT MANAGEMENT COSTS

Sub-applicants may include a maximum of 5% of the total funds requested (Federal and non-Federal shares) for their planning sub-application for management costs to support the planning activities. Sub-applicant cost activities must be consistent with the Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments. Sub-applicants requesting management costs should provide supporting documentation and include these costs as separate line items in the Cost Estimate (See *Section 3.5, Cost Estimate*) for the planning sub-application. Applicants may not request Sub-applicant

management costs in their own planning sub-applications under any circumstance (See *Section 2, Applicant Management Costs*).

Indirect costs, if requested, must be included as part of the Sub-applicant management costs, not to exceed 5% of the total cost of the planning sub-application. Indirect costs in excess of the 5% management costs limit may not be used as the non-Federal cost share. There will be no exception to permit the increase in Sub-applicant management costs, and in no case will the total Federal share for any planning activity, including management costs, exceed \$1 million. Indirect costs must be supported with current Indirect Cost Rates approved by a Federal Cognizant Agency.

3.1.7 PRE-AWARD PLANNING COSTS

Eligible planning costs incurred prior to the grant award, but after the PDM application period has opened, are identified as pre-award planning costs. FEMA may fund pre-award planning costs at its discretion and as funds are available. Applicants and Sub-applicants may be reimbursed for pre-award planning costs for activities directly related to the development of the proposed planning activity, such as workshops, meetings and data collection. Pre-award planning costs should be identified as separate line items in the Cost Estimate (See *Section 3.5, Cost Estimate*) for the planning sub-application.

In lieu of requesting pre-award planning costs, Applicants and Sub-applicants may submit eligible costs incurred prior to award but after the PDM application period has opened as their non-Federal cost share (See *Section 1.7.2, Non-Federal Cost Share*).

3.2 INELIGIBLE MITIGATION PLANNING ACTIVITIES

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 PDM application deadline) (See *Section 1.3.4.2, Duplication of Benefits*) or that is within the primary authority of another Federal program (See *Section 1.3.4.3, Duplication of Programs*) will be considered ineligible.

The following planning activities are not eligible for the PDM grant program:

- Flood studies or flood mapping;
- Mapping activities that are not part of a risk assessment;
- Risk assessments, technical assistance, studies, or workshops not resulting in a FEMA-approved hazard mitigation plan;
- Information dissemination activities exceeding 10% of the total cost of the planning sub-application or that are not tied directly to a PDM planning sub-application;
- Any ground disturbing activity that would initiate the environmental review and compliance process;
- Pre-award activities not directly related to the development of the planning sub-application or implementing the proposed planning activity; and

- Limited revisions and amendments that do not result in a comprehensive hazard mitigation plan update.

3.3 MITIGATION PLAN REQUIREMENTS

Planning activities must meet the following criteria:

- The outcome of a mitigation planning sub-grant award must be a FEMA-approved hazard mitigation plan that complies with the requirements of 44 C.F.R. Part 201. Hazard mitigation plans must be reviewed, adopted by the jurisdiction, and FEMA-approved before the end of the performance period (See *Section 3.10, Performance Period*);
- For Sub-applicants, a completed Local Plan Review Worksheet available on the FEMA website: <http://www.fema.gov/plan/mitplanning/guidance.shtm> or from the Regional Office (See *Section 1.14, Regional Contact Information*) must be submitted to FEMA with the hazard mitigation plan, demonstrating that all criteria required for approval have been addressed within the hazard mitigation plan;
- Countywide or multi-jurisdictional hazard mitigation plans may be submitted for funding, as many mitigation issues are better resolved by evaluating hazards in a more comprehensive fashion. However, each jurisdiction to be covered by a multi-jurisdictional hazard mitigation plan must participate in the planning effort and adopt the hazard mitigation plan in order to receive credit for the plan when applying for mitigation grants;
- Mitigation planning activities must focus primarily on natural hazards but also may address hazards caused by manmade forces;
- Local, multi-jurisdictional, or college/university planning activities must be consistent with the goals and objectives identified in the Applicant's hazard mitigation plan;
- Planning activities to upgrade or comprehensively update an existing FEMA-approved hazard mitigation plan must clearly build on the existing hazard mitigation plan and result in a significant improvement in quality, detail, and/or involvement of a broader range of public and private sector partners;
- Planning activities must be unique to hazard mitigation planning and not primarily associated with programs for which another Federal program has the primary authority (See *Section 1.3.4, Program Restrictions*) [e.g., the Natural Resources and Conservation Service has primary responsibility for funding watershed management plans]; and
- Planning activities must meet the requirements of Federal, State, tribal, local laws, and Executive Orders, as appropriate.

3.4 SCOPE OF WORK

The Scope of Work (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 sub-application SOW must describe the development of a hazard mitigation plan that complies with FEMA's regulatory requirements in 44 C.F.R. Part 201. The

SOW must first state whether the proposed planning activity will result in an initial hazard mitigation plan, upgrade, or comprehensive update of an existing hazard mitigation plan. If the latter, the reason(s) for the update (*e.g.*, acquisition of better data, recent disaster activity, changes in local growth and development trends) must be provided.

A mitigation planning SOW should consist of two main elements: a description of the planning process and a work schedule for plan development. Both of these elements should clearly demonstrate the Applicant's familiarity with the applicable regulatory requirements and the available technical and programmatic guidance. Planning sub-applications 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.

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 webpage: <http://www.fema.gov/plan/mitplanning/index.shtm> to assist Applicants and Sub-applicants in developing planning sub-applications.

3.4.1 DESCRIPTION OF PLANNING PROCESS

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 C.F.R. Part 201, which are available from the FEMA Information Resources Library: <http://www.fema.gov/library/viewRecord.do?id=1858>. Additional guidance on the planning process is described in FEMA's series of Mitigation Planning How-To guides, which outline the four basic steps to the mitigation planning process: getting started – building support for mitigation planning; understanding your risks – identifying hazards and estimating losses; developing a mitigation plan – identifying mitigation measures and implementation strategies; and bringing the plan to life – ensuring the success of the hazard mitigation plan. These documents, and others, are available at: http://www.fema.gov/plan/mitplanning/planning_resources.shtm#1. The SOW should thoroughly document each of these steps, including what will be done, and how it will be done, and who will be responsible for the completion of each step (*e.g.*, contract personnel or in-house staff). It should also explain how the public and other interested jurisdictions, agencies, and organizations will be involved throughout (*e.g.*, workshops, community outreach). The application will be more competitive if it demonstrates a clear understanding of the planning process, and if it identifies sufficient staff and resources necessary to complete the plan. Staff with planning experience or expertise should be identified, where possible.

3.4.2 WORK SCHEDULE

The work schedule should indicate the anticipated timeline for each step of the process and should allow sufficient time for State and FEMA review, preparation of any required revisions, subsequent reviews, formal plan adoption, and FEMA approval. The application will be more competitive if it clearly describes a methodology or process for completing the plan within the established schedule.

3.4.3 SCOPE OF WORK CHANGES, INCLUDING COST OVERRUNS

FEMA will not consider changes to the SOW between the close of the application period and the completion of the selection process (See *Section 1.9.1, Selection*) and no changes will be approved for cost over-runs. Requests for changes to the SOW after award are permissible as long as they do not change the nature of the activity. Requests must be supported by adequate justification from the Applicant/Grantee in order to be processed. The justification is 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 approvals will be at FEMA's discretion, and there is no guarantee that SOW changes will be approved.

3.5 COST ESTIMATE

The Cost Estimate describes all anticipated and potential costs associated with the proposed planning activity and represents the Sub-applicant's best estimate of the total value of the proposed activity. Sufficient detail should 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 include:

- Costs associated with any mapping activities or risk assessment, information dissemination activities, and Sub-applicant management costs: These must be identified as separate line items in order to be considered to ensure that cost thresholds for these activities are not exceeded (See *Section 3.1, Eligible Mitigation Planning Activities*);
- Pre-award costs: Indicate all costs that may be incurred prior to grant award but subsequent to the PDM application period opening. These should be identified as separate line items (See *Section 3.1.7, Pre-award Planning Costs*); and
- Potential cost under-runs: Indicate any item for which a cost has been over-estimated which could result in a cost under-run. (For example, if the quotation received from a contractor will increase if the sub-application is not awarded for up to one year after the date of the receipt of initial quotation, this cost should be over-estimated and noted as such.)

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, nationally published or local cost estimating guides) must be provided prior to award (See *Section 3.9, FEMA Pre-award Activities*). Planning sub-applications that propose a Federal share in excess of \$1 million will not be accepted.

3.5.1 COST ESTIMATE CHANGES

FEMA will not consider changes to the Cost Estimate between the close of the application period and the completion of the selection process (See *Section 1.9.1, Selection*). FEMA will not approve changes for cost over-runs.

Revisions to the approved budget may be considered after the selection process so long as the approved deliverable is not adversely impacted. In accordance with 44 C.F.R. Part 13, adjustments may be made among cost line items in the approved budget up to a cumulative threshold of 10% 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 Sub-applicant management costs still apply, and the Federal share will not be increased.

3.6 EVALUATION INFORMATION

Completion of Evaluation Information section of the planning sub-application 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 *Section 3.8.2, National Ranking* and *Section 4.10.3, National Evaluation*). Therefore, responses for each question are required, even if the information is provided in another section of the planning sub-application.

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 Sub-applicant 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 Sub-applicant. However, if the Sub-applicant responds to the question, the Applicant must review the information before submitting the planning sub-application (See *Section 1.6.3, Applicant Review of Sub-applications*) to ensure that it is correct and must cite the source of the hazard risk assessment (for example, “information can be found on page 50 of the State Hazard Mitigation Plan, Hazard Identification Section”). Planning sub-applications without complete responses to the Evaluation Information section questions and supporting documentation for the risk assessment will be removed from consideration.

3.7 PLANNING SUB-APPLICATION CHECKLIST

Mitigation planning sub-applications must include all of the following to be eligible for consideration under the PDM grant program:

1. **Applicant Information:** Provide name, type, and State of Sub-applicant, State and Federal tax numbers, and Federal Employer Identification Number;
2. **Contact Information:** Provide the name, agency, and address of the point of contact (POC) for the Sub-applicant. The POC must be an official within the Sub-applicant’s organization;
3. **Sub-application Name:** Applicants should verify that the sub-application name includes the location of the proposed activity and the activity type;
4. **Community Information:** Select the community or entity (*i.e.*, Tribe, college, university) that will benefit from the sub-application. If the community or entity is not

listed, please advise the FEMA Regional Office (See *Section 1.14, 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. For multi-jurisdictional planning sub-applications, both an overall Community Profile, and a brief profile for each participating jurisdiction should be provided, as well as information on how the multi-jurisdictional planning effort will be coordinated;

5. **Mitigation Plan Information:** Indicate whether the entity that will benefit from the sub-application and the State/Tribe are covered by a FEMA-approved hazard mitigation plan and identify any previous planning grants received;
6. **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 hazard mitigation plan, indicate how it will address identified deficiencies in a risk assessment. The updated hazard mitigation plan must include a modified mitigation strategy and corresponding action items;
7. **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;
8. **Scope of Work:** Describe the goals and objectives of the planning activity and how it will be implemented (See *Section 3.4, Scope of Work*). For multi-jurisdictional planning sub-applications, provide information on how the multi-jurisdictional planning effort will be coordinated;
9. **Cost Estimate:** Provide all anticipated and potential costs for each proposed planning activity, including Federal and non-Federal shares (See *Section 3.5, Cost Estimate*). Provide an Approved Indirect Cost Agreement, if applicable;
10. **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share and Sub-applicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*);
11. **Cost-Effectiveness Information:** All planning grants are exempt from a BCA; therefore, a BCA is not required to be submitted with planning sub-applications;
12. **Evaluation Information:** Provide responses to the Evaluation Information section questions for each planning sub-application for competitive National Ranking and Evaluation and provide documentation to support the hazard risk assessment (See *Section 3.6, Evaluation Information*); and
13. **Assurances and Certifications:** If applicable for your Applicant State/Tribe, complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances - Non-Construction Programs, FEMA Form 20-16A; 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.

Incomplete sub-applications will be removed from further consideration.

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 C.F.R. Part 10.8(d)(2)(iii). Therefore, Environmental/Historic Preservation documentation is not required to be submitted with mitigation planning sub-applications. Applicants should select “No” for the CATEX questions in the Environmental Historic Preservation Information Section in eGrants for planning sub-applications during their review process (See *Section 1.6.3, Applicant Review of Sub-applications*).

3.8 FEMA REVIEW, NATIONAL RANKING AND NATIONAL EVALUATION

3.8.1 FEMA REVIEW

FEMA will review all planning sub-applications to ensure the following:

- Eligibility of the Applicant and Sub-applicant (See *Section 1.3, Grant Program Eligibility*);
- Eligibility of proposed planning activities and costs (See *Section 3.1, Eligible Mitigation Planning Activities*);
- Completeness of the sub-application (See *Section 3.7, Planning Sub-application Checklist*);
- Consistency of the proposed planning activity with the goals and objectives of the Applicant’s State/tribal hazard mitigation plan;
- Adequacy of the justification for the proposed planning activity if the Sub-applicant already has a FEMA-approved hazard mitigation plan or has already received a planning grant;
- Completeness of SOW (See *Section 3.4, Scope of Work*);
- Completeness of the Cost Estimate and consistency with the SOW (See *Section 3.5, Cost Estimate*);
- Eligibility and availability of non-Federal cost share (See *Section 1.7, Cost Share Requirements*); and
- Complete responses to Evaluation Information section questions for National Ranking and Evaluation, including the assessment of the frequency and severity of hazards (See *Section 3.6, Evaluation Information*).

Planning sub-applications that do not satisfy the Eligibility and Completeness requirements will be removed from consideration.

3.8.2 NATIONAL RANKING

FEMA will score all eligible planning sub-applications on the basis of predetermined, objective and quantitative factors to calculate a National Ranking Score (See *Section 1.8.2, National Ranking and Section 3.8.3, National Evaluation*). Ranking factors for mitigation planning activities and the respective weighting of each in the National Ranking are:

1. The priority given to the sub-application by the Applicant in their PDM grant application (See *Section 1.6.4, Grant Application Checklist*) (35%);
2. Assessment of frequency and severity of hazards (See *Section 3.6, Evaluation Information*) (30%);
3. Whether the Applicant has a FEMA-approved Enhanced State/tribal hazard mitigation plan by the application deadline (15%);
4. 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 (15%); and
5. Status of the local Sub-applicant as a small and impoverished community (5%).

3.8.3 NATIONAL EVALUATION

National panels will convene to evaluate planning sub-applications forwarded from the National Ranking on the basis of predetermined qualitative factors to determine a National Evaluation Score for each planning sub-application (See *Section 1.8.3, National Evaluation*). Evaluation factors for mitigation planning activities and the respective weighting of each in the National Evaluation are:

1. Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation planning activity (30%);
2. Sufficient staff and resources for implementation of the proposed mitigation planning process (30%);
3. Thoroughness of SOW that demonstrates an understanding of the planning process and describes a methodology for completing the proposed mitigation plan (30%);
4. Leveraging of Federal/State/tribal/territorial/local/private partnerships to enhance the outcome of the proposed mitigation planning activity (5%); and
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%).

3.9 FEMA PRE-AWARD ACTIVITIES

FEMA Regional Offices will work with Applicants who have planning sub-applications selected for further review to implement required pre-award activities prior to grant award (See *Section 1.9.2, FEMA Pre-award Activities*). FEMA may, at its discretion, request information or

documentation from Applicants to resolve outstanding administrative or procedural requirements as part of its pre-award activities.

In accordance with 44 C.F.R. Part 10.8(d)(2)(iii), FEMA has determined that mitigation planning activities have no impact on the environment and will require no further environmental or historic preservation review. Therefore, environmental or historic preservation documentation is not required for planning activities.

3.10 PERFORMANCE PERIOD

Mitigation planning sub-grant performance periods may not exceed three years (See *Section 1.3.4, Program Restrictions*). Planning sub-applications that propose a work schedule in excess of three years will not be accepted. Hazard mitigation plans must be reviewed, adopted, and FEMA-approved before the end of the performance period (See *Section 3.3, Mitigation Plan Requirements*). If a hazard mitigation plan has not received final approval by FEMA by the close of the performance period, FEMA will terminate the planning sub-grant and any costs incurred after the sub-grant 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. No additional planning grants will be awarded for plan completion. Planning processes, plan adoption and plan approval may continue after the performance period has expired at the expense of the entity developing the plan. Requests for extensions to the performance period will be considered but are not guaranteed (See *Section 1.12, Extensions*).

SECTION 4 MITIGATION PROJECT SUB-APPLICATION GUIDANCE

The PDM program seeks to reduce damages and the loss of life and property from natural hazards through the development and implementation of mitigation projects that are consistent with the goals and objectives identified in hazard mitigation plans. Mitigation is defined as sustained action taken to reduce or eliminate long-term risk to people and property from hazards and their effects. Effective mitigation projects are critical to reducing hazard vulnerabilities and are a key component of the PDM program. Applicants/Sub-applicants must complete a project sub-application for each mitigation project proposed for PDM funding.

4.1 ELIGIBLE MITIGATION PROJECT ACTIVITIES

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

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*);
- 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*);
- Structural retrofitting and non-structural 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 shelters) for public and private structures that meet the FEMA construction criteria in FEMA 320 “Taking Shelter from the Storm” and FEMA 361 “Design and Construction Guidance for Community Shelters” (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;
- 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*);

- Storm water 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 control projects, such as certain ring levees, bank stabilization, 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 (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, as defined above, 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 sub-application, as long as the generator or related equipment purchase directly relates to the hazard(s) that threatens the critical facility.

4.1.1 INFORMATION DISSEMINATION

Sub-applicants may request up to 10% of the funds requested for their mitigation project sub-application for information dissemination activities (public awareness and education) regarding cost-effective mitigation technologies. These activities may include marketing and outreach (*e.g.*, brochures, videos) and must relate directly to the project sub-application. Any information dissemination activities should be identified as separate line items in the Cost Estimate (See *Section 4.5, Cost Estimate*) for the project sub-application.

4.1.2 SUB-APPLICANT MANAGEMENT COSTS

Sub-applicants may include a maximum of 5% of the total funds requested (Federal and non-Federal shares) for their project sub-application for management costs to support the project. Sub-applicant cost activities must be consistent with the Office of Management and Budget Circular A-87, *Cost Principles for State and Local Governments*. Sub-applicants requesting management costs should provide supporting documentation and include these costs as separate line items in the Cost Estimate (See *Section 4.5, Cost Estimate*) for the project sub-application in order to be considered. Management costs also must be included in the project's BCA (See *Section 4.6, Cost Effectiveness*). Applicants may not request Sub-applicant management costs in their own project sub-applications under any circumstance (See *Section 2, Applicant Management Costs*).

Indirect costs, if requested, must be included as part of the Sub-applicant management costs, not to exceed 5% of the total cost of the project sub-application. Indirect costs in excess of the 5% management cost limit may not contribute towards the non-Federal cost share. There will be no exception to permit the increase in Sub-applicant management costs, and in no case will the total Federal share for any project, including management costs, exceed \$3 million. Indirect costs should be supported with a current Indirect Cost Rate that is approved by a Federal Cognizant Agency.

4.1.3 PRE-AWARD PROJECT COSTS

Eligible project costs incurred prior to the grant award, but after the PDM application period has opened, are identified as pre-award project costs. FEMA may allow pre-award project costs at its discretion and as funds are available. Applicants and Sub-applicants may be reimbursed for pre-award costs incurred after the publication of the PDM Guidance for activities directly related to the development of 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 (See *Section 4.5, Cost Estimate*) for the project sub-application. Pre-award project costs associated with implementation of the project started prior to award will not be eligible.

In lieu of requesting pre-award project costs, Applicants and Sub-applicants may submit eligible costs incurred prior to award but after the PDM application period has opened as their non-Federal cost share (See *Section 1.7.2, Non-Federal Cost Share*).

4.2 INELIGIBLE PROJECT ACTIVITIES

The following project activities are not eligible for the PDM grant program:

- Major flood control and/or erosion projects such as the construction or repair of dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, dams, waterway channelization, and beach nourishment or re-nourishment;
- Water quality infrastructure projects (See *Section 1.3.4.3, Duplication of Programs*);
- Projects that address ecological or agricultural issues related to land or forest management (*e.g.*, insects, diseases, weather-related damages, infestations);
- Warning and alert notification systems (*e.g.*, NOAA weather radios);
- Any phase or part of a project that is dependent on another phase or part that is not included in the project sub-application to be 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 sub-application and is not directly related to the hazard(s) that threaten that critical facility (See *Section 4.1, Eligible Mitigation Project Activities*);
- Any mitigation activities involving demolishing an existing structure (*i.e.*, commercial or residential building) and building a new structure (*i.e.*, demolition/rebuild) in floodplains;
- Projects that solely address a manmade hazard;

- Response and communication equipment;
- Projects that solely address maintenance or repairs of existing structures, facilities, or infrastructure (*e.g.*, dredging, debris removal, and dam repair/rehabilitation);
- Localized flood control projects that do not protect a critical facility;
- Localized flood control projects that constitute a section of a larger flood control system; and
- Any project for which another Federal agency has primary authority (See *Section 1.3.4.3, Duplication of Programs*).

Project sub-applications that propose ineligible activities will be removed from consideration. FEMA will not parse eligible activities from ineligible project sub-applications for funding consideration.

4.3 MITIGATION PROJECT REQUIREMENTS

4.3.1 PLAN REQUIREMENT

All Applicants must have a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan by the application deadline (See *Section 1.9.1, Selection*) to be eligible to receive project grant funding under the PDM program in accordance with 44 C.F.R. Part 201. In addition, all Sub-applicants must have a FEMA-approved hazard mitigation plan by the application deadline to be eligible to receive 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 hazard mitigation plan and the tribal/local/university hazard mitigation plan for the jurisdiction in which the activity is located.

4.3.2 FEASIBILITY/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. To determine both feasibility and effectiveness, FEMA will use the information provided in the project sub-application, including the SOW and Cost Estimate sections, as well as any supporting documentation to perform an Engineering Feasibility Technical Review of the proposed project (See *Section 4.10.4.2, Engineering Feasibility Technical Review*). If applicable, 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 must be included to allow FEMA to assess the effectiveness and feasibility of the proposed project.

Project sub-applications must address the level of protection provided by the proposed project as well as any residual risk to the structure after project implementation (See *Section 4.4, Scope of Work*). 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.

Upon request, FEMA will provide technical assistance regarding engineering documentation and cost estimation (See *Section 5, Technical Assistance*). Project sub-applications that do not include appropriate documentation to support the determination of feasibility and effectiveness may be removed from consideration.

4.3.3 ELIGIBILITY CRITERIA

Mitigation projects also must meet the following criteria:

- Be cost-effective and able to substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster, consistent with 44 C.F.R. Part 206.434(c)(5) and related guidance, and have a BCA using a FEMA-approved methodology that results in a benefit-cost ratio (BCR) of 1.0 or greater (See *Section 4.6, Cost Effectiveness*). Only mitigation projects with a BCR of 1.0 or greater will be considered for the PDM program;
- Solve a problem independently, consistent with 44 C.F.R. Part 206.434(c)(4);
- Conform with 44 C.F.R. Part 9, Floodplain Management and Protection of Wetlands, and 44 C.F.R. Part 10, consistent with 44 C.F.R. Part 206.434(c)(3);
- 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 (See *Section 1.3.4, Program Restrictions*);
- Not be located in a coastal barrier area as defined by the Coastal Resource Barrier Act (CRBA). Restrictions in this Act prevent the use of PDM funds in any designated CBRA area;
- Be located in a community that is participating in the NFIP and not on probation, suspended or withdrawn from the NFIP if the community has been identified as having a Special Flood Hazard Area through the NFIP (*i.e.*, a FHBM or FIRM has been issued to the entity); and
- Meet the requirements of applicable Federal, State, tribal, territorial, and local laws, implementing regulations, and executive orders.

4.3.4 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS

For property acquisition and relocation projects, Applicants and Sub-applicants must comply with the following requirements, 44 CFR §206.434(e) and related guidance. A project may not be framed in a manner that has the effect of circumventing these requirements.

4.3.4.1 Eligibility for Property Acquisition Projects:

Properties eligible for acquisition include those where:

- The property will be acquired from a willing, voluntary seller;
- Property contains an at-risk structure, including those that are damaged or destroyed due to an event. In some cases, undeveloped, at-risk land adjacent to an eligible property with existing structures may be eligible;

- 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;
- If the structure on the property is to be relocated, the relocated structure must be placed on a site located outside of the 100-year floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land use regulations;
- 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 Special Flood Hazard Area or any risk zone identified by FEMA.

Hazardous Materials:

Sub-applicants considering the purchase of property (or land adjacent to property) with past or present commercial or industrial use should ensure that the owner provides information identifying what, if any, hazardous materials are on the property. To be considered an eligible property, before purchasing commercial or industrial properties, the Sub-applicant must require the owner to remove hazardous materials and containers. The owner must provide a clean-site certification from the appropriate State agency before the Sub-applicant can purchase any interest in the property, including easements for development rights. Clean-up costs associated with hazardous materials are not eligible project costs.

The presence of non-leaking underground storage tanks, septic systems, home heating oil tanks, and normal quantities of lead, asbestos, and hazardous material associated with residential/household use does not preclude the use of mitigation funds for acquisition. However, local permitting ordinances, State laws, as well as Federal laws, regulations and Executive Orders, must be followed. The costs of removing these typical residential/household items must be addressed in the project Cost Estimate (see *Section 3.5, Cost Estimate*).

Eligible costs include:

- Value of the land to be acquired, and either value of structure and demolition cost of that structure or relocation of the structure;
- Cost of appraisals, cost of title insurance and any additional escrow costs, such as recordation of the deed and deed restrictions, and other costs necessary for the real estate transaction; and
- Other necessary and appropriate costs for implementation of the project.

Ineligible costs include:

- Compensation for land that is already held by an eligible entity is not an allowable cost, but compensation for development rights (open space easement) may be allowable;
- Cleanup or remediation of contaminated properties, except for permitted disposal of incidental demolition and household hazardous wastes;
- Pre-Award costs may not be reimbursed for pre-award activities associated with implementation of the project; and
- FEMA acquisition funds are not available when an Applicant, Sub-applicant, other project participant or third party's negligence or intentional actions contributed to the conditions needing mitigation.

4.3.4.2 Requirement to Apply Deed Restrictions

Sub-applicants requesting assistance for a real property acquisition or building relocation must apply specific deed restriction language to all acquired properties. See the Model Deed Restriction language on FEMA's mitigation website at <http://www.fema.gov/government/grant/resources/index.shtm> or from the Regional Office (see *Section 1.14, Regional Contact Information*). Any modifications to the model deed restriction can only be made with prior approval from FEMA's Office of Chief Counsel.

4.3.4.3 Sub-applications for Property Acquisition

Sub-applicants for property acquisition and relocation projects must include the following in their application:

- 1) Statement of Assurances;

As part of the project application, sub-applicants must attach a Statement of Assurances, signed by the sub-applicant's authorized agent, acknowledging the requirements as identified below that will apply to the acquisition of the property. See FEMA's website for this Statement of Assurances that must be submitted with the project application <http://www.fema.gov/government/grant/resources/index.shtm>. Open space acquisition projects without these formal assurances will not be funded by FEMA.

The following conditions apply to the grant and must be included in the Statement of Assurances:

- Participation by property owners is voluntary. The prospective participants were informed in writing that participation in the program is voluntary, that the Sub-applicant will not use its eminent domain authority to acquire their property for the project purposes should negotiations fail;
- Each property owner will be informed, in writing, of what the Sub-applicant considers to be the fair market value of the property. The Sub-applicant will use

the model Statement of Voluntary Transaction to document this and will provide a copy for each property after award. This model is available on FEMA's web page: <http://www.fema.gov/government/grant/resources/index.shtm> or from the Regional Office (see *Section 1.14, Regional Contact Information*);

- The Sub-applicant accepts all of the requirements of the FEMA grant and the deed restriction governing the use of the land, as restricted in perpetuity to open space uses. The Sub-applicant must apply and record a deed restriction on each property in accordance with the language in the FEMA model deed. The community will seek FEMA approval for any changes in the language differing from the model deed;
- The Sub-applicant understands that the land will be unavailable for the construction of flood damage reduction levees and other incompatible purposes, and is not part of an intended, planned, or designated project area for which the land is to be acquired by a certain date;
- The Sub-applicant will demonstrate that it has consulted with the US Army Corps of Engineers regarding the subject land's potential future use for the construction of a levee system, and will reject future consideration of such use if it accepts FEMA assistance to convert the property to permanent open space;
- The Sub-applicant will demonstrate that it has coordinated with its State Department of Transportation to ensure that no future, planned improvements or enhancements to the Federal aid systems are under consideration that will affect the subject property;
- Existing buildings will be removed within 90 days of settlement;
- Post grant award, the Sub-grantee may convey a property interest only with the prior approval of the FEMA Regional Director and only to another public entity or to a qualified conservation organization pursuant to 26 CFR 1.170A-14;
- Every three years, the Sub-grantee must submit to the Grantee, who will submit to FEMA Regional Director 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, designated authorities, and assigns are responsible for taking measures to bring the property back into compliance; and
- 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.

2) Property Information for each property in the SOW; and

Notice of Voluntary Interest Documentation – In a specific format chosen by the sub-applicant (such as a letter of interest, intent to participate form, project sign-up sheet or

similar format) the sub-applicant 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: “The property owner has been informed that this project for open space acquisition is voluntary and that neither the [Applicant] or the [Sub-applicant] will use its eminent domain authority to acquire the property for open space purposes should negotiations fail.” This documentation of voluntary interest for each property owner must be submitted with the project application. It is the community’s discretion how this documentation is integrated into the project development process, however it should be accomplished as early in the project development process as is feasible. An example is available on FEMA’s mitigation web page: <http://www.fema.gov/government/grant/resources/index.shtml>;

Fair market value documentation for each parcel and include it in the cost estimate. The fair market value must be derived using a reasonable methodology that has been consistently applied throughout the community, such as independent appraisals, opinions of value, or a formula based on tax assessments;

Net present value of the project benefits for each property to be acquired (*see Section 2.6 Cost Effectiveness for further guidance*);

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA) mandates that displaced tenants receive relocation assistance in accordance with 49 CFR, Part 24. The project application should document properties occupied by tenants. See the FEMA Hazard Mitigation Grant Program Desk Reference for additional guidance. This must be included in the cost estimate;

A photograph that represents the appearance of each property at the time of application; and

For acquisition projects, changes to the properties in an approved mitigation project will be considered by FEMA but not approved automatically. The Applicant and Sub-applicant must have initially identified the alternate properties in the project application and must include a BCA for each alternate property in order to be considered. However, the alternate properties must not be included in the Cost Estimate or the overall project BCA (*see Section 4.6., Cost Effectiveness*). Eligible properties may be substituted as alternatives in the application as long as the substitution does not change the overall nature of the project or increase the amount of the Federal share and were included as alternatives in the sub-application.

3) Other information as determined by the Director.

4.3.4.4 Pre-Award Requirements

After application, but prior to award, the Applicant must provide FEMA with the following (*see Section 1.9.2, 3.9, and 4.11, FEMA Pre-award Activities*):

- Documentation that the Sub-applicant has consulted the U.S Army Corps of Engineers and the State Department of Transportation regarding potential future land use conflicts of levee systems and Federal aid systems with open space acquisition and has reject future consideration of such use if it accepts FEMA assistance to convert the property to permanent open space (see the Sub-application assurances for more detail). FEMA encourages sub-applicants to conduct this consultation as early as possible so that incompatible properties can be removed earlier in the process. FEMA will not award funds for any property without this documentation; and
- Copy of the deed restriction, incorporating the specific language from FEMA’s model deed restriction, which the local government will record with acquired properties.

4.3.4.5 Post-Award Requirements

Following award of the grant, the sub-grantee must adhere to the following requirements:

- A property owner who did not own the property at the time of the relevant event, or who is not a United States citizen, non-citizen national, or qualified alien, is not eligible for a purchase offer based on pre-event market value of the property. Sub grantees must ask each participating property owner to certify that they are either a United States citizen, non-citizen national or qualified alien before offering pre-event market value for the property. This information should be retained in the project file;
- The amount of purchase offer is based on the current market value of the property or on the market value of the property immediately before the relevant event affecting the property (“pre-event”): The relevant event for the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and for assistance under the Pre-disaster Mitigation program (PDM) (42 U.S.C. 5133), is the most recent major disaster. Where multiple disasters have affected the same property, the Grantee and Sub-grantee must determine which is the relevant event;
- The Grantee should coordinate with the Sub-grantee in determination of whether the valuation should be based on pre-event or current market value. Generally the same method to determine market value should be used for all participants in the project;
- A title insurance policy demonstrating clear title must be obtained for each approved property that will be acquired;
- All incompatible easements or other encumbrances must be extinguished before acquisition;
- The property must transfer by a warranty deed;
- Follow procedure for substitution of alternate properties (see section 4.3.4.3)
- Incompatible facilities must be removed from acquired property within 90 days of settlement; and

- Property Reporting Requirements from the Sub-grantee, through the Grantee, to FEMA:
 - 1) A photo of the property site after project implementation;
 - 2) Latitude and longitude coordinates of the property;
 - 3) Signed Statements of Voluntary Transaction from the owner of each property identified in the SOW. This statement documents more formally the voluntary participation notice provided earlier, as well as documenting required property valuation notices. A Model Statement of Voluntary Transaction is available on FEMA’s web page: <http://www.fema.gov/government/grant/resources/index.shtm> or from the Regional Office (see *Section 1.14, Regional Contact Information*);
 - 4) A copy of the recorded deed and the attached deed restrictions for each acquired property;
 - 5) For any property identified on FEMA’s Repetitive Loss list, complete and submit FEMA form AW-501, documenting the completion of mitigation to those properties that are identified by FEMA as Repetitive Loss Properties; and
 - 6) Every three years following acquisition, submit a report certifying that the sub grantee has inspected the property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the deed restriction.

4.3.5 SPECIAL FLOOD HAZARD AREA REQUIREMENTS

The following requirements apply to any project to alter existing structures that are sited within a Special Flood Hazard Area (SFHA):

- When the project is implemented, all structures that will not be demolished or relocated out of the SFHA must be covered by flood insurance 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 Sub-applicant (or property owner) will 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 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. Part 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 flood plain management criteria of

Title 44 of the Code of Federal Regulations Part 60.3 and City/County Ordinance.”

For example, owners of elevated properties must purchase and maintain flood insurance; a project involving the acquisition of agricultural easement would require insurance on a remaining building; or in a project where hurricane shutters are installed on a building within the SFHA, insurance is required even though it is not a flood mitigation project. The status of flood insurance for properties included in project sub-applications sited in SFHAs are subject to FEMA review prior to award (See *Section 4.11, FEMA Pre-award Activities*).

Applicants receiving assistance for projects sited in a SFHA will 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 PDM web page: <http://www.fema.gov/government/grant/resources/pre-award.shtm> or from FEMA Regional Offices (See *Section 1.14, Regional Contact Information*). Properties that do not meet these requirements will not be eligible to receive assistance under the PDM program (See *Section 3.9, FEMA Pre-award Activities*).

4.3.5.1 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 IRS office or a tax advisor.

4.3.5.2 GEOCODING REQUIREMENTS

All approved mitigation projects funded by the PDM program must be geocoded using standard datum prior to award (See *Section 1.3.3, Program Requirements*). Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided for all individual sites contained in the mitigation project, including:

- Individual property information on properties mitigated (*e.g.*, private and public structures and facilities), and,
- Project sites for mitigation activities such as infrastructure protective measures (*e.g.*, bridges, culverts).

FEMA will work with Applicants to ensure this information is provided prior to award (See *Section 4.11, FEMA Pre-award Activities*).

4.3.5.3 PROJECT MAINTENANCE

FEMA is not responsible for project maintenance. FEMA will not pay for any future maintenance, such as dredging or debris removal, mowing open space, or ensuring hurricane shutters are operable. Sub-applicants must provide a maintenance plan that identifies the maintenance tasks and budget and the 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 prior to award (See *Section 4.11, FEMA Pre-award Activities*).

Maintenance costs must not be included in the Cost Estimate (See *Section 4.5, Cost Estimate*); however, anticipated future maintenance costs must be included in the BCA (See *Section 4.6, Cost Effectiveness*).

4.4 SCOPE OF WORK

The Scope of Work (SOW) describes the objectives, methodology, outcomes, timeline, milestones, resources, and deliverables of the proposed hazard mitigation project and documents the benefits, feasibility, and effectiveness of the project. Project sub-applications that do not include an adequate description of the proposed project and the necessary supporting documentation will be less competitive, or in some cases may be removed from consideration.

The project sub-application SOW should include the following as well as applicable references and supporting documentation:

- Purpose of the project (*i.e.*, what is the goal?);
- Clear, concise description of the proposed project and the means to implement and construct it (*i.e.*, how will the project be implemented and by whom?). A description of any associated construction activities such as temporary access roads, staging yards, or borrow areas should also be provided;
- Outcomes (*i.e.*, what are the expected accomplishments?);
- Feasibility and effectiveness provided by the proposed project (See *Section 4.3.2, Feasibility/Effectiveness Requirement*), 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.*, wind speed, building code/edition, debris impact standard). For example with a wind project this would include the level of protection for the entire building and whether the project is addressing all wind vulnerabilities. If the project does not address all of the wind vulnerabilities, identify what building components will still be vulnerable if the proposed project is implemented; and
 - Any residual risk to the structure from all hazards after project implementation (*i.e.*, adequacy of the structural systems, roof coverings, building envelope, or load path continuity);
- 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 performance period, not to exceed three years (See *Section 4.12, Performance Period*).

Applicants/Sub-applicants should demonstrate that they can complete the project within the three-year performance period limitation. Project sub-applications that do not demonstrate the Applicant and Sub-applicant's ability to complete the project within the specified timeframe may be less competitive in the National Evaluation (See *Section 4.10.3, National Evaluation*).

4.4.1 DOCUMENTATION

Documentation provided will be used by FEMA to evaluate the SOW in order to determine eligibility of the proposed project sub-application. Therefore, where applicable, include attachments to provide details, supplementary data, references, and information requiring in-depth analysis, such as the Request for Proposals for a project contract, a study or report identifying the need for the proposed project, Flood Insurance Rate Maps (FIRM), or a report on the successes of the community's existing mitigation efforts. Applicants/Sub-applicants should identify the project location(s) and the extent of the proposed project through a graphic and visual representation of the proposed project location(s) on at least a 1:24,000 scale U.S. Geological Survey (USGS) topographic map, site plan, and relevant photographs to be provided with the project sub-application.

Whenever possible, data that is being used to document existing conditions or the hazard itself should be obtained from recognized sources such as Federal agencies (*e.g.*, USGS and National Oceanic and Atmospheric Administration [NOAA]), State agencies, and academic organizations. Include references and/or supporting documentation from qualified/credible sources (*e.g.*, professional engineer or local government records) when using local data. Any deviations from standard procedures, methods, techniques, or best practices should be thoroughly explained and documented.

4.4.2 SCOPE OF WORK CHANGES

FEMA will not consider changes to the SOW between the close of the application period and the completion of the selection process. Changes may be considered during the pre-award and post-award process and no changes will be approved for cost over-runs. Requests for changes to the SOW after award are permissible as long as they do not change the nature of the activity, the feasibility and effectiveness of the project, or the BCR (See *Section 4.6, Cost Effectiveness*). 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.

4.5 COST ESTIMATE

The Cost Estimate describes all estimated costs associated with the proposed project activity, and represents the Sub-applicant's best estimate of the total value of the proposed activity. Sufficient detail should be provided regarding various cost item categories such as labor, materials, equipment, subcontract costs, etc, and include anticipated cash and in-kind non-Federal match. In particular, the labor cost line item should 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 cost estimates provided, including the dates of estimates, as well as the anticipated date of construction should be provided, if applicable.

The Cost Estimate must include:

- All anticipated project costs, such as:
 - Anticipated environmental resource remediation or historic property treatment measures (See *Section 4.7, Environmental/Historic Preservation Compliance*);
 - Engineering designs/specifications to include 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, material disposal;
 - Other related acquisition costs, such as appraisals, legal recordation, displacement costs for renters;
- Costs associated with any information dissemination activities and/or Sub-applicant management costs: These should be identified as a separate line item to ensure cost thresholds for these activities are not exceeded (See *Section 4.1, Eligible Mitigation Project Activities*);
- Pre-award costs: Indicate all costs that may be incurred prior to grant receipt but subsequent to the PDM application period opening. These should be identified as separate line items. For example conducting the BCA (See *Section 4.6, Cost Effectiveness*);
- Potential cost under-runs: Indicate any item in 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 for up to one year after the date of the receipt of initial quotation, this cost should be over-estimated and noted as such);
- Anticipated Future Funding: Describe identified sources of future funding once the initial grant has been implemented and no further funding will be available from the PDM 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 for all costs, including the basis for each should be provided (e.g., salary and fringe benefit rates for personnel involved in the project, bids from qualified professionals, nationally published or local cost estimating guides); and
- Maintenance costs are not eligible and should not be included in Cost Estimate but must be included in the BCA (See *Section 4.6, Cost Effectiveness*).

Funding is restricted to a maximum of \$3 million Federal share for mitigation projects. Project sub-applications with a Federal share in excess of \$3 million will not be accepted. The amount of the Federal share will not be increased to cover any additional costs identified after the application deadline. If the Cost Estimate does not reflect the work proposed in the SOW, does not include all the costs for items proposed, or was prepared without adequate documentation, the sub-application may be removed from consideration.

4.5.1 DOCUMENTATION

Documentation provided will be used by FEMA to evaluate the Cost Estimate in order to determine eligibility. Applicants/Sub-applicants should avoid “lump sum” items whenever possible and provide references for all sources of the Cost Estimate (*e.g.*, RS Means). Identify sources of cost items (*e.g.*, documented local cost, bids from qualified professionals, published national 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, published nationally or local cost estimating guides). If another project is used as the source of the Cost Estimate, detailed documentation showing the related project scope items should be provided.

The project should be identified with enough details so that material, labor and other costs associated with the project can be identified. The cost estimating tools used should be identified and a detailed 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.

For example, the project proposes replacing a roof on an existing museum building. The roof is a low-slope roof with internal drainage only, in an area subject to snow and rainfall that may clog the drains. The project will completely remove the existing roof, install tapered insulation and place scuppers at the exterior wall locations. The Applicant and Sub-applicant have identified the size of the roof and have included a roof plan and roof sections and calculated the materials and labor needed to complete the job. The Applicant and Sub-applicant has awarded a similar roofing job two years ago that they have used to estimate the costs of this project. The Applicant and Sub-applicant has included a copy of the costs for the other job, compared the SOW for the completed job and the proposed job, and updated the costs for the proposed project based on a national cost estimating guide and adjusted for inflation.

4.5.2 COST ESTIMATE CHANGES

FEMA will not consider changes to the Cost Estimate after the close of the application period until after the completion of the selection process. Changes may be made during the pre-award and post-award process, and no changes will be approved for cost over-runs.

Revisions to the approved Cost Estimate may be considered after the selection and award process so long as the approved deliverable is not adversely impacted. In accordance with 44 C.F.R. Part 13, adjustments may be made among cost line items in the approved budget up to a cumulative threshold of 10% 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 Cost Estimate revision must be supported by adequate justification from the Applicant and Sub-applicant in order to be processed. In any case, the limitations on information dissemination and Sub-applicant management costs still apply, and the Federal share will not be increased.

4.6 COST EFFECTIVENESS

The PDM program must fund cost-effective mitigation activities. To ensure this objective is met, a FEMA-approved BCA will be required for all mitigation projects. 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 return into account) divided by the total project cost to include all documented project and maintenance costs.

The Applicant or Sub-applicant are 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 to obtain the project's total net present value of benefits and dividing the total project benefits by the total project Cost Estimate. Applicants/Sub-applicants are encouraged to ensure that the BCA includes all benefits associated with the proposed mitigation project. Project sub-applications with a BCR less than 1.0 will be removed from consideration.

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 following the National Evaluation (See *Section 4.10.4.1, Benefit-Cost Technical Review*).

The conduct of FEMA's BCAs is governed by the Office of Management and Budget (OMB) Circular A-94, Guidelines and Discount Rates for BCA 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. For further details of categories of benefits that may or may not be counted see "What is a Benefit? - Guidance on BCA of Hazard Mitigation Projects" located on the Mitigation BCA Toolkit CD (See *Section 5, Technical Assistance*). This document provides standardized benefit categories, approaches, and data inputs for many common mitigation projects.

The cost of performing the BCA and providing supporting documentation may be included by the Sub-applicant as part of the project Cost Estimate (See *Section 4.5, Cost Estimate*) or by the Applicant as part of the Applicant management costs (See *Section 2, Applicant Management Costs*).

If the Applicant and/or Sub-applicant are submitting a project for which FEMA performed the BCA in the past, the Applicant and/or Sub-applicant must certify that they accept the BCA as their own before submitting the BCA as part of their project sub-application. Applicants/Sub-applicants submitting projects prepared for other FEMA mitigation programs are strongly encouraged to revisit the BCA(s) to ensure complete documentation of mitigation project benefits and costs.

4.6.1 METHODOLOGY

Applicants and Sub-applicants must use a FEMA-approved methodology to determine the BCA. Applicants and Sub-applicants are strongly encouraged to use FEMA's BCA software for their analyses, which may be obtained from FEMA by contacting the BCA helpline via phone: 1(866) 222-3580 or e-mail: bchelp@fema.gov (See *Section 5.2.2, Benefit-Cost Analysis Technical Assistance*) or the applicable FEMA Regional Office (See *Section 1.14, Regional Contact Information*). Using FEMA-approved software, the exception being the Flood Very Limited Data Module, will ensure that all calculations are prepared in accordance with OMB and FEMA's standardized methodologies and approaches and will facilitate FEMA's review process. The Flood Very Limited Data Module may not be used to demonstrate cost-effectiveness for PDM project sub-applications, only to screen projects for cost-effectiveness.

The OMB-mandated discount rate for the PDM program is 7%. This discount rate is incorporated into all FEMA software programs as a default and must not be modified.

Alternative BCA methodologies will be considered only if the FEMA Regional Office and FEMA Headquarters approve the software prior to the Applicant's submission of the PDM grant application to FEMA. The Applicant 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 using BCAs conducted with non-FEMA software not approved in advance by FEMA will not be considered for the PDM program.

FEMA has developed a simplified, alternative methodology to conduct the BCA, which 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. The list of properties and the guidance for using this alternative approach was provided to the FEMA Regional Offices under separate cover (information on the alternative approach is available on the FEMA website: <http://www.fema.gov/government/grant/resources/bcarlalt.shtm>). The Pilot NFIP Repetitive Loss properties may be combined in a project with other repetitive flood loss properties and/or non-repetitive flood loss properties; however, the alternative cost-effectiveness approach may only be used for the Pilot NFIP Repetitive Loss properties.

4.6.2 DOCUMENTATION

FEMA will not consider project sub-applications without legible and complete BCAs. For each BCA, the Applicant/Sub-application 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 sub-applications without a complete BCA will be removed from consideration.

Project sub-applications that do not include appropriate documentation to support the submitted BCAs will be removed from consideration. The documentation must support figures, assumptions, data derivation and calculation methods used in the BCA. Sub-applications 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 sub-applications should include surveys, copies of elevation certificates, copies of appropriate sections of Flood Insurance Studies (FIS) and FIRM, copies of relevant supporting information from Engineering reports and other documentation to support figures used in their BCAs. A good rule of thumb to observe is that a subject matter expert should be able to calculate the BCA based upon the information provided in the sub-application without any additional explanation.

The credibility of data sources also 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 sub-application. 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 (See *Section 5, Technical Assistance*) will be accepted as completely credible, when software is used correctly and documentation is provided.

4.7 ENVIRONMENTAL/HISTORIC PRESERVATION COMPLIANCE

Applicants/Sub-applicants are required to provide information to support FEMA's Environmental/Historic Preservation compliance review. The purpose of this information is:

- It helps an Applicant and Sub-applicant 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;

- This information helps the reviewers and evaluators determine how well the Applicant and Sub-applicant understands these issues and has addressed them in the project design; and
- If the project is selected, this information can be helpful in expediting the actual Environmental/Historic Preservation compliance review that FEMA must complete before final approval and funding of the project.

Funds will not be awarded and the Applicant and Sub-applicant may not initiate the project until FEMA has completed its review.

The following list identifies a few examples of the many laws and Executive Orders for which Federal review is required:

- National Environmental Policy Act (NEPA);
- National Historic Preservation Act (NHPA);
- Endangered Species Act (ESA); and
- Executive Orders on Wetlands, Floodplains, and Environmental Justice.

4.7.1 ENVIRONMENTAL/HISTORIC PRESERVATION QUESTIONS

An accurate and thorough SOW provides crucial information to FEMA when undertaking Environmental/Historic Preservation review (See *Section 4.4, Scope of Work*). In addition to the information provided in the SOW, Applicants/Sub-applicants must answer a series of Environmental/Historic preservation questions in the project sub-application 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 and Sub-applicant must provide the following information in order for the project sub-application to be considered complete as well as 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 designated critical habitat in the project area;
- Vegetation, including amount (area), type, and extent to be removed or affected;
- Identification of all water or wetlands in the project area regardless of whether the Applicant and Sub-applicant think there may be an effect. Information about the water bodies and wetlands should include their dimensions, proximity of the project activity to the water bodies, and the expected and possible changes to the water bodies or wetlands, if any; and
- Description of any disproportionate or adverse effects on low or minority populations in the project area.

FEMA will review the completeness of the responses to the questions in the Environmental/Historic Preservation section of the project sub-application and supporting documentation. Project sub-applications that do not include the required information will be removed from consideration (See *Section 4.10.1, FEMA Review*). FEMA will use the information provided in the SOW, Cost Estimate, and Environmental/Historic Preservation sections of the project sub-application to perform the Environmental/Historic Preservation review of the proposed projects (See *Section 4.11.6, Environmental and Historic Preservation Compliance Requirements*). To expedite the environmental approval process, FEMA strongly encourages the Applicant and Sub-applicant to:

- Work with Federal and State resource agencies to begin collecting information about potential environmental or historic preservation impacts from the proposed project and provide any documentation from the resource agency;
- Evaluate if any identified environmental or historic preservation impacts that 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, 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; and
- Provide as much supporting documentation as available at the time of the sub-application submission, including clearly labeled maps, diagrams, photographs, or letters/documentation from resource agencies.

4.7.2 CONDITIONS FOR THE AWARD OF FUNDS

For mitigation project sub-applications selected for further review, FEMA will complete the Environmental and Historic Preservation review in consultation with appropriate Federal and State resource agencies. This review will be conducted with the assistance of both the Applicant and the Sub-applicant as part of its Pre-award Activities (See *Section 4.11, FEMA Pre-award Activities*). The outcome of this review may be the identification of 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 application deadline and the completion of the selection process (See *Section 4.4, Scope of Work*). It may be possible for the Applicant and Sub-applicant to avoid or minimize adverse effects by revising the SOW during the pre-award process. The Applicant and Sub-applicant should explain in the revised SOW how any identified impacts to environmental resources and/or historic properties will be addressed.

The Applicant/Sub-applicant 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 Cost Estimate. Clean-up costs associated with hazardous materials are not eligible project costs (See *Section 4.5, Cost Estimate*). The Applicant/Sub-applicant is encouraged to provide an explanation of how the Cost Estimate was developed to include costs associated with anticipated impact mitigation and treatment measures. All such costs identified through the review and consultation process may be eligible if included as part of the project sub-application Cost Estimate.

The amount of the Federal share may NOT be increased to cover any additional costs identified after the application deadline. If the estimated additional costs of these measures exceed the Cost Estimate submitted, the Applicant /Sub-applicant may accept the sub-grant award and pay the additional costs or decide not to accept the sub-grant award.

FEMA may recoup sub-grant funds if any conditions of the award are not implemented as agreed upon or if the Applicant/Sub-applicant initiates the project prior to FEMA's completion of the Environmental/Historic Preservation review. Within 4 months of selection, the Applicant should provide all additional required documentation so that the Environmental/Historic Preservation review can be completed project sub-application may not be approved for award. One year extensions of the obligations deadline will be permitted based on a limited basis.

4.8 EVALUATION INFORMATION

The Evaluation Information section of the project sub-application is required for the PDM grant program. Response to questions in this section will be used to support competitiveness in both the National Ranking and Evaluation processes (See *Section 4.10.2, National Ranking and Section 4.10.3, National Evaluation*). Therefore, responses for each question are required, even if the information is provided in another section of the project sub-application.

The Applicant may be better able to address the following questions than the Sub-applicant:

- How does this mitigation activity comply with Federal laws and Executive Orders, and how is it complementary to other Federal programs? What is the BCR for the entire project; (*i.e.*, What is the Net Present Value of Project Benefits divided by the Total Project Cost Estimate?) The BCA must be provided with the project sub-application (See *Section 4.6, Cost Effectiveness*);
- Analysis Type; and
- What is the primary hazard data used for the BCA?

However, if the Sub-applicant responds to these questions, the Applicant should review the information before submitting the project sub-application.

4.9 PROJECT SUB-APPLICATION CHECKLIST

Mitigation project sub-applications must include the following to be eligible for consideration under the PDM program:

1. **Applicant Information:** Provide name, type, and location of the Sub-applicant (for States/Tribes, this may be the same as the Applicant), State and Federal tax numbers, and Federal Employer Identification Number;
2. **Contact Information:** Provide the name, agency, and address for the point of contact for the project sub-application;
3. **Sub-application Name:** Applicants should verify that the sub-application name includes the location of the proposed activity and the activity type;
4. **Community Information:** Select the name of the community or entity (*e.g.*, Tribe, college, university) that will benefit from the project sub-application. If the community or entity is not listed, please advise the FEMA Regional Office (See *Section 1.14, 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 (*e.g.*, military bases, hydroelectric dams), a synopsis and history of hazards affecting the community, and other applicable information that will clarify the need for the mitigation project;
5. **Mitigation Plan Information:** Indicate whether the local entity that will benefit from the project sub-application is covered by a FEMA-approved tribal/local hazard mitigation plan and whether the State/Tribe/Territory is covered by a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan and describe how the proposed project aligns with the goals, objectives, and priorities identified in the existing State/tribal hazard mitigation plan. Provide reference to planning documents (*i.e.*, section and page number);
6. **Mitigation Activity Information:** Indicate the type and title of the proposed project, and whether construction is involved;
7. **Hazard Information:** Identify the hazard to be mitigated by the project and the location and dimensions (*i.e.*, area, volume, depth) of the project, including project site location on at least a 1:24,000 scale U.S. Geological Survey (USGS) topographic map, photographs showing the project site, sketches, and/or drawings showing the project site (*e.g.*, appropriate sections of FIRM);
8. **Scope of Work:** Describe the objectives, methodology, feasibility, outcomes, timeline, milestones, resources, deliverables, and benefits of as well as reasons for the proposed project, including work schedule/tasks for each activity and who will compete each task (see *Section 4.4, Scope of Work*);
9. **Properties:** Provide a list of properties (and alternative properties) to be mitigated. The property information history must include owner name, address, latitude and longitude (See *Section 4.3, Mitigation Project Requirements*), type of structure, hazard to be mitigated, damage category, year built, flood zone designation, NFIP repetitive loss number (if applicable), property action, and property BCA information;
10. **Decision Making Process:** Identify alternatives considered to address the hazard prior to deciding upon the proposed project and describe the process used to determine that the proposed project is the best alternative to solve the identified problem and the reasons the alternatives were not selected;

11. **Cost Estimate:** Provide all anticipated and potential costs for each proposed project activity, including Federal and non-Federal shares (See *Section 4.5, Cost Estimate*). Provide an Approved Indirect Cost Agreement, if applicable;
12. **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share and Sub-applicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*);
13. **Cost-Effectiveness Information:** Provide complete BCA and documentation, including damage history, methodology used for the event frequency determination, and all BCAs to support the project benefit-cost ratio (See *Section 4.6., Cost Effectiveness*);
14. **Environmental/Historic Preservation:** Provide complete responses to established Environmental/Historic Preservation questions, and complete Environmental/Historic documentation (See *Section 4.7, Environmental/Historic Preservation Compliance*);
15. **Maintenance Schedule:** Provide a maintenance schedule, including cost information, and identify the entity that will perform long-term maintenance (See *Section 4.3.8, Project Maintenance*);
16. **Evaluation Information:** Provide responses to the questions for each sub-application for competitive National Ranking and Evaluation, including documentation for the BCA (See *Section 4.8, Evaluation Information*); and
17. **Assurances and Certifications:** If applicable in your Applicant State/Tribe/Territory, 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; Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL.

4.10 FEMA REVIEW, NATIONAL RANKING, NATIONAL EVALUATION AND TECHNICAL REVIEW

4.10.1 FEMA REVIEW

FEMA will review all project sub-applications to ensure the following:

- Eligibility of the Applicants/Sub-applicants (See *Section 1.3, Grant Program Eligibility*);
- Eligibility of proposed activities and costs (See *Section 4.1, Eligible Mitigation Project Activities*). Each sub-application must be assigned a unique rank;
- Completeness of the sub-application (See *Section 4.9, Project Sub-application Checklist*);
- Completeness of SOW (See *Section 4.4, Scope of Work*);
- Completeness of the Cost Estimate and consistency with the SOW (See *Section 4.5, Cost Estimate*);
- Eligibility and availability of non-Federal cost share (See *Section 1.7, Cost Share Requirements*);
- State/tribal, local, and/or university planning requirements are met (See *Section 4.3, Mitigation Project Requirements*);
- Consistency of mitigation projects with the Applicant's State/tribal hazard mitigation plan and local/tribal or university hazard mitigation plan;
- Feasibility and effectiveness of mitigation projects, including complete supporting documentation (See *Section 4.3.2, Feasibility/Effectiveness Requirement*);
- BCR of 1.0 or greater for the proposed mitigation project;
- Technical accuracy, complete supporting documentation, and source credibility of the BCA (See *Section 4.6, Cost Effectiveness*);
- Complete responses to the Environmental/Historic Preservation Questions and supporting documentation and inclusion of appropriate environmental mitigation measure and historic property treatment measures in the Cost Estimate (See *Section 4.7, Environmental/Historic Preservation Compliance*); and
- Complete responses to Evaluation Information section questions for National Ranking and Evaluation, including the BCA (See *Section 4.8, Evaluation Information*).

Project sub-applications that do not satisfy the Eligibility and Completeness requirements will be removed from further consideration.

4.10.2 NATIONAL RANKING

FEMA will score all eligible mitigation project sub-applications on the basis of predetermined, objective, quantitative factors to calculate a National Ranking Score (See

Section 1.8.2, National Ranking). Ranking factors for mitigation projects and the respective weighting of each in the National Ranking are:

1. The priority rank given to the sub-application by the Applicant in their PDM grant application (See *Section 1.6.4, Grant Application Checklist*) (35%);
2. Whether the Applicant has a FEMA-approved Enhanced State/tribal mitigation plan by the application deadline (20%);
3. Community mitigation factors, including Community Rating System class, Cooperating Technical Partner, participation as a Firewise Community, 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 (15%);
4. The percentage of the population benefiting, which equals the number of individuals directly benefiting divided by the community population (15%);
5. Whether the project protects critical facilities (See *Section 4.1, Eligible Mitigation Project Activities*) (10%); and
6. Status of Applicant and Sub-applicant as a small and impoverished community (See *Section 1.7.1, Small and Impoverished Communities*) (5%).

4.10.3 NATIONAL EVALUATION

National panels will convene to evaluate project sub-applications forwarded from the National Ranking on the basis of predetermined qualitative factors to determine a National Evaluation Score for each project sub-application (See *Section 1.8.3, National Evaluation*). Evaluation factors for mitigation projects and the respective weighting of each in the National Evaluation are:

1. Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation project (30%);
2. Sufficient staff and resources for implementation of the proposed mitigation project (20%);
3. Project sub-application demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures. (20%);
4. Durability of the financial and social benefits that will be achieved through the proposed mitigation project (15%);
5. Leveraging of Federal/State/tribal/territorial/local/private partnerships to enhance the outcome of the proposed mitigation project (5%);
6. Protection of critical facilities (See *Section 4.1, Eligible Mitigation Project Activities*) (5%); and
7. Inclusion of outreach activities appropriate to the proposed mitigation project (*e.g.*, signs, press releases, success stories, losses avoided analysis) that advance mitigation and/or serves as a model for other communities (5%).

4.10.4 TECHNICAL REVIEW

FEMA will conduct a national Technical Review for the highest scoring project sub-applications in the following areas:

1. BCA (See *Section 4.10.4.1, Benefit-Cost Technical Review*); and
2. Engineering Feasibility (See *Section 4.10.4.2, Engineering Feasibility Technical Review*).

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

4.10.4.1 BENEFIT-COST TECHNICAL REVIEW

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 sub-application. FEMA will not contact Applicants or Sub-applicants to request additional information or clarification on BCA documentation in the sub-application during the Benefit-Cost Technical Review.

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 impact 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:

1. **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 associates higher weight to data points of greater importance.
2. **Supporting Documentation**
Every data point in the BCA should be clearly documented and included in the project application. Deviations from standard procedures, guidance, techniques, or FEMA default values should be thoroughly explained and documented. The BCA review methodology associates higher scores to better documentation of data derivation methods and assumptions in the project application. Projects not adequately documented may be removed from consideration.
3. **Source Credibility**
The more technical the data and the more it influences the outcome of the BCA, the more emphasis the Benefit-Cost Technical Review panel will place on the credibility of its source. Data used in the BCA should be from a reliable source (*i.e.*, licensed engineer, architect, or appropriate local official).

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

- Resolve conflicting information between the application, support data, and BCAs;
- Correct user input errors in the BCA(s);
- Use FEMA default values in the BCA(s) instead of “User-defined” values not substantiated in the sub-application;
- Include all documented project and maintenance costs in the BCA(s);
- Use data in the sub-application that was not included in the Sub-applicant’s BCA(s) to improve the accuracy of the BCA(s); and
- Remove unsubstantiated benefits from the BCA(s).

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

4.10.4.2 ENGINEERING FEASIBILITY TECHNICAL REVIEW

Given the technical nature of mitigation projects, FEMA will convene an Engineering Feasibility 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 sub-application, including the SOW and Cost Estimate sections, as well as any supporting documentation. FEMA will not contact Applicants or Sub-applicants to request additional information or clarification on documentation in the sub-application during the FEMA Review. Project sub-applications that do not include appropriate documentation to support the determination of feasibility and effectiveness may be removed from consideration.

The Technical Review panel will evaluate project sub-applications 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 Technical Review may identify issues that could affect the outcome of the project. FEMA reserves the right to eliminate from consideration those project sub-applications 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.

4.11 FEMA PRE-AWARD ACTIVITIES

FEMA Regional Offices will work with Applicants who have project sub-applications selected for further review to implement required pre-award activities prior to grant award (See *Section 1.9.2, FEMA Pre-award Activities*). FEMA may, at its discretion, request information or documentation from Applicants to resolve outstanding administrative or procedural requirements as part of its pre-award activities.

4.11.1 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS

For property acquisition and relocation projects, the Sub-applicant must submit documentation that the Sub-applicant has consulted the U.S Army Corps of Engineers and the State Department of Transportation regarding potential future land use conflicts with open space acquisition. Additionally, the Sub-applicant must submit a copy of the deed restriction, incorporating the specific language from FEMA's model deed restriction, which the local government will record with acquired properties. (See *Section 4.3.4, Property Acquisition and Relocation Requirements*).

4.11.2 SPECIAL FLOOD HAZARD AREA REQUIREMENTS

For projects related to improving structures sited in Special Flood Hazard Area (SFHA), FEMA will verify that participating property owners obtain flood insurance on the property and request assurance that flood insurance is maintained for the life of the property prior to award. Signed Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds forms (available on the FEMA website: <http://www.fema.gov/government/grant/resources/pre-award/shtm>) must be provided to FEMA prior to award. Properties that do not meet these requirements will not be eligible to receive assistance under the PDM program (See *Section 4.3, Mitigation Project Requirements*).

4.11.3 GEOCODING REQUIREMENTS

Geocoding information must be provided to FEMA prior to award for all project sub-applications (See *Section 1.3.3, Program Requirements*). FEMA will work with Applicants to ensure that geocoding information is provided; including individual property information on properties mitigated, and project sites for mitigation activities such as storm water management, road and bridge improvement, critical facility protection, and flood control projects (See *Section 4.3, Mitigation Project Requirements*).

4.11.4 PROJECT MAINTENANCE

A maintenance plan that identifies the maintenance tasks and budget, and identifies the entity that will perform long-term maintenance must be provided to FEMA prior to award.

4.11.5 TECHNICAL REVIEW REQUIREMENTS

For projects selected for further review, FEMA may request additional information from the Applicant or Sub-applicant to resolve issues identified during the FEMA Technical Review (See *Section 4.10.4, Technical Review*). The Applicant or Sub-applicant will have to

determine whether to accept the grant award and pay any additional costs required to obtain the required information or to withdraw the project sub-application.

4.11.6 ENVIRONMENTAL/HISTORIC PRESERVATION COMPLIANCE REQUIREMENTS

FEMA will complete the Environmental/Historic Preservation compliance review for projects selected for further review as part of pre-award activities. Funds will not be awarded and the project can not be initiated until FEMA has completed the Environmental/Historic Preservation review. Certain projects are of a nature that Environmental/Historic review can be accomplished with the information provided in the sub-application. For those projects, the Applicant will not be contacted for further Environmental/Historic Preservation information. Other projects will require some additional review, and a few will need extensive review. FEMA will often request that the Applicant and Sub-applicant work with FEMA in the review process.

FEMA will notify the Applicant if FEMA determines that certain environmental impact mitigation or historic property treatment measures are required to address the Environmental/Historic Preservation impacts of a proposed project. The Applicant or Sub-applicant will then have to determine whether to accept the grant award and pay any additional costs of the remediation or treatment measures or withdraw the project sub-application. The amount of the Federal share for a project sub-application will not be increased to cover any additional costs. It is, therefore, essential that Applicants and Sub-applicants include costs associated with any anticipated environmental impact mitigation or historic preservation or treatment measures in the Cost Estimate for the project (See *Section 4.5, Cost Estimate*). Expenses incurred by the Sub-applicant that are associated with eligible activities included in the Cost Estimate, occurring prior to award but after the PDM application period has opened, may be deemed as allowable pre-award costs and may be reimbursable once the project has been awarded (See *Section 4.1.3, Pre-award Project Costs*).

4.12 PERFORMANCE PERIOD

Mitigation project sub-grant performance periods are limited to three years (See *Section 1.3.4, Program Restrictions*). Project sub-applications that propose a work schedule in excess of three years will not be accepted. Mitigation projects must be completed before the end of the performance period. If a project is not completed by the close of the performance period, FEMA will terminate the project sub-grant and any costs incurred after the sub-grant termination will not be reimbursed by FEMA. Requests for extensions to the performance period will be considered but will not be approved automatically (See *Section 1.12, Extensions*).

4.13 UPDATING REPETITIVE LOSS DATABASE FOR MITIGATED PROPERTIES

In order to maintain accurate, up-to-date records of all repetitive loss properties mitigated as a result of PDM project grants, FEMA requires the submission of Form AW-501, *NFIP Repetitive Loss Update Worksheet* (OMB #1660-0022). Typically, this form is completed by the State or community, but may be completed by a FEMA Region with appropriate documentation that shows 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 repetitive loss property mitigated with PDM funds prior to closeout. Form AW-501 and instructions for completing and submitting the Form are available on FEMA's website: <http://www.fema.gov/government/grant/resources/aw501ins.shtm> or from the Regional Office (See *Section 1.14, Regional Contact Information*).

SECTION 5 TECHNICAL ASSISTANCE

FEMA will provide technical assistance to both Applicants and Sub-applicants by answering general questions about the PDM program as well as providing general technical assistance related to planning and project sub-applications. FEMA will also provide technical assistance regarding the application process and the eGrants system. FEMA encourages Applicants and Sub-applicants to seek technical assistance early in the application period by contacting their FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

5.1 eGRANTS HELPDESK

FEMA will provide technical assistance to Applicants and Sub-applicants specific to the eGrants through the eGrants Helpdesk, which can be reached via phone: 1-866-476-0544 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.

5.2 PROJECT TECHNICAL ASSISTANCE

FEMA will provide general technical assistance to both Applicants and Sub-applicants related to project engineering feasibility and effectiveness, BCA, and Environmental/Historic Preservation compliance. However, in no case will technical assistance involve conducting a BCA, or reviewing project-specific information for completeness or technical feasibility.

5.2.1 ENGINEERING FEASIBILITY TECHNICAL ASSISTANCE

FEMA may provide technical assistance to Applicants and Sub-applicants regarding the level of documentation and the types of information that FEMA will need to adequately review the feasibility and effectiveness of proposed mitigation projects. In addition, FEMA may provide technical assistance to Applicants and Sub-applicants regarding the completeness and accuracy of project cost estimating for engineering costs.

To assist Applicants and Sub-applicants with the documentation of their proposed projects, FEMA has prepared Sample Engineering Case Studies. These case studies provide examples of the information needed for proposed mitigation projects. The case studies include general information that should be included in the application and highlight the importance of the SOW and Cost Estimate sections of the project sub-application as they relate to documentation for the engineering review. The case studies are not sample applications and should only be used as guidance. The case studies are available on FEMA's PDM web page: <http://www.fema.gov/government/grant/resources/index.shtm#2> or from the Regional Offices (See *Section 1.14, Regional Contact Information*).

FEMA has developed procedures to assist Applicants applying for funding under FEMA's mitigation grant programs for several common flood project types. The purpose of these documents is to provide guidance to Applicants and Sub-applicants regarding collection of the administrative and technical data that FEMA requires. The Procedures for Developing a SOW may be downloaded from the FEMA website:

<http://www.fema.gov/government/grant/resources/index.shtm#3>.

In addition, a Help Module will be available to assist Applicants and Sub-applicants with developing the SOW, Work Schedule, and Cost Estimate for project sub-applications. The Help Module will provide interactive and dynamic, context-sensitive help and resources throughout the development of a project application. The Help Module is linked to various sections of the project sub-application in the eGrants system and is also available from the FEMA Information Resources Library:

<http://www.fema.gov/library/viewRecord.do?id=1860>.

5.2.2 BENEFIT-COST ANALYSIS TECHNICAL ASSISTANCE

FEMA has prepared a Mitigation BCA Toolkit CD. This CD includes all of the FEMA BCA software, technical manuals, BCA training courses, and other supporting documentation. Applicants and Sub-applicants may obtain the FEMA Mitigation BCA Toolkit CD free from FEMA by contacting the Technical Assistance Helpline (See *Section 5.2.4, Project Technical Assistance Helplines*) or the applicable FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

While FEMA will provide technical assistance on the BCA data needs and documentation requirements, FEMA will not input data and/or run the BCA modules for Applicants or Sub-applicants. The BCA technical assistance provided to potential Applicants and Sub-applicants may cover:

- Use of the FEMA Mitigation BCA Toolkit CD;
- Use of the BCA Data Documentation Templates found on the Toolkit CD;
- Proper use of the BCA modules, procedures, and methodologies;
- How to handle aggregate project BCA for multiple properties and methodologies; and
- How to prepare detailed Cost Estimates.

5.2.3 ENVIRONMENTAL/HISTORIC PRESERVATION TECHNICAL ASSISTANCE

The Applicant and Sub-applicant may find specific guidance on completing the Environmental/Historic Preservation questions in the Environmental/Historic Preservation Information section of the project sub-application linked to this section in the eGrants system as well as on FEMA's website at <http://www.fema.gov/plan/ehp/index.shtm>.

In addition, a Help Module is available to assist Applicants and Sub-applicants 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 sub-application. The Help Module also highlights Environmental/Historic Preservation considerations that may need to be addressed in other parts of the project sub-application, such as the SOW and Cost Estimate. The Help Module is linked directly to the Environmental/Historic Preservation

Information section of the project sub-application in the eGrants system as well as to the PDM web page: <http://www.fema.gov/plan/ehp/elearning/index.shtm>.

FEMA also offers training related to Environmental/Historic Preservation online through the National Emergency Training Center Virtual Campus. 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 responsibilities. The Independent Study course, IS 253, includes interactive knowledge checks, case studies, and resource materials. Please visit the FEMA website at <http://training.fema.gov/EMIWeb/IS/is253.asp> for more information about the online course or contact your FEMA Regional Office (See *Section 1.14, Regional Contact Information*).

5.2.4 PROJECT TECHNICAL ASSISTANCE HELPLINES

FEMA established Technical Assistance Helplines to provide assistance to Applicants and Sub-applicants with engineering feasibility and effectiveness; BCA, including BCA software, technical manuals, and other BCA references; and Environmental/Historic Preservation compliance for project sub-applications. The Helplines can be reached via telephone: 1 (866) 222-3580 or e-mail: enghelpline@dhs.gov; bchelpine@dhs.gov; and ehhelpline@dhs.gov, respectively, and a representative will respond within two-business days.

APPENDIX A GLOSSARY

Appropriation – funds set aside for a specific purpose.

Authorization – The act of permitting; formal consent.

Benefit-Cost Analysis – a software program that provides an estimate of the "benefits" and "costs" of a proposed flood hazard mitigation project. The benefits considered are avoided future damages and losses which are expected to accrue as a result of the mitigation project. In other words, benefits are the reduction in expected future damages and losses (*i.e.*, the difference in expected future damages before and after the mitigation project). The costs considered are those necessary to implement the specific mitigation project under evaluation.

Benefit-Cost Ratio – 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 return into account) divided by the total project cost to include all documented project and maintenance costs.

Community is defined as either:

(1) A political subdivision, including any Federally-recognized Tribe, authorized tribal organization, Alaskan native village or authorized native organization, that has zoning and building code jurisdiction over a particular area having special flood hazards, and is participating in the NFIP; or,

(2) A political subdivision of a State, or other authority that is designated by a political subdivision to develop and administer a mitigation plan.

Enhanced plans – Demonstrates how a State is effectively using existing programs to meet mitigation goals and shows that there is a commitment to a comprehensive mitigation program. The plan describes the mitigation system and strategy for conducting mitigation activity assessments and for recording their effectiveness. Project implementation and program management capabilities must be present.

Feasible – Capable of being accomplished or brought about; possible.

Federal Cognizant Agency – the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under OMB Circular A-87 revised on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies.

Geocoding – Assigning a geographic coordinate, such as a latitude/longitude pair, to a data record (also called geolocating).

Grantee - the component of a State, local, or Federally-recognized tribal government which is responsible for the performance or administration of all or some part of a Federal award.

Indirect costs – Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities.

Participating Property Owner – the person(s) who legally owns the property (land and building structure(s)).

Qualified Conservation Organization – an organization that is a qualified organization with a conservation purpose at the time of transfer of the property interest from the Sub-grantee and since the major disaster declaration, or for at least 2 years prior to the opening of the grant application period, pursuant to 26 CFR 1.170A-14 and the applicable implementing regulations.

Recapture – the return of monies that was not spent on the assigned project or plan after its completion.

Reconstruction – a mitigation activity on a building to lessen the likely hood of structural damage from a natural disaster.

RS Means – a cost estimating tool found in the *Marshall & Swift Handbook*.

Scope of Work (SOW) – A description of the objectives, methodology, feasibility, outcomes, resources, deliverables, and benefits of the proposed project, including the hazard(s) to be mitigated, and location of project, engineering design, feasibility and effectiveness for relocation projects

Small and Impoverished Community – small and impoverished 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% of the national per capita income, based on best available data. The Department of Commerce Bureau of Economic Analysis (BEA) website states that the per capita personal income for the United States in 2003 was \$31,619.) 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 2005 is 5.2%. For up-to-date information, please see the USBL web site located at: <http://stats.bls.gov/>; and

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

Sub-grant – an award of financial assistance made under a grantee to an eligible Sub-grantee.

Sub-grantee – the State agency, community, or tribal government or other legal entity to which a sub-grant is awarded and which is accountable to the grantee for the use of the funds provided.

Viable – Capable of success or continuing effectiveness; practicable.

APPENDIX B WEIGHTING FOR PLANS AND PROJECTS

B.1 NATIONAL RANKING

FEMA will score all eligible planning and project sub-applications on the basis of predetermined, objective, and quantitative factors to calculate a National Ranking Score. National Ranking factors and point values are:

FY 2007 NATIONAL RANKING FACTORS AND POINT VALUES	PLANS	PROJECTS
The priority given to the sub-application by the Applicant in their PDM grant application	35%	35%
Assessment of frequency and severity of hazards	30%	N/A
Whether the Applicant has a FEMA-approved Enhanced State/tribal hazard mitigation plan by the application deadline	15%	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	15%	15%
The percent of the population benefiting, which equals the number of individuals directly benefiting divided by the community population	N/A	15%
Whether the project protects critical facilities	N/A	10%
Status of the local Sub-applicant as a small and impoverished community	5%	5%
TOTAL POINT VALUES	100%	100%

B.2 NATIONAL EVALUATION

National panels chaired by FEMA and composed of representatives from FEMA Headquarters and Regions, other Federal agencies, States, Federally-recognized tribal governments, Territories, and local governments will convene to evaluate planning and project sub-applications on the basis of additional pre-determined qualitative factors. National Evaluation factors are:

FY 2007 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 SOW that demonstrates an understanding of the planning process and a methodology for completing the proposed mitigation plan	30%	N/A
Project sub-application demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures	N/A	20%
Durability of the financial and social benefits that will be achieved through the proposed mitigation project	N/A	15%
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%

APPENDIX C GRANT APPLICATION CHECKLIST

C.1 GRANT APPLICATION CHECKLIST

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

1. **Applicant Information:** All Applicants must provide name, type, and State of the Applicant, Congressional District, Type of Applicant, Legal status/function and facilities owned, State and Federal tax numbers, Federal Employer Identification Number or tribal Identification Number, and DUNS number. Identify application preparer and Point of Contact (POC).

Indicate whether the application is subject to review by the Executive Order 12372 process (select “Program is not covered by E.O. 12372” in *eGrants*), and whether the Applicant is delinquent on any Federal debt (provide a community name and explanation if so).

Indicate whether the community is considered small and impoverished.

2. **Contact Information:** All Applicants must provide the name, title, agency, address and e-mail of the POC and an Alternate POC.
3. **Community Information:** All Applicants must provide the State, Community name, County name and code, City code, FIPS code, CID number, CRS details, State Legislative District, U.S. Congressional District, FIRM/FHBM and NFIP details as well as the date of the most recent Community Assistance Visit.

Technical Assistance Applicants must indicate the entity that will benefit from the sub-application (use “Statewide”).

Project and plan Applicants must 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.

For multi-jurisdictional planning sub-applications, both an overall Community Profile, and a brief profile for each participating jurisdiction should be provided, as well as information on how the multi-jurisdictional planning effort will be coordinated.

4. **Mitigation Plan Information:** All Applicants must indicate whether the local entity that will benefit from the project sub-application is covered by a FEMA-approved tribal/local hazard mitigation plan and whether the State/Tribe/Territory is covered by

a FEMA-approved State/tribal Standard or Enhanced hazard mitigation plan. Describe how the proposed project aligns with the goals, objectives, and priorities identified in the existing State/tribal hazard mitigation plan. Provide reference to planning documents (*i.e.*, section and page number).

Technical Assistance/Management Cost Applicants must only indicate the title and if salary or supply costs are requested.

5. **Mitigation Activity Information:** Project Applicants must indicate the type of activity, intent, title, and whether construction will be done. Plan Applicants must 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 hazard mitigation plan, indicate how it will address identified deficiencies in a risk assessment. The updated hazard mitigation plan must include a modified mitigation strategy and corresponding action items.
6. **Problem Description:** Project and plan Applicants must describe the geographic area to be mitigated. Attach geographic/topographic maps as necessary.
7. **Hazard Information:** Project Applicants must identify the hazard to be mitigated by the project and the location and dimensions (*i.e.*, area, volume, depth) of the project, including project site location on at least a 1:24,000 scale U.S. Geological Survey (USGS) topographic map, photographs showing the project site, sketches, and/or drawings showing the project site (*e.g.*, appropriate sections of FIRM);

Plan Applicants must identify hazards specific to the area and the sources of the hazards.

8. **Scope of Work:** All Applications must describe the goals and objectives of the activity and how they will be implemented, including timeline/work schedule/milestones.

Project Applicants must address the need for the mitigation activity and provide a list of properties (and alternative properties) to be mitigated. The property information history must include owner name, address, latitude and longitude (See *Section 4.3, Mitigation Project Requirements*), type of structure, hazard to be mitigated, damage category, year built, flood zone designation, NFIP repetitive loss number (if applicable), property action, and property BCA information.

Plan applicants must address the plan development process.

Multi-jurisdictional planning sub-applications provide information on how the multi-jurisdictional planning effort will be coordinated.

9. **Decision Making Process:** Project Applicants must identify alternatives considered to address the hazard prior to deciding upon the proposed project and describe the

process used to determine that the proposed project is the best alternative to solve the identified problem and the reasons the alternatives were not selected.

10. **Cost Estimate:** All Applicants must provide all anticipated and potential costs for each activity, including Federal and non-Federal shares, including an Approved Indirect Cost Agreement, if applicable (See *Section 4.5, Cost Estimate*). Indicate all pre-award costs as separate line items. Provide documentation to support Applicant and Sub-applicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*).
 11. **Match Sources:** All Applicants must provide the non-Federal cost share details for the proposed activity, including documentation to support the non-Federal cost share and Applicant status as a small and impoverished community, if appropriate, for Federal cost share of up to 90% (See *Section 1.7, Cost Share Requirements*).
 12. **Cost-Effectiveness Information:** Project Applicants must provide complete BCA and documentation, including damage history, methodology used for the event frequency determination, and all BCA's to support the project BCR (See *Section 4.6, Cost Effectiveness*).
- Technical Assistance/Management Cost Applicants must provide an Approved Indirect Cost Agreement, if applicable. Management costs are exempt from a BCA.
- Planning grants are exempt from a BCA; therefore, a BCA is not required as a part of planning sub-applications.
13. **Environmental/Historic Preservation:** All Applicants must provide complete responses to established Environmental/Historic Preservation questions, and complete Environmental/Historic documentation (See *Section 4.7, Environmental/Historic Preservation Compliance*).
 14. **Maintenance and Schedule and Costs:** Project Applicants must provide a maintenance schedule, including cost information, and identify the entity that will perform long-term maintenance (See *Section 4.3.8, Project Maintenance*).
 15. **Evaluation Information:** Project and plan Applicants must provide responses to the questions for each sub-application for competitive National Ranking and Evaluation, including documentation for the BCA (See *Section 4.8, Evaluation Information*).
 16. **Assurance and Certifications:** All Applicants must complete the assurances and certifications including: Non-Construction Programs, FEMA Form 20-16A if applicable; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, and Standard Form LLL if applicable.

Incomplete sub-applications will be removed from further consideration.

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 C.F.R. 10.8(d)(2)(iii). Therefore, Environmental/Historic Preservation documentation is not required to be submitted with mitigation planning sub-applications. Applicants should select “No” for the CATEX questions in the Environmental Historic Preservation Information Section in eGrants for planning sub-applications during their review process (See *Section 1.6.3, Applicant Review of Sub-applications*).